LOCAL PLAN & COMMUNITY INFRASTRUCTURE LEVY

ECONOMIC VIABILITY STUDY

PREPARED ON BEHALF OF
SEFTON COUNCIL

By

DECEMBER 2014

Contents

TIMELINE

The initial evidence base to inform this study was prepared during the summer and autumn of 2014. As part of this we undertook a stakeholder presentation in October 2014. In preparing our report we had regard to 'A Local Plan for Sefton' Preferred Option Report (dated July 2013) as the most up to date version of the Local Plan.

During the period of our study the Council has been working towards completing its evidence base in support of the Local Plan and finalising the Local Plan and its policies for publication. The "Publication Draft Plan" incorporates a number of policy changes to those contained in the original Preferred Option version. As a result a number of policy references have altered and in some cases there have been changes to the wording of policies. The table below provides full details of the amended policy references and the original references in our report will need to be cross referenced against this table.

Preferred Option Policy	Equivalent Publication Policy
SD1 Strategic policy: Presumption in favour of Sustainable Development	SD1 Presumption in favour of sustainable development
SS1 Strategic Policy: Spatial Strategy for Sefton	No longer in a policy
SR1 Strategic Policy: Sustainable Growth and Regeneration	No longer a separate policy but elements covered by MN1 Housing and employment requirement and ED6 Regeneration
SR2 Extent of the Green Belt	Within MN7 Sefton's Green Belt
SR3 Housing requirement	Within MN1 Housing and employment requirement
SR4 Housing allocations and phasing	Within MN2 Housing, employment and mixed use allocations
SR5 Employment requirement and strategic employment locations	Within MN2 Housing, employment and mixed use allocations
SR5A Primarily Industrial Areas and Employment Allocations	Within MN2 Housing, employment and mixed use allocations and ED3 Primarily Industrial Areas
SR6 Regeneration	ED6 Regeneration ED9 Crosby Centre

Preferred Option Policy	Equivalent Publication Policy
SR7 Infrastructure and developer contributions	IN1 Infrastructure and developer contributions
SR8 Centres and Parades	ED2 Development in town, district and local centres, local shopping parades and other locations
SR9 Mixed use areas	ED4 Mixed Use Areas
SR10 Transport	IN2 Transport
SRS1 Strategic site: Crowland Street, Southport	No longer a policy. Now covered Within MN2 Housing, employment and mixed use allocations
SRS2 Southport Central area	ED7 Southport central area
SRS3 Southport Seafront	ED8 Southport Seafront
SRS4 Employment sites in Southport	No longer a policy
SRF1 Strategic site: Land north of Formby Industrial Estate	MN4 Land north of Formby Industrial Estate
SRM1 Strategic allocation : Land east of Maghull	MN3 Land east of Maghull
SRB1 The Port and Maritime Zone	ED1 The Port and Maritime Zone
ER1 Strategic policy: Environmental Assets	NH1 Environmental assets
ER2 Nature conservation and enhancement	NH2 Protection and enhancement of nature sites, priority habitats and species and NH3 Development in the Nature Improvement Area
ER3 Minerals	NH8 Minerals
ER4 Green infrastructure	NH5 Protection of public open space and other outdoor sports and recreation facilities available to the public EQ9 Provision of public open space, strategic paths and trees in development
ER5 The Sefton Coast and development	NH4 The Sefton coast and development

Preferred Option Policy	Equivalent Publication Policy
ER6 Heritage assets	NH9 Demolition or substantial harm to designated Heritage Assets NH10 Works affecting Listed buildings NH11 Development affecting Conservation Areas NH12 Development affecting Registered Parks and Gardens NH13 Development affecting archaeology and Scheduled Monuments NH14 Development affecting non-designated Heritage Assets
ER7 Landscape character.	NH7 Rural Landscape Character
CC1 Strategic policy: Climate change and carbon reduction	No longer a policy. Partially covered by policy SD2 Principles of Sustainable Development
CC2 Flood risk and surface-water management.	EQ8 Managing flood risk and surface water
CC3 Energy and carbon reduction	EQ7 Energy efficient and low carbon design
CC4 Making the best use of resources	Partly covered within EQ1 Principles for development and EQ7 Energy efficient and low carbon design
CC5 Waste	IN3 Managing Waste
P1 Strategic policy: People and places	Partly covered by both SD2 Principles of Sustainable Development and EQ1 Planning for a Healthy Sefton
PD1 Design	EQ2 Design
PD2 Education and care institution sites in the urban area	HC7 Education and care institution in the urban area
PD3 Development in the Green Belt	MN7 Sefton's Green Belt
PD4 House Extensions and Alterations	HC4 House extensions and alterations and conversions to Houses in Multiple Occupation and Flats.
PD5 Telecommunications	No longer a policy. Covered in chapter 9 Infrastructure
PD6 Advertisements	EQ11 Advertisements
PH1 Health and well-being	EQ1 Planning for a Healthy Sefton
PH2 Food and Drink Uses;	EQ10 Food and drink
PC1 Access and facilities	IN2 Transport and EQ3 Accessibility

Preferred Option Policy	Equivalent Publication Policy
PC2 Affordable housing	HC1 Affordable and special housing needs and HC2 Housing type, mix and choice
PC3 Planning for Travellers	HC5 Planning for Gypsies and Travellers
PC4 Community Facilities	HC6 Assets of community value
PA1 Development in Primarily Residential Areas	HC3 Residential development and development in Primarily Residential Areas
PA2 Planning enforcement	PIM1 Planning enforcement
PEP1 Pollution and Hazards	EQ4 Pollution and hazards and EQ5 Air quality
PEP2 Land Affected By Contamination.	EQ6 Land affected by contamination
No policy	NH6 Urban Golf courses
No policy	NH7 Rural Landscape Character
No policy	MN5 Land south of the Formby Industrial Estate
No policy	MN6 Land north of Brackenway, Formby
No policy	MN8 Safeguarded Land
No policy	ED5 Tourism

In certain cases some of the policies within the publication draft contain amendments which have an impact on viability or result in changes to the specific sites that we have tested as part of our original report. A new Section 11 has been added to our report to consider the impact of these changes to policies on plan viability.

December 2014

1.0 INTRODUCTION

1.01 Sefton Council ('the Council') is preparing a Local Plan to shape future development of the Borough up to the year 2030. The emerging Local Plan (Publication Draft Local Plan) includes site allocations for a range of land uses including housing, employment and other uses. The Council will need to demonstrate that any housing, mixed-use or employment sites that are allocated in the Local Plan are viable and deliverable for development.

1.02 The emerging Local Plan contains a number of planning policies which may impact on the viability of development. To inform the site allocations and overall Plan delivery, the Council needs to determine the impact of plan policies on development viability. This will ensure that in accordance with the National Planning Policy Framework (NPPF) the sites and scale of development are not subject to such a scale of obligations, standards and policy burdens that cumulatively threatens the plan's ability to be developed viably.

1.03 Keppie Massie, in conjunction with the White Young Green Group ('WYG') have been commissioned by the Council to consider the cumulative impact of the proposed Local Plan Policy requirements on viability and deliverability, and to make recommendations concerning the overall compatibility of such policies with deliverability. The first sections of this report provide an assessment as to the overall viability of development in the Borough and consider which policies can be afforded having regard to the development viability.

1.04 We also assess the prospects for the introduction of a Community Infrastructure Levy (CIL) in the Borough.

1.05 Overall, the aim of the study is to satisfy the tests of viability and deliverability laid down in the NPPF.

1.06 **Format of Report**

1.07 The report is split into 10 different sections, and begins by providing an overview of the Local Plan and its key policies, before details of our methodology, a property market commentary, and the results of both our generic and site specific testing are set out. Initial conclusions are then made regarding Plan viability and delivery, before we consider whether there are prospects to introduce CIL.

1.08 For ease of reference, the report is structured based on the following sections:-

1.09 ***Section 2 – Planning Policy Context***

Here we have provided an overview of the emerging Local Plan together with an outline of the allocations and plan policies which impact on viability and delivery.

1.10 ***Section 3 – Methodology***

In this section we outline the methodology that has been adopted for the study and the viability assessments, together with the rationale for the development scenarios tested.

1.11 ***Section 4 – Overview of Sefton***

This section provides general information about the social and economic characteristics of Sefton, together with an overview of the residential and non-residential property markets.

1.12 ***Section 5 – Financial Appraisal Assumptions***

This section outlines the key assumptions that we have made in preparing our financial assessments including details of how we have addressed specific Local Plan Policies.

1.13 ***Section 6 – Baseline Viability Results and Local Plan Policy Options***

This section provides an overview of the results from both the generic testing (using typical hypothetical schemes to test development viability) and site specific viability (testing specific allocated sites contained within the Local Plan). This is followed by a commentary outlining the results and the impact of the Local Plan policies on viability.

1.14 ***Section 7 – Stakeholder Consultation***

This section provides a review of the Stakeholder Consultation that has taken place, together with a review of each of the Stakeholder responses received. Each Stakeholder's response is then reviewed, before an assessment is provided detailing how the Stakeholder's comments have been taken into account in the study.

1.15 ***Section 8 – Economic Profiling and Sensitivity Analysis***

This section provides our thoughts regarding future economic trends and sensitivity analysis. The baseline results are then subjected to the testing, and the results are outlined in graphical form.

1.16 ***Section 9 – Plan Viability and Deliverability***

Within this section we have outlined the key policy options that have implications for viability and an overview of the methodology adopted in costing these policies, together with the resultant implications for viability.

1.17 ***Section 10 – Prospects for CIL***

This section provides guidance for the Council in considering the extent to which they may wish to take forward CIL as a mechanism for securing developer contributions in order to fund infrastructure.

2.0 PLANNING POLICY CONTEXT

2.01 **Background**

2.02 The Council is in the process of preparing a Local Plan, which will set out how new development will be managed in the period from 2012 to 2030.

2.03 The Local Plan will replace the Saved Policies contained within the Sefton Unitary Development Plan (which was adopted in 2006), and sets out how the Council intends to provide for development to meet the needs of the community. In addition, the Local Plan will provide a new policy framework for making decisions on planning applications, outline the Council's priorities for investment in housing, employment, and infrastructure, and set out a strategic policy framework for Neighbourhood Plans.

2.04 It is understood that the Council have previously consulted on a document titled 'Options for the future of Sefton' in 2011. The Council have since published 'A Local Plan for Sefton' Preferred Option Report (dated July 2013 – and henceforth referred to as the 'Draft Local Plan') which incorporates a number of key changes to the planning system including the adoption of the National Planning Policy Framework ('NPPF'), the Localism Act (2011) and the revocation of the Regional Spatial Strategy Housing Targets.

2.05 The Draft Local Plan received 1,200 responses during the consultation period. Our study has regard to the Draft Local Plan (July 2013) as the most up to date version of the plan (which is detailed above). During the Draft Local Plan consultation, a number of additional sites (or extensions to proposed sites) were suggested for development by landowners/developers/agents. At the time this report was completed the Council had not taken a view on whether any of these sites would be included in the next stage of the Draft Local Plan.

2.06 **Strategic Policies**

2.07 A number of policies within the Draft Local Plan guide the location, scale and specification of new development within Sefton, and we have provided a short summary of the most pertinent policies in respect of this study.

2.08 ***Policy SD1 – Presumption in Favour of Sustainable Development***

2.09 The National Planning Policy Framework ('NPPF') was adopted in March 2012, and sets out the Government's planning policies for England and Wales, and details how these are expected to be applied. The NPPF is centred around the concept of 'sustainable development'.

2.10 According to Paragraph 7 of the NPPF, there are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles:-

- *an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;*
- *a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and*
- *an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.*

2.11 This policy is included within the Draft Local Plan to ensure that the decision making process adheres to the policies contained within the NPPF, and that a positive approach reflecting the presumption in favour of sustainable development is considered when assessing development proposals.

2.12 ***Policy SS1 – Spatial Strategy for Sefton***

2.13 This Policy sets out where new development will be located within the Sefton. Using the principle that development should meet local needs, make best use of Sefton's assets and resources (with a particular emphasis on the development of Brownfield land), be located on sites with the fewest environmental constraints, and should be located in accessible locations, the policy states that the majority of new development will concentrated in and adjacent to the following key towns:-

- Southport
- Formby

- Crosby
- Maghull
- Bootle/Netherton

2.14 ***Policy SR3 – Housing Requirement***

2.15 This Policy outlines that in order to meet the minimum target of delivering 10,700 new homes in Sefton between 2012 and 2030, an annual average of at least 510 new dwellings per annum (in addition to an amount for backlog and a 5% buffer) must be provided, equating to about 594 dwellings per annum.

2.16 ***Policy SR4 – Housing Allocations and Phasing***

2.17 The following sites are allocated for housing development in order to meet the Borough's housing requirements. Please note that the following abbreviations are used within the Table 2.1 below and each refer to the sites respective allocations within the Council's Unitary Development Plan (2006). 'GB' refers to 'Green Belt' sites, whilst 'GS' refers to 'Greenspace' sites.

Table 2.1: Draft Local Plan Residential Land Allocations

Site Ref	Location	Area (ha)	Capacity (no dwellings)
Southport			
SR4.1	Bartons Close, Southport	1.0	36
SR4.2	Land at Bankfield Lane, Churchtown North (Allocated as Green Belt within UDP – GB)	4.7	120
SR4.3	Land at Moss Lane – Churchtown South (GB)	19.67	538
SR4.4	Land at Crowland Street (GB)	10.1	265
SR4.5	Land at Broome Road, Southport (GS)	8.5	223
SR4.6	Former Ainsdale Hope School, Meadow Lane, Ainsdale (Allocated as Greenspace within UDP – GS)	8.27	217
SR4.7	Former St John Stone School, Meadow Lane, Ainsdale	1.3	35
SR4.8	Meadows ATC, Sandbrook Road, Ainsdale	2.6	70
SR4.9	Segar's Farm, Coastal Road, Ainsdale (GB)	20.21	531
SR4.10	Land south of Moor Lane, Ainsdale (GB)	5.17	136
Total			**2,171**

Site Ref	Location	Area	Capacity (no dwellings)
Formby			
SR4.11	Land north of Brackenway, Formby (GS)	6.43	169
SR4.12	Former Holy Trinity School, Lonsdale Road, Formby (GS)	0.92	25
SR4.13	Formby Professional Development Centre, Park Road, Formby (GS)	1.57	15
SR4.14	Land at Liverpool Road, Formby	14.16	372
SR4.15	Land at Altcar Lane, Formby	2.53	67
SR4.16	Land at Andrew's Close, Formby (GB)	4.59	120
Total			**768**
Crosby			
SR4.17	Land at Elmcroft Lane, Hightown (GB)	1.18	36
SR4.18	Land at Sandy Lane, Hightown (GB)	0.72	22
SR4.19	Land at Hall Road West, Crosby (GB)	0.82	14
SR4.20	Land at Southport Old Road, Thornton (GB)	3.24	85
SR4.21	Land west of Holgate, Thornton (GB)	6.75	177
SR4.22	Land east of Holgate, Thornton Road (GB)	2.0	63
SR4.23	Land at Lydiate Lane, Thornton (GB)	8.96	235
SR4.24	Tanhouse Farm, Runnells Lane, Thornton (GB)	1.76	46
SR4.25	Land south of Runnells Lane, Thornton (GB)	5.23	137
Total			**810**
Maghull			
SR4.26	Former Prison Site, Park Lane, Maghull (GB)	13.61	357
SR4.27	Land east of Maghull (GB)	60.5	1,588
SR4.28	Land east of Waddicar Lane, Melling (GB)	5.37	141
SR4.29	Wadacre Farm, Melling (GB)	5.48	144
SR4.30	Land at Wango Lane, Aintree (GB)	1.81	57
Total			**2,287**

Site Ref	Location	Area	Capacity (no dwellings)
Bootle & Netherton			
SR4.31	Aintree Curve Site, Ridgewood Way, Netherton	7.2	90
SR4.32	Z Block Sites, Buckley Hill Lane, Netherton	3.5	100
SR4.33	Former St Raymond's School playing field, Harrops Croft, Netherton (GS)	2.12	73
SR4.34	Land at Pendle Drive, Netherton	1.4	52
SR4.35	Former Bootle High School, Browns Lane (build footprint only)	1.4	50
SR4.36	Former Daleacre School, Daleacre Drive, Netherton (GS)	1.03	37
SR4.37	Land at Sterrix Lane, Netherton (GS)	1.6	50
SR4.38	Land adjacent to Our Lady Queen of Peace School, Ford Close, Litherland (GS)	1.16	42
SR4.39	Former Rawson Road County Primary School, Rawson Road, Bootle (GS)	0.96	30
SR4.40	Former St Wilfrid's School, Bootle (GS)	6.6	198
SR4.41	Klondyke redevelopment phases 2 and 3	4.18	110
SR4.42	Former St Joan of Arc School, Rimrose Road, Bootle (GS)	1.3	48
SR4.43	Former St Mary's Primary School playing fields (GS)	1.1	40
Total			**920**
Total from all Allocations			**6,956**

2.18 This Policy also provides an indicative phasing plan (albeit for a limited number of sites), and lists a number of sites on which consent will be granted in the event that after 2020 a 5 year supply of housing land is compromised.

2.19 ***Policy SR5 – Employment Requirement and Strategic Employment Locations***

2.20 This policy states that new employment development will be delivered on strategic employment sites, allocated employment sites; land within primarily industrial areas, and on other suitable sites within Sefton.

2.21 Five Strategic Employment Locations are identified, which include:-

a. Southport Business Park and its Extension – 19.2 ha (gross)
b. Three sites along Dunningsbridge Road Corridor, Netherton – 38.7 ha (gross)
c. Land to the East of Maghull close to junction 1 of the M58 – c.25 ha (gross)
d. Land to the North of Formby Industrial Estate – 13.8 ha (gross)
e. Part of land to the South of Crowland Street, Southport – min.7.5 ha (gross)

2.22 A number of 'Primary Industrial Areas' are listed where general industrial, office and light industrial uses, and storage and distribution uses would be permitted. These are listed within Policy SR5A, and amount to a gross area of 13.75 ha.

2.23 ***Policy SR6 – Regeneration***

2.24 This Policy sets out the regeneration priorities of the Council, which are focused on the regeneration and remodelling of centres, the redevelopment of derelict and vacant land in Bootle, and the focusing of investment and development in South Sefton in the identified employment areas.

Table 2.2: Draft Local Plan Regeneration Priority Areas

Priority	Specific Area
Regeneration of Centres	1. Southport Town Centre and Seafront 2. Crosby and Maghull District Centres 3. Seaforth
Regeneration in Bootle	1. 495-509 Hawthorne Road (5.2 ha) 2. Peoples Site, Hawthorne Road (7.0 ha) 3. Former Gasworks Site, Marsh Lane (6.3 ha)
Regeneration of Employment Areas	1. Dunningsbridge Road Corridor, Netherton 2. Bootle Office Quarter

2.25 ***Policy SR7 – Infrastructure and Developer Contributions***

2.26 This Policy sets out the mechanism for which CIL and S.106 agreements will be used to provide the required infrastructure and to enhance existing infrastructure alongside new development.

2.27 ***Policy SR8 – Development in Town Centres, District Centres and Local Centres and Local Shopping Parades***

2.28 This Policy states that retail, leisure and other complimentary/town centre uses will be directed towards the Borough's existing centres in accordance with the following hierarchy:-

Table 2.3: Draft Local Plan Town Centre Hierarchy

Location	Specific Area
Town Centres	Bootle and Southport
District Centres	Crosby, Formby, Maghull and Waterloo
Local Centres	Ainsdale, Birkdale, Churchtown, Netherton and Old Roan

2.29 **Strategic Site Allocations**

2.30 Policies SRS 1, SRF 1 and SRM 1 of the Draft Local Plan contain bespoke policies in relation to the Strategic Development Sites to identify specific requirements for planning applications. These strategic sites are as follows:-

Table 2.4: Draft Local Plan Strategic Sites

Policy	Area	Summary of Policy
SRS 1	Crowland Street, Southport	Mixed use development site. Anticipated that half will be developed as housing, with the remainder developed out for employment uses.
SRF 1	Land North of Formby Industrial Estate	Land allocated as a Business Park, with uses restricted for B1 use.
SRM 1	Land East of Maghull	• Minimum of 45ha of housing development (gross). • Minimum of 25ha of serviced employment land (gross). • Provision of 20.5ha of strategic greenspace. • Developer will be required to contribute towards new M58 slip road and Maghull North Station.

2.31 ***Policy ER4 - Green Infrastructure***

2.32 This above policy states that development proposals and other initiatives should seek to help protect, enhance and extend Sefton's green infrastructure networks where appropriate. Items listed as comprising 'green infrastructure' include the Sefton Coast, public open space, Sefton's network of paths and cycle ways, sites of acknowledged nature conservation or geological importance, adopted Sustainable Drainage Systems ('SuDs') and land formally designed to manage surface water and flood risk, and trees. A number of the development specific policies related to the increased provision of green infrastructure are contained in separate policies which are listed below.

2.33 Notwithstanding this, in respect of the provision of public open space, the above policy states that on site provision in line with the standards set out in figure ER4-2 of the Draft Local Plan is required on sites of 50 homes or more, or where the site is a phase within a larger scheme. Financial contributions may be secured as a planning obligation through a Section 106 agreement, where the development would otherwise be unacceptable, through the Community Infrastructure Levy (CIL) or through other agreements.

2.34 We understand that the Council may seek to amend the specific wording of this policy, but at present it is considered that the proposed amendments will have a minimal impact on viability.

2.35 ***Policy CC2 - Flood Risk and Surface Water Management***

2.36 The above policy states that development will be located in areas at lowest risk of flooding. This policy encourages developments to incorporate SuDs in preference to removal of surface water through existing sewers. Robust justification is required for any development seeking to connect surface water run-off to the public sewer network.

2.37 ***Policy CC3 - Energy and Carbon Reduction***

2.38 Policy CC3 of the Draft Local Plan promotes energy efficiency and low carbon design for new developments across the borough. Measures to reduce greenhouse gas emissions include making the most of natural solar gain, using renewable energy where practicable and using low emission vehicles. National standards for energy efficiency should be met, and larger development schemes are expected to provide at least 10% of the predicted energy requirement from on–site or decentralised renewable energy sources. The Council positively encourages developments which meet higher energy efficiency standards; in line with the higher levels of the Code for Sustainable Homes or/BREEAM levels.

2.39 We understand that the Council may choose to expand this policy, to ensure that major new-build developments utilise the local opportunities for decentralised energy schemes and/or district heating where appropriate. This may include ensuring that development provides the necessary network and infrastructure, allows for future connectivity, and meets capital costs to take advantage of the potential local opportunities.

2.40 ***Policy CC4 - Making the best use of Resources***

2.41 The purpose of this policy is to promote sustainability for new developments in terms of the consumption of resources. Measures to achieve this include favouring Brownfield sites in order to promote land efficiency; use of renewable or recycled materials is encouraged, as are SuDs in line with policy CC2 and the use of efficient/low carbon energy in line with policy CC3. It is also stated that new residential development should achieve a minimum density of 30 dwellings per hectare, except where a lower density can be justified with regard to the local area.

2.42 ***Policy PD1 – Design***

2.43 This policy seeks to ensure that new development comprises high quality design which responds positively to the townscape, local character and distinctiveness of the surroundings. A list of consideration factors is provided within the plan, which includes scale, density, massing, layout, frontages, architecture, safety, accessibility and public realm amongst other factors.

2.44 ***Policy PD3 – Development in the Green Belt***

2.45 The above policy outlines the types of development that will be permitted in the Green Belt having regard to openness and permanence. Buildings for agriculture and forestry and appropriate facilities for outdoor sport, recreation, and for cemeteries are permitted.

2.46 ***Policy PC2 - Affordable and Special Needs Housing***

2.47 This policy states that 30% of bed spaces within a new development should comprise Affordable Housing units on the development of 15 units or more in all areas of the Borough other than Bootle. The tenure will be split by 80% social rented and 20% intermediate housing.

3.0 METHODOLOGY

3.01 **Economic Viability Framework**

3.02 The National Planning Policy Framework 2012 (NPPF) introduces a new focus on viability in considering appropriate Development Plan Policy. Paragraph 173 states that:-

3.03 "*Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and 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.*"

3.04 In addition to the above, the NPPF (paragraph 174) states that:-

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

3.05 This report provides an analysis of the deliverability and economic viability (satisfying the requirements of the NPPF) of the sites in Sefton including those allocated for development within the emerging Local Plan, taking into account the policy standards contained within the plan.

3.06 The Local Housing Delivery Group has published advice for planning practitioners titled "Viability Testing Local Plans" This guidance recommends that (page 10):-

"The approach to assessing plan viability should recognise that it can only provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability. It cannot guarantee that every development in the plan period will be viable, only that the plan policies will be viable for the sufficient number of sites upon which the plan relies in order to fulfil its objectively assessed needs."

3.07 The guidance states that:-

"An individual development can be said to be viable if, after taking account of all costs, including central and local government Policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered."

3.08 In addition the advice set out within the NPPF (paragraph 175) states that "*where practical, CIL charges should be worked up and tested alongside the Local Plan"*.

3.09 **Appraisal Methodology**

3.10 In preparing the baseline viability assessments, we have adopted the Residual Valuation Approach. This is where the value of the completed development is assessed and the cost of undertaking the development (including the cost of land, finance and planning obligations) is deducted, along with a target developer's profit return. The residual sum that is left represents the development surplus or "headroom". Consideration of this then allows an informed decision to be made about the viability of the development in general, and in particular, the ability to fund other planning policy options, involving additional costs for development, including developer contributions policies and also the prospect for the introduction of a CIL tariff.

3.11 Table 3.1 provides a simple diagram illustrating this approach:-

Table 3.1: Residual Valuation Approach

Gross Development Value (value of the completed development scheme)
Less
Cost of Development (inclusive of build costs, fees, finance, land cost)
Less
Other Costs (inclusive of existing planning obligations)
Less
Developers Target Profit
= Development Surplus or "Headroom"

3.12 This methodology is recognised and supported by the Royal Institution of Chartered Surveyors (RICS) in relation to the valuation of development land. The RICS Guidance Note 'Financial Viability in Planning' defines viability for planning purposes as (paragraph 2.1.1) *"an objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, whilst ensuring an appropriate site value for the land owner and a market risk adjusted return to the developer in delivering that project".*

3.13 The guidance note defines site value as (paragraph 2.3.1) follows: *"site value should equate to the market value subject to the following assumption; that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan".*

3.14 When undertaking area wide viability testing, the guidance suggests that a second assumption needs to be applied to this definition, namely (paragraph 2.3.3): *"Site value may need to be further adjusted to reflect the emerging Policy/CIL charging level. The level of the adjustment assumes that site delivery would not be prejudiced."*

3.15 We have assessed Market Value in accordance with VPS4 1.2 and IVS Framework paragraph 29. Under these provisions, the term *"Market Value"* is defined as *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".*

3.16 The document 'Viability Testing Local Plans' suggests that viability testing of Local Plans does not require a detailed viability appraisal of every site anticipated to come forward over the plan period. As a consequence of the potentially widely different economic profiles of sites within the local area, it suggests:-

A more proportionate and practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies."

3.17 In preparing our residual appraisals, it has been necessary to make certain assumptions, both in relation to the form of development and also the variables adopted in each of the appraisals based upon a significant quantity of data. Inevitably, given the diverse character of the property market in Sefton, the data does not necessarily fit all eventualities and every development site will be unique. It has therefore been necessary to draw upon our development experience and use our professional knowledge to derive a data set that best fits the typical characteristics of the site allocations and form of development in the Borough and can be considered reasonable.

3.18 It should be noted that when adopting the Residual Valuation Approach, the end result is extremely sensitive to even the smallest of changes in any of the assumptions which feed into the appraisal process. We are satisfied however that our approach and the assumptions that we have made are appropriate to the property market characteristics within Sefton and represent the most reasonable approach given the appropriate available evidence at the time of preparing this study.

3.19 **Baseline Development Scenarios**

3.20 ***Residential***

3.21 Generic Testing

3.22 Residential development in Sefton has been shaped by the social and economic differences across the Borough.

3.23 The presence of Housing Market Renewal Pathfinder Areas in Bootle and the consequent focus of demolition and redevelopment both at Bedford Queens and the Klondyke have led to a high concentration of new housing development in the lower value areas of Bootle.

3.24 Over the course of the next 5 years, the 2013 SHLAA predicts that the following site typologies will supply the following numbers of dwellings:-

Table 3.2: 2013 SHLAA Estimated Site Delivery Typologies

Site Typology	SHLAA Estimate of 5 year housing delivery	Percentage
Strategic/allocated sites	1,225	47%
Regeneration sites	427	16%
Surplus Council owned sites	196	8%
Small Sites (less than 20 units)	444	17%
Conversion sites	299	12%
Total	**2,591**	**100%**

3.25 Having regard to planning policy, recent developments, and the general character of the borough, new development is likely to comprise the development of strategic and allocated sites. Over half of the strategic and allocated sites comprise Green Belt release, which are complemented by a provision of Brownfield sites.

3.26 In the higher value areas including Birkdale, Formby and Blundellsands it is considered likely that some schemes may be built at a lower density and may comprise predominantly detached dwellings. In such instances, there is likely to be a focus on 3, 4 and 5 bed dwellings which will provide a more 'executive' mix of dwellings.

3.27 We have analysed recent planning applications across the Borough to inform our assumptions. The 2013 SHLAA allocated standard site densities of between 30 and 40 dwellings per hectare, depending on the shape of the site and the character of the surrounding area, with higher densities applied to a minority of sites that were considered appropriate for apartment development. The SHLAA assumed lower densities within areas where it was considered likely such low density development would be provided.

3.28 To arrive at a typical housing mix for the purpose of our testing we have undertaken an analysis of previous planning permissions across the Borough. The data from this analysis is contained at table 3.3.

3.29 In view of the findings of the 2014 Strategic Housing Market Assessment ('SHMA') with a focus towards smaller housing types, it was agreed that testing would be undertaken based on the mix detailed in table 3.4.

Table 3.3: Analysis of Development Mixes

Development	1 Bed	2 Bed	3 Bed	4+ Bed
Land west of Southport & Formby DGH, Town Lane, Southport	24%	65%	2%	9%
Ph 1b&2 Bedford/Queens, Balliol Road, Bootle	0%	31%	48%	21%
Site of Sefton Works, Field Lane, Litherland	0%	0%	100%	0%
Ph 3 B/Q Land between Exeter Road &, Keble Road, Bootle - Regency Park Phase 3 - Keepmoat	0%	22%	68%	11%
Littlewoods Site, Kershaw Avenue, Crosby - Hawthorn Park - Bellway	0%	0%	10%	90%
Klondyke Ph1, Hawthorne Road, Bootle	0%	6%	94%	0%
Former Hugh Baird College Site, Church Road, Litherland - Church Fields - Bellway	0%	0%	76%	24%
St Thomas More Centre, Liverpool Road, Southport - Links View - Bellway	0%	0%	35%	65%
The Plough, Ennerdale Road, Southport - Kingswood Homes	0%	36%	43%	21%
Hartley Grange, Pilkington Road, Southport - Bellway	0%	3%	68%	28%
Aspen Gardens, Southport - Broadley Developments	0%	0%	100%	0%
Thornton Cross, Thornton - Elan Homes	0%	0%	100%	0%
Sefton Mill Phase 1 - Persimmon Homes	0%	19%	24%	57%
Regency Park Phase 3, Bootle - Keepmoat Homes	0%	22%	68%	11%
Coffee House Bridge, Bootle - Keepmoat Homes	0%	23%	77%	0%
Average	**2%**	**15%**	**61%**	**22%**

3.30 The SHMA suggested that due to an aging population and reducing family sizes there will be greater demand for smaller units in the future. In compliance with the findings of the SHMA, we have sought to test a dwelling mix focusing on smaller units as opposed to necessarily following the character of existing developments built out over the course of the last 3 years.

Table 3.4: Dwelling Mix for Housing at 30 & 40 dph

No Bedrooms	1	2	3	4	5
Percentage	5%	35%	50%	6%	4%

3.31 We are aware of a number of residential developments which have been constructed in recent years (particularly in Southport) comprising entirely apartments. We have therefore considered the viability of apartment developments based on the two schemes illustrated in Table 3.5.

Table 3.5: Dwelling Mix for 'Apartments'

No of Units	No of Bedrooms		
	1	2	3
10	0 (0%)	10 (100%)	0 (0%)
50	10 (20%)	30 (60%)	10 (20%)

3.32 The hypothetical development scenarios we have formulated for the baseline residential viability testing are reflective of the form of residential development, either recently undertaken or anticipated to be completed in Sefton in future years.

3.33 In preparing the hypothetical development scenarios, we have had regard to the sizes of dwellings within new developments throughout the Borough as evidenced by our analysis of planning permissions (so as to ensure the assumptions are appropriate having regard to the likely forms of development). Table 3.6 summarises the average dwelling sizes from recent planning consents. We have also had regard to the Housing Quality Indicators used as a measure by the Homes & Communities Agency, which are summarised in Table 3.7.

3.34 Whilst we have had regard to the average dwelling sizes contained in Table 3.6, they do not necessarily follow the dwelling sizes that have been adopted. Larger unit sizes in respect of 4 bed dwellings in particular on both the proposed Powerhouse Site and on the Links View development increase the average unit size above what we consider to be reflective of housing delivery across the Borough. Therefore, where appropriate, the dwelling sizes adopted have been modified. In respect of 1 bed dwellings, due to the fact we are assessing the delivery of houses as opposed to flats, we have increased the dwelling size to reflect the increased area that will need to be built out to provide reasonable accommodation.

3.35 In respect of the apartment unit sizes, given the limited number of apartments provided across the Borough in recent years, we have had regard to the unit sizes observed within surrounding areas, including Liverpool, St Helens and West Lancashire, and across the North West.

Table 3.6: Analysis of Dwelling Sizes (Gross Internal Area)

	Density	Average Sizes (sq.ft)			
	dph	1 bed	2 bed	3 bed	4 bed	5 bed
The Plough, Southport - Kingswood Homes	44.4		831	947	1,184	
Hartley Grange, Southport - Bellway	44.3		620	981	1,364	
Links View, Ainsdale - Bellway Homes	28.8			935	1,533	1,944
Thornton Cross, Thornton - Elan Homes	30.3			1,278		
Hawthorn Park, Crosby - Bellway	28.0			943	1,307	
Church Fields, Litherland - Bellway	38.7			838	1,151	
Sefton Mill Phase 1 - Persimmon Homes	33.9		774	1,017	1,232	
Regency Park Phase 3, Bootle - Keepmoat Homes	54.1		665	877	1,188	
Coffee House Bridge, Bootle - Keepmoat Homes	42.3		665	836		
Powerhouse Site	29.3			964	1,458	
Average			**711**	**962**	**1,302**	**1,944**

Table 3.7: HCA Housing Quality Indicators

Dwelling Type	1 bed	2 bed	3 bed	4 bed
Size Range (sq.ft)	323 - 538	614 - 807	883 - 1,076	1,163 - 1,238
Size Range (sq.m)	30 - 50	57 - 75	82 - 100	108 -115

3.36 Tables 3.8 & 3.9 illustrate the dwelling sizes that we have adopted for the purpose of the baseline testing.

Table 3.8: Summary of House Sizes (Gross Internal Area)

Houses	1 bed	2 bed	3 bed	4 bed	5 bed
sq.m	56	65	86	116	158
sq.ft	603	700	925	1,250	1,700

Table 3.9: Summary of Apartment Sizes (Gross Internal Area)

Apartments	1 bed	2 bed	3 bed
sq.m	56	70	86
sq.ft	603	750	925

3.37 In developing an appropriate matrix of dwelling numbers to test, we have had regard to the likely size of developments coming forward as outlined within the SHLAA, which comprise mainly Brownfield sites within existing urban areas. Based on the above, we have prepared a number of development scenarios comprising the development of 5, 10, 15, 20, 50 and 100 units. The development of larger sites has been tested on a site specific basis, which is considered later within the report.

Table 3.10: Residential Capacity of SHLAA Sites

Market Area	1-10 Units	11-25 Units	26-50 Units	51-100 Units	101-250 Units	Total
Southport	7	5	2			14
Netherton	12	3	2	4		21
Maghull & Aintree	6					6
Formby	3	1		1		5
Crosby & Hightown	10	3				13
Bootle	11	6	8	3	1	29
Total	**49**	**18**	**12**	**8**	**1**	**88**

3.38 Table 3.11 below summarises the number of dwellings, mix and total floor space of each hypothetical development scheme tested. Table 3.12 contains details of the apartment typologies tested.

Table 3.11: Summary of Residential Schemes Tested

Scheme	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total Units	Total (sq.m)	Total (sq.ft)
1	0	2	3	0	0	5	388	4,177
2	0	4	5	1	0	10	806	8,676
3	1	5	7	1	1	15	1,257	13,531
4	1	7	10	1	1	20	1,645	17,707
5	2	18	25	3	2	50	4,096	44,090
6	5	35	50	6	4	100	8,183	88,084

Table 3.12: Summary of Apartment Schemes Tested

Units	1 Bed	2 Bed	3 Bed	Total Units	Total (sq.m)	Total (sq.ft)
10	3	7	0	10	658	7,083
50	10	30	10	50	3,680	39,611

3.39 Based on housing need, the 2014 SHMA states that the following allocations should be provided in respect of Affordable Housing Stock:-

- 45-50% 1 bed properties
- 20-25% 2 bed properties
- 20-25% 3 bed properties
- 5-10% 4 bed properties

3.40 In terms of typical developments of estate housing it is considered unlikely that many one bed properties will be provided. Such dwellings are more likely to be provided within purpose built apartments or extra care developments. Having regard to this, the following dwelling mix at table 3.13 has been adopted (as a proportion of bed spaces) for the purpose of testing viability of on-site affordable housing provision. The composition outlined below reflects the conclusions of the SHMA and Affordable Housing Viability Study, regarding the demand for smaller affordable dwellings across the Borough.

Table 3.13: Affordable Dwelling Mix at 30 & 40 dph

No Bedrooms	1	2	3	4	5
% Affordable Housing	5%	35%	50%	0%	0%

3.41 In relation to the residential development sites we have adopted the methodology taken from the SHLAA to arrive at an appropriate gross and net developable site area. This methodology is summarised in Table 3.14 below:-

Table 3.14: Net Developable Areas (SHLAA 2013)

Total Site Area	Net Developable Area
Less than 0.4 ha	100% of developable area
0.4 ha to 2 ha	90% of developable area
Sites over 2 ha	75% of the developable area

3.42 For the residential developments, the net developable area has been calculated at densities of 30 and 40 dph, and then the gross site area calculated with reference to the above Table 3.14. The respective site areas are contained in Table 3.15 and 3.16

Table 3.15: Gross and Net Site Areas at 30 dph

Scheme	No Units	Total Built Area (sq.m)	Net Site Area (ha)	Gross Site Area (ha)
1	5	388	0.17	0.17
2	10	806	0.33	0.33
3	15	1,257	0.50	0.50
4	20	1,645	0.67	0.74
5	50	4,096	1.67	1.85
6	100	8,183	3.33	4.44

Table 3.16: Gross and Net Site Areas at 40 dph

Scheme	No Units	Total Built Area (sq.m)	Net Site Area (ha)	Gross Site Area (ha)
1	5	388	0.13	0.13
2	10	806	0.25	0.25
3	15	1,257	0.38	0.42
4	20	1,645	0.50	0.56
5	50	4,096	1.25	1.39
6	100	8,183	2.50	3.33

3.43 Site Specific Testing

3.44 The 2013 SHLAA states that 47% of all new residential units will be delivered on strategic and allocated sites. Having regard to this, we have tested the viability of the Draft Local Plan strategic sites listed below within Table 3.17. This testing allows us to gain an understanding of viability on larger sites, and also assess the impact on viability of future plan policies on these Sites to determine whether they are deliverable.

3.45 Having regard to this, we have tested the viability of development on the following site specific locations:-

Table 3.17: Residential Site Specific Testing Scenarios

Address/Policy Reference	Site Type	Net Area (ha)	Units
SR4.3 Land at Moss Lane – Churchtown South	Green Belt	14.75	538
SR4.5 Land at Broome Road, Southport	Urban Greenspace	6.38	223
SR4.6 Former Ainsdale Hope School, Ainsdale	Green Belt	6.2	217
SR4.10 Land south of Moor Lane, Ainsdale	Green Belt	3.88	136
SR4.2 Land at Bankfield Lane – Churchtown North	Green Belt	3.53	120
SR4.14 Land at Liverpool Road, Formby	Green Belt	10.62	372
SR4.11 Land north of Brackenway, Formby	Green Belt	4.82	169
SR4.16 Land at Andrew's Close, Formby	Green Belt	3.44	120
SR4.23 Land at Lydiate Lane, Thornton	Green Belt	6.72	235

Address/Policy Reference	Site Type	Net Area (ha)	Units
SR4.21 Land west of Holgate, Thornton	Green Belt	5.06	177
SR4.25 Land south of Runnells Lane, Thornton	Green Belt	3.92	137
SR4.29 Wadacre Farm, Melling	Green Belt	4.11	144
SR4.28 Land east of Waddicar Lane, Melling	Green Belt	4.03	141
R4.40 Former St Wilfrid's School, Bootle	Urban Greenspace	4.95	198

3.46 The unit sizes, development mixes adopted are in accordance with tables 3.4 and 3.8. We have also included on site affordable provision on the basis of the mix in table 3.13.

3.47 The gross site areas used within the Site Specific testing scenarios have been sourced from the Draft Local Plan. A net area has then been assessed with regard to the methodology contained within the SHLAA (as detailed within Table 3.9 above).

3.48 The number of dwellings has been calculated based on densities of around 35dph, with the exception of St Wilfrid's School in Bootle which having regard to site characteristics has been assessed using a density of 40dph. A full summary is provided at Appendix 4.

3.49 A summary of the area assumptions are contained within Table 3.18 below:-

Table 3.18: Gross and Net Areas for the Site Specific Testing

Address/Policy Reference	Units	Gross Area	Net Area	Density
SR4.3 Land at Moss Lane – Churchtown South	538	19.67	14.75	36
SR4.5 Land at Broome Road, Southport	223	8.5	6.38	35
SR4.6 Former Ainsdale Hope School, Ainsdale	217	8.27	6.2	35
SR4.10 Land south of Moor Lane, Ainsdale	136	5.17	3.88	35
SR4.2 Land at Bankfield Lane – Churchtown North	120	4.7	3.53	34
SR4.14 Land at Liverpool Road, Formby	372	14.16	10.62	35
SR4.11 Land north of Brackenway, Formby	169	6.43	4.82	35
SR4.16 Land at Andrew's Close, Formby	120	4.59	3.44	35
SR4.23 Land at Lydiate Lane, Thornton	235	8.96	6.72	35
SR4.21 Land west of Holgate, Thornton	177	6.75	5.06	35
SR4.25 Land south of Runnells Lane, Thornton	137	5.23	3.92	35
SR4.29 Wadacre Farm, Melling	144	5.48	4.11	35
SR4.28 Land east of Waddicar Lane, Melling	141	5.37	4.03	35
R4.40 Former St Wilfrid's School, Bootle	198	6.6	4.95	40

3.50 ***Non-Residential Uses***

3.51 Generic Testing

3.52 In preparing a schedule of non-residential development types to be tested, we have had regard to recent planning applications and discussed the forms of development that are likely to come forward during the Local Plan period with the Council.

3.53 In addition we have also had regard to the various evidence base studies that have been undertaken including:-

- Employment Land and Premises Study Refresh (BE Group, 2012)
- Joint Employment Land and Premises Study (BE Group, 2010)
- Sefton Economic Strategy 2012-2022 (Sefton Borough Partnership, 2012)

3.54 This has been supplemented by discussions with agents and developers in order to fully assess the type of non-residential development that is likely to be built during the anticipated lifetime of the Local Plan. Such discussions have further influenced the assumptions made in terms of the likely size and specification of the development typologies tested.

3.55 Based on planning policy documents, the evidence base and discussions with Council Officers, we have considered development scenarios for the Borough based on retail, offices and industrial and for leisure related development including a hotel and gymnasium. In addition, we have considered the development of a car showroom facility, alongside agricultural uses including stables and an equestrian centre. We have also tested the viability of extra care accommodation, in addition to the development of a nursing home.

3.56 Table 3.19 below contains a summary of the non-residential developments that have been tested as part of the baseline viability assessment.

3.57 In relation to the non-residential developments, we have had regard to relevant parking standards contained within the Ensuring a Choice for Travel SPD (2009). In addition based on both our and WYG's experience, together with an analysis of previous developments in the Borough, we have analysed typical development footprints in comparison with site areas to form a view as to the ratio of built footprint compared to site area.

3.58 For the non-residential developments we have summarised the development scenarios, built areas and also the assumed site area for the development in Table 3.19:-

Table 3.19: Summary of Non-Residential Development Site Areas

Development Type	Built Area (sq.m)	Built Area (sq.ft)	Land Area (sq.m)
Industrial Trade Counter	464	5,000	695
Industrial B2/B8	464	5,000	695
Industrial B2/B8	929	10,000	1,375
Industrial B2/B8	1,857	20,000	4,890
Industrial B2/B8	4,643	50,000	5,800
Industrial B2/B8	13,930	150,000	15,148
Offices	464	5,000	569
Offices	929	10,000	1,164
Offices	1,857	20,000	2,313
Offices	4,643	50,000	5,750
Non-food retail	279	3,000	348
Non-food retail	929	10,000	2,246
Non-food retail	2,786	30,000	6,890
Retail (Convenience)	279	3,000	698
Retail (Convenience)	279	3,000	774
Retail (Convenience)	929	10,000	2,782
Retail (Convenience)	2,786	30,000	8,547
Retail (Convenience)	4,643	50,000	14,076
Bingo	464	5,000	766
Bowling Alley	929	10,000	4,335
Gymnasium	743	8,000	1,220
Gymnasium	1,857	20,000	2,830
Cinema	1,857	20,000	4,686
Hotel	1,857	20,000	2,271
Food and Drink	697	7,500	3,404
Car Showroom	929	10,000	6,230
Nursing Home (50 Bed)	4,645	50,000	29,977
Extra Care Facility (50 Flat)	4,645	50,000	29,977
Stables	139	1,500	293
Equestrian Centre	464	5,000	955

3.59 Mixed Use and Non-Residential - Site Specific Testing

3.60 The Draft Local Plan contains a number of sites allocated for mixed use developments. On these sites it is anticipated that as well as new houses, new employment and other non-residential uses will be provided. To understand the viability of these key mixed use sites we have undertaken viability testing based on the following sites and development options.

3.61 **SR4.4 Land at Crowland Street** – In respect of the above, we have tested three different development scenarios. The first option is based on the policy compliant position, and in addition we have considered further options based on a reduced amount of non-residential development. The development options that we have tested are described in detail below:-

- Option 1 – 265 residential dwellings on a net area of 7.58 hectares equating to 35 dwellings per hectare, alongside the development of 13,500 sq.m of B2/B8 accommodation and 18,000 sq.m of office space (on the remaining 7.5 hectares).
- Option 2 – 367 residential dwellings on a net area of 10.39 hectares equating to 35 dwellings per hectare, alongside the development of 6,750 sq.m of B2/B8 accommodation and 9,000 sq.m of office space (on the remaining 3.75 hectares).
- Option 3 - 413 residential dwellings on a net area of 11.81 hectares equating to 35 dwellings per hectare, alongside the development of 3,330 sq.m of B2/B8 accommodation and 4,440 sq.m of office space (on the remaining 1.85 hectares).

3.62 **SR4.27 Land East of Maghull -** In respect of the above, we have tested a development scenario that accords with the draft plan policy for the site. This is based on 1,588 residential dwellings on a net area of 45.38 hectares equating to 35 dwellings per hectare, alongside public open space and the development of 50,000 sq.m of B2/B8 accommodation, 19,000 sq.m of office space and a 1,000 sq.m local store (on the remaining gross area of 25 hectares). The testing also includes contributions to education and to the construction of new motorway slip roads onto the M57 together with a contribution to the proposed new railway station in Maghull.

3.63 In addition to the above, we have tested the following employment allocation:-

3.64 **SRF.1 Land North of Formby Industrial Estate –** We have tested the following mix on the site which has a gross area of 13.8 hectares:-

- Trade Counter 3,435 sq.m
- Starter Offices 5,386 sq.m
- Starter Units 4,458 sq.m
- Industrial – 22,753 sq.m

3.65 Further detailed information in relation to the appraisal and testing assumptions that we have adopted in relation to these sites is contained at Appendix 4.

4.0 OVERVIEW OF SEFTON

4.01 The Metropolitan Borough of Sefton is located within the Merseyside conurbation in the North West of England. Comprising the northernmost borough in Merseyside, Sefton borders both City of Liverpool and Metropolitan Borough of Knowsley to the south, whilst the Borough of West Lancashire is situated to the north and east. The Irish Sea forms the western boundary of the Borough.

4.02 Sefton is irregularly shaped although roughly linear, and runs along the coast between Bootle and Southport.

4.03 A map showing the boundaries of Sefton is contained at figure 4.1.

Figure 4.1: Map of Sefton

4.04 The land area extends to approximately 59.1 square miles (c.15,300 hectares), and is home to approximately 273,200 people according to the Office of National Statistics 2013 mid-year estimate.

4.05 Sefton has five major settlements, Bootle, Crosby, Formby, Maghull and Southport. The borough itself is one of contrasts, with three main identifiable bands. South Sefton includes Bootle and the surrounding areas of Litherland, Seaforth and Netherton. Central Sefton contains a number of settlements sitting in-between both Bootle and Southport, and includes the principal areas of Crosby, Formby and Maghull. North Sefton includes Southport (incorporating Ainsdale, Birkdale and Churchtown).

4.06 South Sefton has some of the most deprived areas in the Country, such as Bootle and the surrounding areas of Netherton, Litherland and Seaforth. These areas share the metropolitan character of north Liverpool, and were built at a similar time as the Port of Liverpool expanded northwards during the 19th century. As a result, South Sefton retains a high proportion of high density Victorian terraced accommodation. Due to continued urban expansion principally in the 1960's, the area includes significant housing estates, (both public and private) as suburbanisation pushed the 'Greater Liverpool' metropolitan area outwards.

4.07 Due to the existence of the docks and affiliated port related activities, South Sefton retains a high proportion of the borough's commercial accommodation. There are further plans to expand the Port of Liverpool to accommodate larger 'post-Panamax' vessels. Notwithstanding this, due to 'containerisation' and deindustrialisation both in the North West (in the wake of foreign competition) and around Port-Berths in general as a result of improved transport links, South Sefton contains a number of contaminated and derelict sites. There is an over-supply of older industrial accommodation as demand has contracted and economic performance in the manufacturing sector remains weak. This combined with the fact that values for new-build stock remain low and do not provide sufficient returns for the market to remediate sites for redevelopment. As a result, investment is required (and indeed has already been forthcoming in certain instances) to facilitate the redevelopment of land in South Sefton for housing and employment purposes.

4.08 Central Sefton is located at the edge of the 'Greater-Liverpool' metropolitan area, and incorporates a number of towns and villages which act as commuter settlements for the Liverpool and elsewhere. A number of these towns and villages such a Maghull and Formby are relatively affluent in comparison to the surrounding towns and villages, and are typically residential in character. Commercial development tends to serve the existing population and is geared towards local need, and with little catchment outside of the Borough.

4.09 North Sefton incorporates Southport, which is one of the North West's largest coastal resorts. As detailed within the Draft Local Plan, Southport "has a traditional, quality image, borne out of its Victorian and Edwardian architectural and landscape grandeur," and with this heritage has managed to retain a significant number of visitor numbers. Both the Seafront and Lord Street continue to act as a destination for shoppers and tourists.

4.10 Unlike Central Sefton, a high proportion of Southport's inhabitants live and work in Southport. The area is also popular amongst retirees and approximately 40% of the population is over 55, a proportion which is forecast to increase significantly.

4.11 **Property Market Overview**

4.12 ***Residential Market***

4.13 Following national trends, average house prices in Sefton as a whole have declined from a high of £153,904 in May 2008 to a low of £112,117 in April 2013 according to Land Registry. The volume of transactions in the Borough has reduced from an average of around 400 per month in 2006 to an average of around 260 per month throughout 2013. The average dwelling sold for £115,745 in July 2014 (the last date at which figures are available at the time of writing).

4.14 Table 4.1 indicates that, in general, house prices in Sefton are above that of the North West average but below that of the national average; the only house type exception being flats which are lower than the North West average. Table 4.1 shows that the average dwelling price in Sefton is £115,745; slightly higher than the North West average of £112,365; however both are considerably lower than the national average of £175,653. Detached dwellings in Sefton average £235,462, semi-detached dwellings average £124,067, terraced dwellings average £71,032 and flats average £101,503.

Table 4.1: Average House Prices in Sefton, North West, and England and Wales (July 2014 - Land Registry)

Area	Detached	Semi –Detached (£)	Terraced (£)	Maisonette/ Flat(£)	All (£)
Sefton	£235,462	£124,067	£71,032	£101,503	£115,745
North West	£218,325	£114,628	£67,662	£106,716	£112,365
England & Wales	£274,543	£165,515	£132,723	£169,291	£175,653

4.15 We have considered recent residential property market trends in each of the main settlement areas within Sefton, based on data taken from Rightmove and Zoopla.

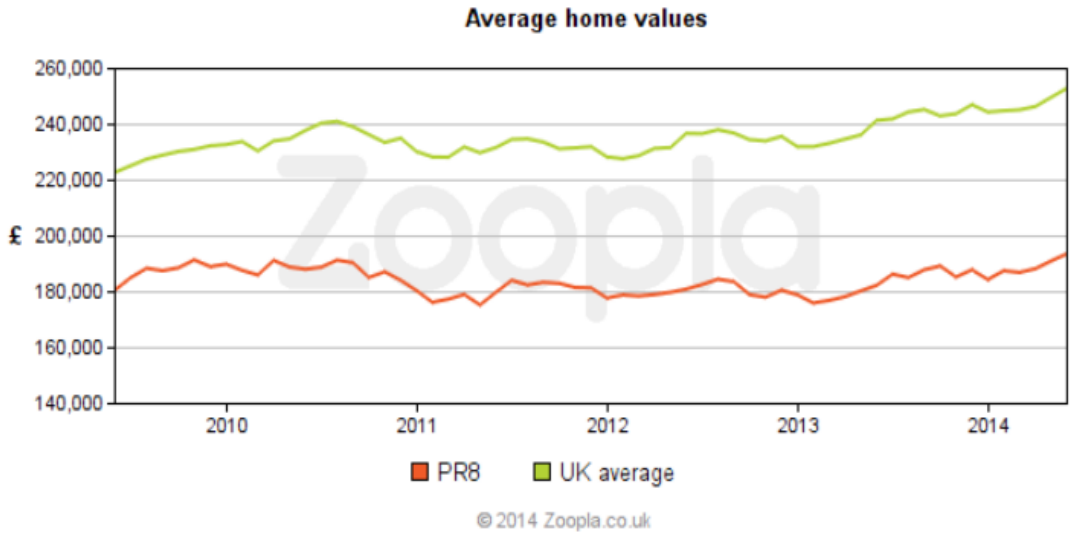
4.16 Postcode Area PR8 – Southport (South), Ainsdale, Birkdale

4.17 According to Rightmove data, 45% of all sales in PR8 in May 2014 comprised the sale of semi-detached properties, which sold at an average price of £160,118. Detached and Terraced properties sold for an average of £279,127 and £131,286 respectively, with flats achieving £137,397.

4.18 Estimated property values in PR8 showed an increase of 6.22% over the previous year (Zoopla).

4.19 The graph at Figure 4.2 shows that average property values in PR8 have fluctuated around £190,000 since 2010. This is below the national average across the same period.

Figure 4.2: Average Property Values across PR8 since 2010 (Zoopla)



4.20 Table 4.2 contains details of all sales transactions by dwelling type over the last 6 months recorded data for PR8. The table shows average prices for each house type on a monthly basis together with the number of transactions in brackets.

Table 4.2: Average Property Prices and Number of Sales in PR8 (September 2014-Rightmove)

Property Type	Month					
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Detached	£334,210 (20)	£288,445 (19)	£344,740 (15)	£239,098 (20)	£260,347 (30)	£279,127 (15)
Semi Detached	£139,931 (29)	£151,786 (28)	£148,306 (26)	£155,882 (30)	£174,347 (35)	£160,118 (30)
Terraced	£90,000 (2)	£102,500 (2)	£111,500 (4)	£160,300 (5)	£125,799 (4)	£131,286 (7)
Flat	£184,173 (15)	£92,711 (14)	£106,850 (7)	£142,069 (13)	£172,439 (9)	£137,397 (15)
All	**£207,345 (66)**	**£178,308 (63)**	**£196,557 (52)**	**£178,041 (68)**	**£204,714 (78)**	**£178,662 (67)**

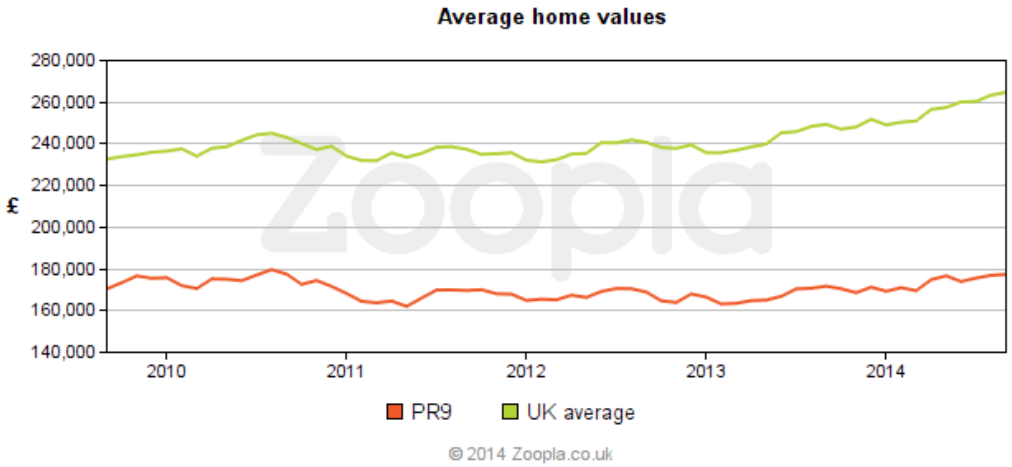
4.21 Postcode Area PR9 – Southport (North), Churchtown and Banks (in West Lancashire)

4.22 According to Rightmove data, 39% of transactions in May 2014 involved semi-detached dwellings, whilst 29% involved the sale of detached dwellings. The average sales prices for each were £158,859 and £261,703 respectively. The average price of a flat over the same period amounted to £82,720, whilst terraced dwellings sold at an average price of £123,200.

4.23 Zoopla estimates that property values in PR9 increased by 3.3% over the past 12 months.

4.24 The graph at Figure 4.3 indicates that average property values in PR9 have fluctuated between £160,000 and £180,000 between 2010 and 2014. This is below the national average across the same period.

Figure 4.3: Average Property Values across PR9 since 2010 (Zoopla)



4.25 Table 4.3 contains details of all sales transactions by dwelling type over the last 6 months recorded data for PR9. The table shows average prices for each house type on a monthly basis together with the number of transactions in brackets.

Table 4.3: Average Property Prices and Number of Sales in PR9 (September 2014-Rightmove)

Property Type	Month					
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Detached	£206,055 (9)	£224,111 (9)	£224,167 (3)	£237,100 (16)	£253,700 (12)	£261,703 (16)
Semi Detached	£147,461 (27)	£137,038 (38)	£139,693 (28)	£124,085 (23)	£158,954 (23)	£158,859 (22)
Terraced	£145,233 (3)	£118,250 (3)	£128,786 (7)	£122,590 (5)	£134,000 (5)	£123,200 (5)
Flat	£79,447 (16)	£109,736 (11)	£71,000 (14)	£90,027 (15)	£100,250 (10)	£82,720 (13)
All	**£137,141 (55)**	**£144,037 (61)**	**£124,603 (52)**	**£145,947 (59)**	**£167,456 (50)**	**£167,384 (56)**

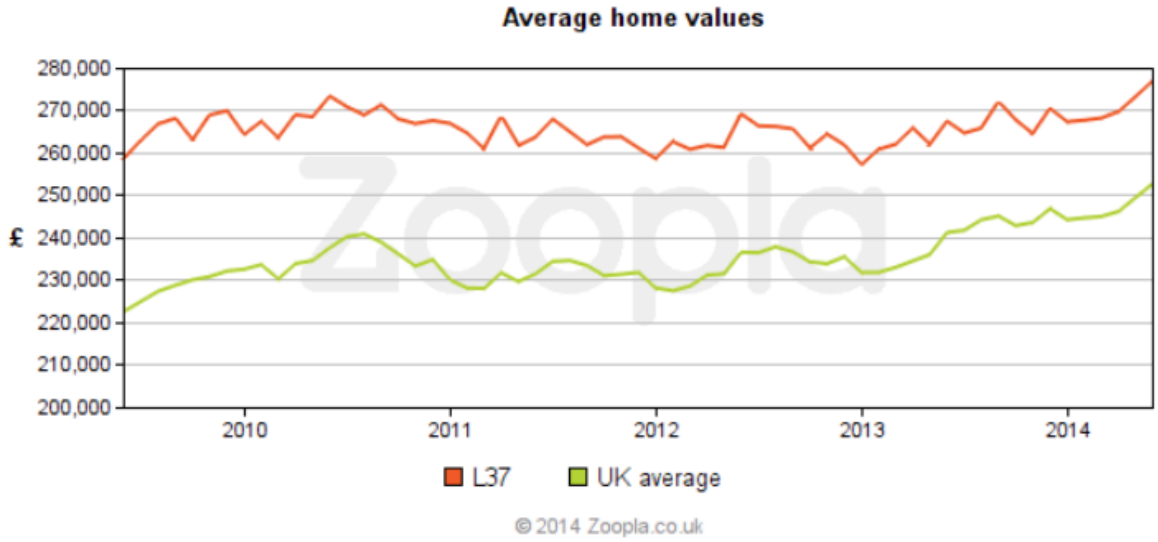
4.26 Postcode Area L37 – Formby

4.27 According to Rightmove data, 59% of all sales in L37 in May 2014 involved the transaction of semi-detached dwellings, which sold at an average price of £205,471. Detached and Terraced properties sold for an average of £367,233 and £163,650 respectively, with flats achieving £74,000 (albeit the average price of flats is based on a single transaction).

4.28 Zoopla estimates that property values in L37 increased by 3.58% over the last 12 months.

4.29 The graph at Figure 4.4 below shows that average property values in L37 have fluctuated around £265,000 since 2010. This is above the national average over the same period.

Figure 4.4: Average Property Values across L37 since 2010 (Zoopla)



4.30 Table 4.4 contains details of all sales transactions by dwelling type over the last 6 months recorded data for L37. The table shows average prices for each house type on a monthly basis together with the number of transactions in brackets.

Table 4.4: Average Property Prices and Number of Sales in L37 (September 2014-Rightmove)

Property Type	Month					
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Detached	£267,990 (5)	£347,227 (13)	£386,222 (9)	£216,300 (5)	£286,814 (11)	£367,233 (9)
Semi Detached	£224,881 (13)	£223,750 (10)	£204,109 (16)	£187,778 (9)	£245,496 (12)	£205,471 (19)
Terraced	£0 (0)	£0 (0)	£0 (0)	£0 (0)	£170,000 (1)	£163,650 (3)
Flat	£147,250 (7)	£128,500 (2)	£205,250 (4)	£116,500 (3)	£0 (0)	£74,000 (1)
All	**£211,766 (25)**	**£280,338 (25)**	**£260,784 (29)**	**£183,588 (17)**	**£261,287 (24)**	**£242,937 (32)**

4.31 Postcode Area L23 – Crosby, Blundellsands, Thornton

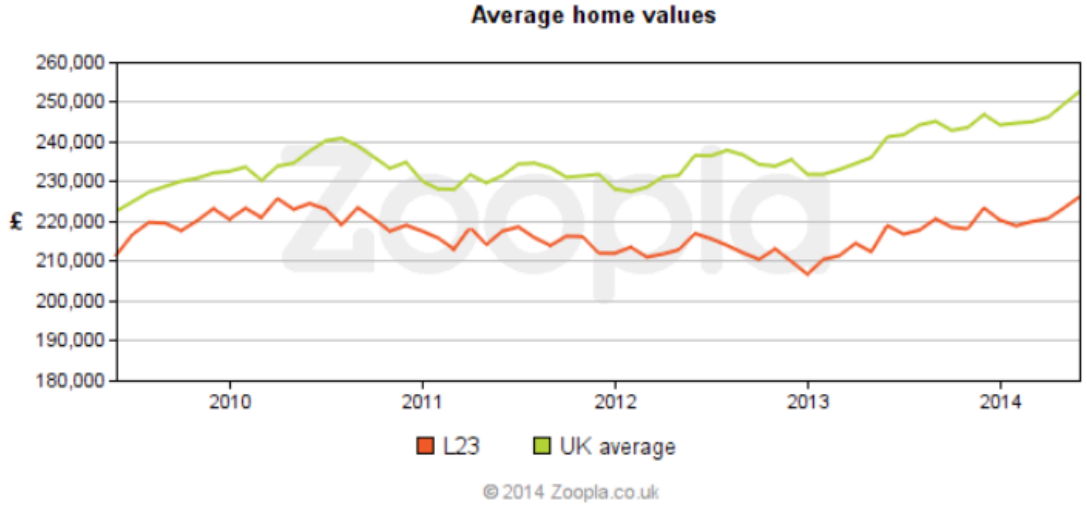
4.32 According to Rightmove data, in May 2014 69% of sales in L23 involved semi-detached properties, which sold for average price of £205,432. Detached and Terraced properties sold for an average of £483,333 and £123,150 respectively, with flats achieving £120,000.

4.33 According to Rightmove, properties in L23 sold for an average of £213,092 in May 2014.

4.34 Property values in L23 increased at an annual rate of 3.37% over the past 12 months according to Zoopla.

4.35 The graph at Figure 4.5 shows that average property values in L23 have fluctuated around £220,000 since 2010. This is slightly below the national average across the same period.

Figure 4.5: Average Property Values across L23 since 2010 (Zoopla)



4.36 Table 4.5 contains details of all sales transactions by dwelling type over the last 6 months recorded data for L23. The table shows average prices for each house type on a monthly basis together with the number of transactions in brackets.

Table 4.5: Average Property Prices and Number of Sales in L23 (September 2014-Rightmove)

Property Type	Month					
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Detached	£304,943 (9)	£362,000 (3)	£258,878 (10)	£358,383 (6)	£331,500 (5)	£483,333 (3)
Semi Detached	£200,180 (30)	£186,821 (14)	£201,053 (19)	£191,960 (25)	£181,152 (23)	£205,432 (22)
Terraced	£98,390 (5)	£132,125 (4)	£149,071 (7)	£121,000 (4)	£130,444 (9)	£123,150 (3)
Flat	£118,190 (10)	£151,382 (11)	£161,357 (7)	£142,500 (2)	£143,333 (9)	£120,000 (4)
All	**£193,032 (54)**	**£184,224 (32)**	**£199,576 (43)**	**£208,602 (37)**	**£180,173 (46)**	**£213,092 (32)**

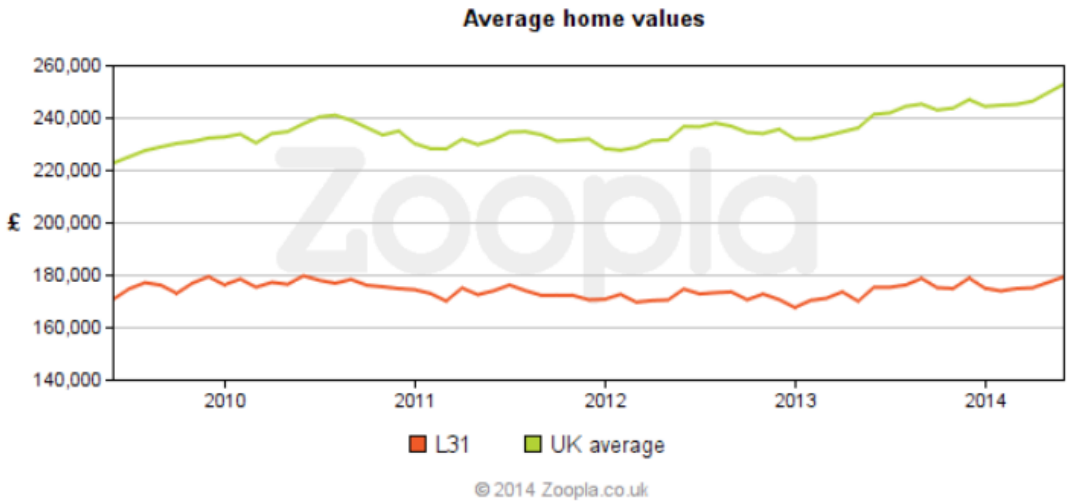
4.37 Postcode Area L31 – Maghull, Melling, Lydiate

4.38 According to Rightmove data, the majority of sales in L31 in May 2014 were semi-detached properties, selling for an average price of £157,897. Detached and Terraced properties sold for an average of £220,550 and £143,250 respectively, with flats achieving £98,810.

4.39 Estimated property values in L31 showed an increase of 2.31% over the previous year (source: Zoopla).

4.40 The graph at Figure 4.6 shows that average property values in L31 have fluctuated around £175,000 since 2010. This is below the national average across the same period.

Figure 4.6: Average Property Values across L31 since 2010 (Zoopla)



4.41 Table 4.6 contains details of all sales transactions by dwelling type over the last 6 months recorded data for L31. The table shows average prices for each house type on a monthly basis together with the number of transactions in brackets.

Table 4.6: Average Property Prices and Number of Sales in L31 (September 2014-Rightmove)

Property Type	Month					
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Detached	£216,587 (6)	£232,748 (3)	£0 (0)	£236,571 (7)	£199,000 (2)	£220,550 (9)
Semi Detached	£163,595 (28)	£139,561 (22)	£159,625 (8)	£160,714 (22)	£144,400 (10)	£157,897 (20)
Terraced	£139,313 (8)	£122,333 (3)	£150,000 (1)	£139,750 (2)	£180,825 (4)	£143,250 (4)
Flat	£183,333 (3)	£88,988 (4)	£0 (0)	£87,000 (1)	£102,475 (4)	£98,810 (5)
All	**£167,659 (45)**	**£140,360 (32)**	**£158,555 (9)**	**£173,693 (32)**	**£148,760 (20)**	**£163,419 (38)**

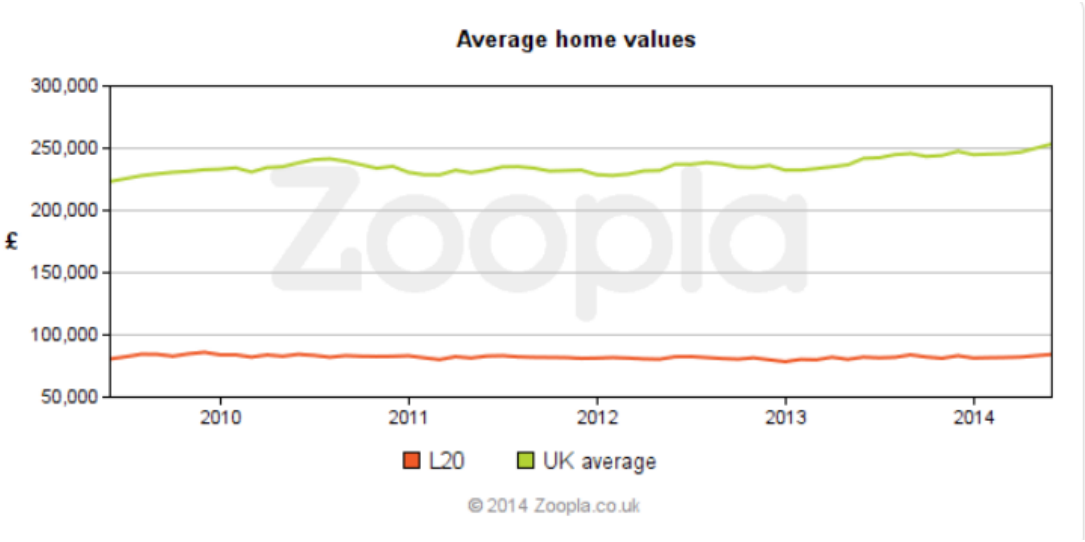
4.42 Postcode Area L20 – Bootle

4.43 According to Rightmove data, the majority of sales in L20 in May 2014 were that of terraced properties (which accounted for 65% of sales), selling for an average price of £70,562. Semi-detached properties sold for an average of £115,899 respectively, with flats achieving £65,000.

4.44 Estimated property values in L20 showed an increase of 2.69% over the previous year (source: Zoopla).

4.45 The graph at Figure 4.7 shows that average property values in L20 have fluctuated around £80,000 since 2010. This is significantly below the national average across the same period.

Figure 4.7: Average Property Values across L20 since 2010 (Zoopla)



4.46 Table 4.7 contains details of all sales transactions by dwelling type over the last 6 months recorded data for L20. The table shows average prices for each house type on a monthly basis together with the number of transactions in brackets.

Table 4.7: Average Property Prices and Number of Sales in L20 (September 2014-Rightmove)

Property Type	Month					
	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Detached	£145,371 (4)	£0 (0)	£131,728 (3)	£136,308 (4)	£151,045 (1)	£0 (0)
Semi Detached	£118,333 (3)	£106,398 (5)	£106,349 (10)	£110,681 (23)	£109,929 (5)	£115,899 (10)
Terraced	£67,296 (15)	£54,329 (12)	£81,037 (13)	£59,304 (23)	£68,678 (14)	£70,562 (20)
Flat	£0 (0)	£0 (0)	£0 (0)	£102,000 (1)	£92,333 (6)	£65,000 (1)
All	**£88,451 (22)**	**£69,643 (17)**	**£96,621 (26)**	**£89,350 (51)**	**£85,237 (26)**	**£85,007 (31)**

4.47 Over the last 5 years there have been a number of new residential developments in the Borough, which we have considered in preparing our evidence base, namely:-

1. Hartley Grange, Southport – Bellway
2. Aspen Gardens, Southport - Broadley Developments
3. Virginia Mews, Southport – Bellway

4. Links View, Ainsdale – Bellway
5. The Hamptons, Formby - York Homes
6. Fallowfield Close, Formby - Broadley Developments
7. Hawthorn Park, Crosby – Bellway
8. Thornton Cross, Thornton - Elan Homes
9. Sefton Mill, Sefton Moss - Persimmon Homes
10. Church Fields, Litherland – Bellway
11. Coffee House Bridge, Bootle – Keepmoat
12. Regency Park, Bootle – Keepmoat
13. St Elizabeth's Place, Bootle - Bellway

4.48 The commentary below provides an overview of sales at each development. House price data has been obtained from the Land Registry, while marketing data has been sourced from Rightmove Plus in addition to developer's own websites:-

1. Hartley Grange comprised the development of 60no 2, 3 and 4 bed dwellings located to the east of Southport town centre on the former SGI Hospital Site. Located within close proximity to the A570 which links Southport and Ormskirk, the development is now completed and all houses sold between 2011 and 2013. Sales values between 2011 and 2013 averaged around £2,157 per sq.m (£200 per sq.ft), and ranged between £1,894 per sq.m (£176 per sq.ft) and £2,260 per sq.m (£210 per sq.ft) over the period.
2. Aspen Gardens comprised the development of around 14no 3 bed detached and semi-detached dwellings which was developed by Broadley Developments. The units sold between January 2011 and June 2013 at prices between £161,500 and £269,995 which equated to values of between £1,905 per sq.m (£177 per sq.ft) and £2,389 per sq.m (£222 per sq.ft). The average sales price was £2,045 per sq.m (£190 per sq.ft).
3. Virginia Mews comprised a development of 90no 2 and 3 bed mews dwellings that were developed by Bellway Homes at the eastern edge of Southport Town Centre in close proximity to the railway line. New build sales from 2012 onwards have achieved prices ranging from £1,551 per sq.m (£144 per sq.ft) to £2,163 per sq.m (£201 per sq.ft). The average price paid across all sales since 2012 equates to around £1,938per sq.m (£180 per sq.ft). The last reported sale was in March 2014, and the development is now completed and fully sold.

4. Links View which is located to the south of Southport in Ainsdale comprises the development of 96 dwellings with a high proportion of detached houses, which is currently being constructed by Bellway. Recent sales have been at prices between £249,995 and £379,995, depending on the size and specification of the dwelling. This equates to values of between £1,851 per sq.m (£172 per sq.ft) and £2,335 per sq.m (£217 per sq.ft).
5. The Hamptons is a development of 37 dwellings by York Homes. Located on the east side of Formby, the development has now been completed with a number of sales taking place over the period between 2009 and 2013. The last sale which we can draw relevant information from was in May 2013 of a 4 bed townhouse for £340,000, equating to around £2,153 per sq.m (£200 per sq.ft).
6. Broadley Developments purchased a site in Fallowfield Close, Formby in 2010, and have since developed and sold each of the 7 units. The development included detached, semi-detached, and mews dwellings. Recent sales have achieved prices of £202,600 and £305,000, equating to between £2,174 per sq.m (£202 per sq.ft) and £2,497 per sq.m (£232 per sq.ft) respectively.
7. Hawthorn Park, by Bellway, comprises a development of 83no 3 and 4 bed dwellings located to the east of Crosby Town Centre. The development is partially built out, and Bellway are in the process of marketing units. Recent sales have achieved between £194,000 and £335,995 equating to between £2,045 per sq.m (£190 per sq.ft) and £2,561 per sq.m (£238 per sq.ft). From our analysis of the net house prices, the average price paid is £2,314 per sq.m (£215 per sq.ft). A number of units are still being marketed, with asking prices averaging around £2,420 per sq.m (£225 per sq.ft).
8. Thornton Cross, constructed by Elan Homes, comprises a development of 13, 4 bed detached dwellings located to the south of Green Lane in Thornton. All units on this development have now sold at prices of between £230,000 and £270,000. This equates to values of between £2,034 per sq.m (£189 per sq.ft) and £2,238 per sq.m (£208 per sq.ft). The units sold between December 2012 and December 2013, and the average sales price amounted to around £2,153 per sq.m (£200 per sq.ft).
9. Sefton Mill comprises a development of 52no dwellings in a range of different types and sizes. The development was constructed by Persimmon and is located to the east of Thornton and to the west of Maghull in the 'Sefton Village' area. The most recent new build sales occurred mainly in 2011 at prices between £161,500 and £269,995, dependent on the size and specification of the dwelling. Average sales prices amounted to around £2,260 per sq.m (£210 per sq.ft).

10. Church Fields is currently being developed out to provide 88no 3 and 4 bed dwellings, which are accessed from Spooner Avenue, and has frontage onto the Church Road (A5036) in Litherland. Formerly owned by Hugh Baird College, the development is nearing completion. Sales have tended to range between £1,689 per sq.m (£157 per sq.ft) and £2,142 per sq.m (£199 per sq.ft). Average sales values are to the order of around £1,884 per sq.m (£175 per sq.ft).
11. Coffee House Bridge has recently been completed by Keepmoat and comprises the development of 26no dwellings located to the south of the Strand shopping centre, Bootle. The development has recently completed. The majority of the scheme comprises 2 and 3 bed detached, semi-detached and mews dwellings. The units sold at an average price of £1,615 per sq.m (£150 per sq.ft) according to Land Registry.
12. Regency Park in Bootle is a large, multi-phased development by Keepmoat undertaken as part of the HMRI programme. According to Land Registry, a large number of new build units have sold since 2011. Recent sales have been between £1,154 per sq.m (£107 per sq.ft) and £1,538 per sq.m (£143 per sq.ft), at an average of around £1,399 per sq.m (£130 per sq.ft).
13. St Elizabeth's Place in Bootle also forms part of the HMRI programme at 511 Hawthorne Road. We understand that recent sales have achieved values to the order of around £1,722 per sq.m (£160 per sq.ft).

4.49 To supplement this information, and due to the lack of current new build developments in certain areas of the Borough, we have also considered the resale values achieved on modern properties in the areas of Maghull, Netherton and Birkdale.

4.50 We have analysed a number of transactions relating to such properties in and around Maghull from 2012 onwards, incorporating a number of different dwelling types. As would be expected we have observed a high variation in sales prices across the area due to differences in the size and type of the properties considered and their condition; however on average, modern resale values in Maghull averaged around £1,756 per sq.m (£163 per sq.ft).

4.51 Recent modern re-sale properties in Netherton share a similar level of variation in terms of sale prices, however an average rate of around £1,831 per sq.m (£170 per sq.ft) was observed. Details of these transactions are included at Appendix 1.

4.52 Modern re-sale properties in Birkdale were much larger and of a higher specification than those in other areas, however this appeared to lead to a high level of variation in terms of sale prices. An average rate of around £2,234 per sq.m (£208 per sq.ft) was observed in this area. Further details of each of these transactions are included at Appendix 1.

4.53 ***Commercial Market***

4.54 General

4.55 The UK economy has continued to exceed expectations, and rose at an annualised rate of 3.2% in Q2 2014. This is above growth of 1.8% in 2013, and above the Office for Budget Responsibility's forecast of 2.7% (as presented within the Economic and Fiscal Outlook published in March 2014). In light of the above, the OECD upgraded growth forecasts up to 3.2% (from 2.4%) in May 2014.

4.56 In September 2014, the Consumer Price Index fell back to 1.2% from 1.5% in August 2014. Economic growth is therefore now exceeding price increases. Notwithstanding this, recent UK economic growth has been unbalanced which higher growth rates in London and the South East. The accountancy firm PricewaterhouseCoopers within their UK Economic Outlook published in November 2013 predict that economic growth in the North West of England will be a more modest 2% in 2014, against an increase of 1% in 2013.

4.57 Offices

4.58 Having regard to the slightly poorer economic performance of the North West, and to regional economic performance on the whole, GVA report within their 'Big Nine' focus on regional cities (Q2 2014) that average rental values for regional offices have been fairly flat over the last four years, but growth is starting to feed through across a number of cities.

4.59 The fortunes of Sefton are closely linked to that of Liverpool, which is the key economic hub within the Merseyside Conurbation. In respect of the office market GVA report that Liverpool prime office rents remain at around £21 per sq.ft and incentives comprising around 30 months' rent free off a 10 year term. The net effective rent therefore equates to around £16.30 per sq.ft on new space. Notwithstanding this, vacancy rates in the Liverpool and wider Sefton markets remain high, owing to the scaling back and consolidation of public sector functions.

4.60 Areas such as Formby and Southport command higher rents to the order of between £10 and £14 per sq.ft for modern Grade A office stock. Bootle is still perceived very much to be a 'public sector' location, with a number of older and redundant buildings characterising the stock within the area. St Hugh's House, a 1960s refurbished office building is a good example of space that is currently on offer, with asking rents of £8.50 per sq.ft albeit with substantial rent free initiatives.

4.61 Alaska House, Dunningsbridge Road, Netherton is a good indicator for the rents that could be achieved on new build office stock within the area. Units of between 8,000 and 36,000 sq.ft are currently available at rents of £13.50 per sq.ft. The building was built out in 2009, and remains only 24% leased according to Co-star. This is considered indicative of the current market, as although headline asking rents remain fairly high, substantial incentives are on offer and letting periods can be significant.

4.62 Very few transactions involving office accommodation have taken place, with the exception of the recent purchase of the Triad Building on Stanley Road, which sold for £12,000,000 in March 2014. Built in 1974, Warwick Capital LLP acquired the building which comprises 210,000 sq.ft from Trillium (Prime) Property Group for a price equating to £57 per sq.ft (and a yield of 14%). Given the age of the property the rent, yield and capital values are not indicative of the levels of rent new build stock would achieve.

4.63 <u>Industrial</u>

4.64 Jones Lang LaSalle ('JLL') within their 'UK Industrial Property Trends Today' report dated March 2014 state that industrial take up in the North West amounted to 11.5m sq.ft in 2013 (split between 8m sq.ft for units of between 1,000 and 99,999 sq.ft, and 3.5m sq.ft for units over 100,000 sq.ft).

4.65 There remained around 54m sq.ft of industrial accommodation available in the North West, which partly reflects the post-industrial heritage and mismatch between modern business requirements and the older stock on offer in often poor locations within the region. Partly as a result of the above, prime industrial rents in Liverpool lag behind those in Manchester and Warrington. JLL state that headline rents remain at £4.50 per sq.ft for industrial accommodation. This is considered low in some instances, such as for smaller business park accommodation, and it is considered that rents of £5 per sq.ft could be achievable for well-located new build stock.

4.66 For example, modern stock is available at the Vesty Business Park in Bootle at marketing rents of between £4.75 and £5.50 per sq.ft. Unit 14-16 comprising 6,000 sq.ft which was built in 2008 is available at £5.50 per sq.ft, or for sale at £390,000. This comprises a net initial yield of 8.5%. Unit 4 comprising 21,500 sq.ft is available at a rent of £4.75 per sq.ft.

4.67 Unit 13 within the Vesty Business Park sold for £275,000. The unit comprised 4,275 sq.ft and sold for a price equating to £64 per sq.ft. The unit sold with vacant possession. Given the unit was marketed to let at a rent of £21,150, the purchase price paid amounts to a net initial yield of around 7.7%.

4.68 Jones Lang LaSalle report that prime yields for multi-let industrial estates across the UK (excluding London and the South East) range between 6.25% and 6.50%; whilst CBRE report within their Prime Rent and Yield Monitor Report (Q2 2014) suggest that prime industrial yields in the North West are at around 7.1%. Whilst there is limited transactional evidence available owing to limited investor/developer activity in respect of new build stock, it is anticipated that yields of between 7% and 8% would be achievable on the best stock in Sefton.

4.69 Retail

4.70 Knight Frank report within their 'UK Retail' (Spring 2014) report that "leasing activity has picked up in provincial centres, albeit principally in the largest cities such as Leeds, Glasgow and Manchester." This is clearly evidenced on a smaller scale in Merseyside, as whilst Liverpool City Centre has continued to perform well, this has been to the detriment of other locations including the Strand Shopping Centre in Bootle and Lord Street in Southport. For example, WYG within their 'Bootle and Southport Health Check Assessment Report' which was undertaken in 2012 quote retail vacancy rates of 19% and 13.4% in Bootle and Southport respectively against a national average of 11.8%.

4.71 Prime rents along Lord Street (in Southport) appear to be to the order of around £20 per sq.ft (on an overall basis per annum), based on the lettings of 137-141 Lord Street, 335-337 Lord Street and units within the Wayfarers Arcade which have achieved these rents (all reported by Co-star). Having regard to national multiples and units away from Lord Street, Poundworld recently took a lease of 40-44 Chapel Street off an asking rent of £250,000 per annum, which equated to £15.60 per sq.ft (overall). Peacocks Stores Ltd took a lease of 57-61 Chapel Street at a rent equating to £31 per sq.ft (overall) for a unit amounting to 3,000 sq.ft.

4.72 Units within the Strand Shopping Centre in Bootle are available at rents of between £12 and £35 per sq.ft. The Shopping Centre appears to be trading relatively poorly, with vacancy rates of 12.6% (51,010 sq.ft of accommodation). Typical quoted rents for units of around 3,000 sq.ft are £19 per sq.ft, although data from Co-star would indicate that units are letting at below asking prices. For example, Paparazzi recently took a lease of a 1,860 sq.ft unit at an initial rent of £8,000 per annum, which is at 27% of the asking rent of £29,500. Similarly, an undisclosed tenant took a lease of 360 sq.ft at an initial rent of £12,500 (£35 per sq.ft) which was 29% below the asking rent of £17,500 (£49 per sq.ft).

4.73 Evidence of recent lettings in local district centres and local centres is provided in Appendix 1.

4.74 At the time of writing, UK supermarkets appear to be entering a period of uncertainty regarding new store formats with increased online sales and the success of smaller convenience units. In recent years, both Tesco and Sainsbury's appear to have been moving away from larger store formats (above 50,000 sq.ft) and focusing on their Express and Local store ranges (which are often between 2,000 and 5,000 sq.ft).

4.75 Rents remain at between £18 and £25 per sq.ft within larger format supermarkets, although for smaller convenience type units rental levels appear to be between £10 and £15 per sq.ft based on the samples of units which have come forward to auction over the course of the past 2 years. Transactions involving Tesco units have typically traded at net initial yields of between 4.5% and 6%, whilst a number of historic transactions involving Sainsbury's stores are between 4.5% and 5%. Having regard to the covenant strength of the operators, based on a 20 year lease with fixed RPI uplifts (subject to cap and collar restrictions) on FRI terms, yields to the order of around 5% are considered appropriate.

4.76 Notwithstanding the above, rents and yields for budget (or discount) supermarkets that have seen their market share increase significantly over the course of the past 5 years tend to differ. We have reviewed a number of lettings involving Aldi supermarkets, which typically feature a standard shop format of c.15,000 sq.ft (although in this instance we have observed unit sizes of between 9,000 sq.ft and 38,000 sq.ft). Such units have let at rents of between £9 and £12 per sq.ft. From an investment perspective, units have transacted at yields of between 5.4% and 7.6%, and averaged 6.3% based on 5 transactions.

4.77 Leisure

4.78 The rents and yields achievable in respect of leisure accommodation are extremely diverse, reflecting accessibility, foot fall and location. For example, rental levels in Liverpool One for A3 uses are reported to currently be above £50 per sq.ft per annum following recent lettings to Byron Burger and Browns. Notwithstanding this, having regard to the characteristics of Sefton it is anticipated that food and drink accommodation will typically comprise new 'out of town' provision at key transport interchanges, or forming parts of new leisure developments. From our experience, we are aware that pub operators in the North West seeking to develop new premises and will pay rents on new build properties ranging between £17.50 and £21 per sq.ft with yields at around 6%. Greene King for example took a 20 year lease at Neptune's Waterfront Development in Southport at an initial rent of £20.42 per sq.ft per annum in February 2013.

4.79 Fast food operators (such as McDonalds and Kentucky Fried Chicken) and restaurant operators (including Nandos, Pizza Hut, Frankie and Benny's) typically achieve rents in excess of public houses, which is generally to the order of £20 to £25 per sq.ft in out of town locations. Key comparables listed within Appendix 1 include the sale of Frankie and Benny's recently completed unit in Warrington in January 2013, and the sale of a McDonald's unit in Wigan. Such formats generally occupy significantly less space than the 7,500 sq.ft tested, with units typically ranging between 2,000 and 5,000 sq.ft.

4.80 Other Uses

4.81 In determining the appropriate rents and yields in respect of the above, and to the remaining Leisure Uses, Sui Generis and Agricultural accommodation assessed, we have had regard to the comparable evidence presented within Appendix 1.

4.82 Sui Generis uses include car showrooms, whilst Agricultural uses include stables and equestrian centres.

5.0 FINANCIAL APPRAISAL ASSUMPTIONS

5.01 In this section, we have outlined the assumptions that have been adopted in our appraisals, in relation to the Residential and Non-Residential Development Scenarios, and also used within our Site Specific Testing.

5.02 **Land Values**

5.03 Land value is difficult to assess for a number of reasons. Firstly, development land value is an utterly derived value, with land being bought as a factor of production in the course of development. The price is generally determined by the development potential of the site. Secondly, the comparison of land value in terms of prices paid for sites is extremely difficult because of the large number of site specific variables that will impact upon the price paid. For example, the amount of remediation or other abnormal costs are likely to differ from site to site. Hence, any evidence of land transactions needs to be treated with a degree of subjectivity as adjustments may be necessary for factors such as abnormal site conditions, contamination and development density.

5.04 The document 'Viability Testing in Local Plans' advocates the use of 'threshold land value'. This should represent the value at which a typical willing landowner is likely to release land for development, before the payment of taxes. The guidance suggests that threshold land value needs to take account of the fact that future plan Policy requirements will have an impact on land values and landowner expectations, and therefore using a market value approach as a starting point carries the risk of building in assumptions of current Policy costs rather than helping to inform the potential for future Policy. As a result it suggests that market values can be a useful 'sense check' and suggests that the threshold land value is based on a premium over current use values and credible alternative use values. The latter would be most appropriate where there is competition for land among a range of alternative uses such as in town centres.

5.05 The RICS Guidance Note 'Financial Viability in Planning' explains that for a development to be financially viable, any uplift from the current use value of land that arises when planning permission is granted should be able to meet the cost of planning obligations, whilst at the same time, ensuring an appropriate site value for the land owner and a risk adjusted return to the developer for delivering the project. The return to the land owner will be in the form of a land value increase in excess of current use value. The land value will be based on market value which will be risk adjusted, so it will normally be less than current market prices for development land on which planning permission has been secured and planning obligation requirements are known. The guidance note recognises that the market value will be by definition at a level at which the landowner would be willing to sell.

5.06 In arriving at our assessments of land values in Sefton, we have had regard to available transactional evidence both in Sefton, and also in the wider North West area where relevant and similar market conditions exist. We have undertaken research using Land Registry data and other databases such as EGi and Co-star. We have also had regard to Valuation Office Property Market Surveys (albeit these are now fairly out-dated, which has been reflecting in the weighting in which we have used such studies).

5.07 ***Residential Land Values***

5.08 The future residential development sites within the Borough are likely to be either previously developed sites, or Greenfield sites located immediately adjacent or close to the existing settlements in the Borough. For the avoidance of doubt, the term 'Greenfield' in this instance can refer to Green Belt release sites, or to previously undeveloped sites within the Borough. Having regard to the characteristics of Sefton, a typical settlement area site will have been previously developed and most likely would have been in previous residential or commercial use. This is reflective of both the residential allocations within the Draft Local Plan Preferred Options, and also the sites which constitute the current iteration of the SHLAA.

5.09 Having regard to the likely characteristics of development within the Borough, we have identified a number of possible development scenarios on both previously developed and Greenfield sites. We have had regard to these classifications for the purpose of our testing.

5.10 In arriving at a market value for previously developed land in this case, both the land owner and the developer would have regard to a site's current use value, albeit a landowner would be seeking uplift in value above this level. Conversely, a developer would be reluctant to pay a full residential value for the site, having regard to the risk and cost involved in obtaining planning consent and the likely developer contributions being sought by the Council. In arriving at an assessment of market value it is therefore necessary to have regard to both evidence of current use values as well as evidence from sites with residential planning permissions and then make reasonable adjustments to reflect factors such as the land owner's aspirations, the developer's concerns, risks inherent in the development process, and planning obligations.

5.11 The definition of viability in the context of planning recognises the issue of a landowner receiving an appropriate site value, which whilst being less than full residential value is likely to be higher than current use value. Having regard to this we have considered the level of site value at which a landowner is likely to release a site for development in the urban area. We have considered a range of land values based on the likely revenues that residential developments would be expected to achieve across the Borough. In the circumstances we believe that it is reasonable to assume a site value for Previously Developed land to be in the region of £1,110,000 per hectare (£450,000 per acre) for the highest value area in the Borough and a figure of £495,000 per hectare (£200,000 per acre) for the lowest value locations.

5.12 In order to deliver the growth proposed in the emerging Local Plan, it is likely that some Greenfield development sites either infill or outside the existing built-up areas will need to be developed over the Local Plan period. At the present time, these sites will normally be used for agricultural and grazing purposes or informal open space with site values on this basis typically in the region of £25,000 - £50,000 per hectare (£10,000 - £20,000 per acre) or less. It is probable that a number of such sites have had development expectations, since they are at the edge of or within the settlement area and in some cases may already be subject to option agreements. Naturally, any land owner is unlikely to sell such sites for that level of value and clearly a land owner will be seeking an uplift in value if they are to consider releasing the site for development.

5.13 With reference to the RICS guidance and that from the Housing Delivery Group, it would be inappropriate to assume land values based on sites with full residential planning permission, and in reality the site value for viability purposes will lie somewhere between this and current value. In addition many Greenfield sites may require significant initial expenditure on services and infrastructure to enable them to be developed for residential purposes. We believe that for Greenfield locations it would be reasonable to assume a value in the region of £370,000 per hectare (£150,000 per acre) to £618,000 per hectare (£250,000 per acre) dependent on site size and location as being the level at which a landowner would consider releasing a site for development.

5.14 Having regard to the above, Table 5.1 below provides a summary of the ranges of land values that we have adopted within the testing:-

Table 5.1: Residential Land Value Assumptions

	Previously Developed		Greenfield	
	(£ per ha)	**(£/acre)**	**(£/ha)**	**(£/acre)**
Highest Value Area	1,110,000	450,000	618,000	250,000
Lowest Value Area	495,000	200,000	370,000	150,000

5.15 ***Non-Residential Land Values***

5.16 Consideration of current use values has also been applied to the sites for non-residential development to assess the commercial land values. Over the last few years, there have been limited land sales in Sefton as a result of limited development activity in the commercial development sector. Having regard to this, considered adjustments have been made in order to reach land values based on both the reported transactional evidence and our market experience within the area.

5.17 Potential commercial development sites are most likely to be vacant Previously Developed Land, opportunity sites within or adjacent to existing industrial areas, or alternatively the extension of current industrial areas into the surrounding Greenfield areas.

5.18 In arriving at our assessment of market value, current use values have been considered and allowances made to reflect both the land owner's aspirations and the developer's concerns. The specific characteristics of each form of development have been taken into account. For example, larger consolidated plots in highly accessible locations are likely to command a premium given their suitability for supermarket development or for retail warehouse development. Similarly, car showrooms are likely to locate away from the town centre in highly accessible locations (and therefore pay a premium in excess of a normal industrial site), as would restaurants/public houses.

5.19 Table 5.2 below provides a summary of the land values for non-residential uses that we have adopted, together with an explanation of the differences.

Table 5.2: Summary of Non-Residential Land Values

Type	Land Value (price/hectare)	Land Value (price/acre)	Rationale
Industrial (B1b, B1c, B2, B8)	£430,000	£175,000	Located outside of Town Centre locations. Use requires fairly accessible location, although does not usually require significant frontage.
Office (A2, B1a)	£495,000	£200,000	Office land values can differ significantly depending on whether site is in town centre of periphery. Assumed lower land value to test viability in this instance. Accessible location with frontage required.
Convenience Retail (all sizes, all areas)	£1,235,500	£500,000	Use requires highly accessible location in close proximity to key public transport interchanges or main arterial routes. Requires significant plot sizes. Competition for land from other Supermarket operators/retail uses.
Small Comparison Retail, Prime Locations 279 sq.m (2,000 sq.ft)	£1,235,500	£500,000	Plots comprise small site areas, together with an accessible location within the town centre. Plots are therefore likely to command a significant premium over and above that of the majority of commercial uses.
Small Comparison Retail, Secondary Locations 279 sq.m (2,000 sq.ft)	£740,500	£300,000	Located outside of Town Centre within close proximity to existing parade of shops. Use requires fairly accessible location which is preferably located within close proximity to key public transport interchanges or main arterial routes.

Type	Land Value (price/hectare)	Land Value (price/acre)	Rationale
Small Comparison Retail, Tertiary and Sub-Tertiary Locations 279 sq.m (2,000 sq.ft)	£495,000	£200,000	Located outside of Town Centre locations. Use requires fairly accessible location.
Medium Comparison Retail, All areas 929 sq.m (10,000 sq.ft)	£1,855,000	£750,000	Use requires highly accessible location in close proximity to key public transport routes.
Large Comparison Retail, All areas 2786 sq.m (30,000 sq.ft)	£2,470,000	£1,000,000	Use requires highly accessible location in close proximity to key public transport routes. Requires significant plot sizes and often built in conjunction with a number of units on Retail Parks. Competition for land from Supermarkets.
Leisure Uses	£740,000	£300,000	Located outside of Town Centre within close proximity to existing leisure/retail provisions. Use requires fairly accessible location which is preferably located within close proximity to key public transport interchanges or main arterial routes.
Sui Generis Uses	£495,000	£200,000	No significant spatial requirements other than population threshold. In the context of a Car Showroom, may require a roadside location which features a premium over and above the industrial values included.
Agricultural	£25,000	£10,000	Agricultural values attributed as such used do not represent a change of use and development will only be for agricultural uses.
Extra Care Accommodation/ Nursing Home	£990,000	£400,000	It is anticipated that Values for Extra Care Accommodation/Nursing Home Accommodation are similar to residential land values. Zone 3 Residential Land Values have been adopted.

5.20 **Acquisition Costs**

5.21 In addition to the land values detailed above, we have also assumed land acquisition costs based on 1% of purchase price for agent's fees and legal fees at 0.75%. This is in line with normal market practice and rates. We have also assumed payment of stamp duty in accordance with HMRC thresholds and rates.

5.22 **Timing of Land Acquisition**

5.23 Our site appraisals assume that the land is acquired on day 1 of the development programme and hence the purchase carries finance costs from the outset. For most of the small allocations considered this would be usual practice. However, it should be noted that for the larger residential developments above 50 units it would be unusual for a developer to acquire the entirety of such large sites from day 1. A large development site would normally be the subject of a phased acquisition programme, with the land only being drawn down by the developer as required. As a result, land acquisition costs are more likely to be phased over the development period and so the cost of finance would be reduced with a corresponding increase in the amount of development surplus.

5.24 **Residential Appraisal Assumptions**

5.25 ***Development Programme***

5.26 In our experience we anticipate that a developer would seek to construct and sell around 30-40 dwellings per annum. For the purpose of the assessments we have assumed an average sales rate for each site of between 3 and 5 per month, depending on the size of the development, with the first sales taking place 5 months after a start on site.

5.27 Sales rates tend to increase in respect of larger sites as developers seek to 'double up' and develop out a site in tandem. This may take the form of affiliated developers (such as Barratt and David Wilson Homes) or separate house builders. We have factored this into the sales rates assumed within the testing parameters for the strategic sites.

5.28 Table 5.3 illustrates the overall development programmes that we have assumed.

Table 5.3: Residential Development Programme

No Units	Sales Rate	Sales Start (Month)	Overall Programme Period (Months)
5	N/A	5	7
10	N/A	5	9
15	3/month	5	10
20	3/month	5	11
50	4/month	5	17
100	5/month	5	25

5.29 ***Sales Values***

5.30 Market Housing

5.31 Having regard to the market commentary contained at Section 4 and the detailed comparable sales evidence at Appendix 1 we have adopted the following sales values in relation to the 5 main residential market areas. The values represent the likely sale price net of any sales incentives.

5.32 From our analysis it is clear that in general values tend to be lowest in the areas around Bootle. Values are notably higher in areas such as Blundellsands, Formby and Birkdale; while settlements in the remainder of the Borough tend to lie somewhere between the two extremes.

Table 5.4: Residential Sales Prices Adopted

Zone	Wards	Sales Value Per sq.m	Sales Value Per sq.ft
1	Bootle, Seaforth	£1,615	£150
2	Litherland, Orrell, Netherton, Waterloo	£1,830	£170
3	Aintree, Rural Hinterland, Thornton	£2,045	£190
4	Southport, Ainsdale, Hightown, Crosby, Maghull	£2,155	£200
5	Birkdale, Formby, Blundellsands	£2,370	£220

5.33 Further details regarding the specific net sales prices applied to each of the allocated sites are contained in Appendix 4 these are informed by the location, local demand and supply and the surrounding land uses.

5.34 Affordable Housing

5.35 The values that have been assumed for the affordable units are based on the likely bid by a Registered Provider. In this respect we have assumed bid prices for the different tenure options based on the percentages of market value. The rates adopted reflect the reported sales values for affordable stock as reported to us by Registered Providers who are particularly active in the area. We have not specifically tested affordable rent tenure however typical bid prices for these units are slightly above those for social rent. As a result we would expect viability assuming affordable rent tenure to be equivalent to or indeed slightly better than for social rent. The bid prices adopted for our testing are as follows:-

Social Rent	40% of market value
Intermediate	65% of market value

5.36 ***Construction Costs***

5.37 The construction costs that have been adopted have been prepared by WYG Quantity Surveyors. A report containing their methodology is contained at Appendix 2. In addition the individual site construction cost assessment is contained for each site assessed within the site specific testing contained later in the report.

5.38 These costs are based on current building regulation requirements and are inclusive of substructures, super structures, all external works, incoming services and drainage, preliminaries, fees and a contingency.

5.39 In addition the cost assessments make allowance for Code Levels 3, 4, 5 and 6. The Code for Sustainable Homes is the national standard for the sustainable design and construction of new homes. It aims to reduce carbon emissions and promote higher standards of sustainable design. The code provides 9 measures of sustainable design:

- energy/CO2
- water
- materials
- surface water runoff (flooding and flood prevention)
- waste
- pollution
- health and well-being
- management
- ecology.

5.40 Having regard to the Government's response to the 'Environmental Audit Committee Report: Code for Sustainable Homes and the Housing Standards Review' in March 2014, we are aware that the Code for Sustainable Homes could be phased out. Notwithstanding this, whilst key differences remain between carbon neutral homes and Code Level 6 (due to the treatment of household appliances), it is anticipated that as Building Standards evolve they will continue to incorporate a greater sustainable emphasis which will be broadly in line with the current Code.

5.41 By assessing the increased costs associated with building to higher Code Levels, we have sought to assess the possible impact of future changes to Building Regulations as they continue to evolve.

5.42 ***S.106/S.278 and Other Planning Requirements***

5.43 Our viability testing for each of the allocated sites assumes on site affordable housing provision based on the Policy compliant position at 30% as a proportion of bed spaces. We have also considered the impact of affordable housing at alternative levels of 40%, 20% and 10% to see how this affects viability again based on the proportion of bed spaces (as per current policy requirements).

5.44 We have tested two different tenure mixes in respect of the Affordable Housing provisions. We have tested the current draft policy compliant position comprising 80% social rented and 20% intermediate. For comparison purposes we have also tested a further option of 60% social rented and 40% intermediate although this is not the policy position that the Council would support.

5.45 In relation to the strategic and allocated sites that have been tested we have had regard to the requirements identified by the Council's Transportation Team and have reflected these requirements in our cost assessments. In undertaking our generic site typologies tested we have incorporated an amount of £500 per dwelling as an allowance to reflect the need for additional highway works such as new access arrangements, junction improvements and footpaths, or other site specific S.106 requirements.

5.46 ***Sales and Marketing Costs***

5.47 Disposal costs, including sales and marketing expenses, have been assumed at a rate of 3.5% of the Gross Development Value of the market housing. This is in line with typical development industry rates for housing development. We have included an allowance of £500 per unit for the costs associated with the transfer of the affordable units to a registered provider.

5.48 ***Finance***

5.49 For the larger hypothetical schemes and the apartments, we have assumed that finance could be obtained at a rate of 7% inclusive of arrangement and monitoring fees. A rate of 6% has been used for the smaller schemes (1, 2, 3 and 4), reflecting their reduced risk profile. These rates reflect the cost of finance currently available in the development market for development of this type.

5.50 ***Developer's Profit and Overhead***

5.51 In assessing the appropriate level of developer's profit, we have had regard to both the size and form of the proposed development and the likely risk associated with the development as a result. The level of profit requirement will principally reflect the risk of constructing a particular development site and as a result a developer will typically require different levels of profit as reward for risk across different sites.

5.52 Many factors will govern risk in relation to a development site; these include location, the local property market, the size and scale of the development, potential contamination and other abnormal costs and the type of accommodation being provided. Other considerations affecting risk could include the planning status of the site, and specifically whether a planning consent is in place for the proposed scheme.

5.53 In terms of residential development, a smaller residential development would be considered less risky than a large scale strategic residential development site. On a larger site it may take many years for the developer to build out and complete the sale of all of the houses. There could be significant changes (for better or worse) in the property market during the lifetime of the development. Therefore, the risk associated with having capital tied up in the development is carried for many years. As a result, a developer would require a higher profit return than on the smaller development site.

5.54 The industry standard measure of profit return is typically based on a percentage of either Gross Development Value (GDV) or cost. In certain instances developers may use an internal rate of return as an additional check measure. In our experience profit based on GDV is more commonly used for residential developments although not exclusively, whilst a return based on cost is more typical for commercial development.

5.55 Based on market experience, residential developments would tend to command a profit return of 15-20% GDV, inclusive of a developer's overhead.

5.56 The HCA Guidance Note *'Investment and Planning Obligations: Responding to the Downturn'*[1] suggests that a figure of 16% of values rather than cost may be targeted for private residential sales. The HCA's User Manual [2] accompanying their Development Appraisal Tool suggests a typical figure at that time (July 2009) of 17.5-20% GDV, but this is given as a guide only as the manual suggests that profit will depend on the state of the market and the size and complexity of the scheme. It is notable that the manual, to accompany the new HCA Development Appraisal Tool, refrains from giving any form of guidance on the measure of any appraisal variables.

5.57 Looking at planning decisions, the level of developers profit hasn't specifically been considered as a point of debate. However, Planning Inspectors in certain instances have made reference in decisions to the level of profit adopted and what is typical, including the following examples:-

5.58 Flambard Way, Godalming[3] (a mixed development of 225 flats and commercial accommodation): the inspector refers to an industry norm of 15-20% profit and although not explicitly stated this seems to be based on cost;

5.59 Flemingate, Beverly[4] (a mixed use development): Here the Inspector accepted 15% of cost;

[1] HCA Guidance Note 'Investment and Planning Obligations: Responding to the Downturn' (HCA, 2009)

[2] HCA Economic Appraisal Tool User Manual (HCA, 2009)

[3] Planning Inspectorate Decision in relation to 'Waverley Borough Council appeal by Flambard Development Limited' APP/R3650/A/08/2063055 (Planning Inspectorate 2008)

[4] Planning Inspectorate Decision in relation to Application by CP Group, Wykeland Group and Quintain Estates & Development PLC, LPA: East Riding of Yorkshire' APP/E2001/V/08/1203215 (Planning Inspectorate 2008)

5.60 Clay Farm[5] (2,300 dwellings and retail, health centre, education): Here the Local Planning Authority suggested a profit return based on 20% of cost or 16% of GDV. 16% GDV was considered by the Council to be consistent with the profit based on GDV in the HCA document detailed above. The Inspector appears to accept the LPA's approach albeit the key point at issue related to whether the scheme should be assessed on a residual land value basis, or based on the actual historic purchase price.

5.61 Former Royal Hotel, Newbury[6] (35 sheltered apartments): The Inspector here decided that the profit range of 17.5%-20% of GDV detailed in the HCA EAT user manual was the correct level of profit for this development.

5.62 Shinfield, Reading[7] (residential development comprising 126 dwellings and a sports pavilion): The inspector determined that a figure of 20% profit on GDV was appropriate for this development.

5.63 As the above demonstrates, the profit return requirement is not at a fixed level and will vary from site to site, depending upon the risk profile which is driven by many factors.

5.64 On the basis of the above and having regard to the nature of the site typologies and allocated sites, a profit level based on 15% of GDV (inclusive of overheads) has been applied for the smaller housing schemes of 20 units or less. For all other sites a developer's return (inclusive of overheads) of 20% of GDV has been adopted. In each case these profit returns are factored into the residual valuation, alongside a fixed land value to generate a baseline surplus.

[5] Planning Inspectorate Decision in relation to 'Applications by Countryside Properties PLC & Countryside Properties (UK) Ltd to Cambridge City Council' APP/Q0505/A/09/2103599 and APP/ Q0505/A/09/2103592 (Planning Inspectorate, 2009)

[6] Planning Inspectorate Decision in relation to 'Former Royal Hotel, Newbury, Gillingham, Dorset SP8 4QJ' APP/N1215/A/09/2117195

[7] Planning Inspectorate Decision in relation to 'Land at the Manor, Shinfield, Reading RG2 9BX and bordered by Brookers Hill to the North, Hollow Lane to the East and Church Lane to the West' APP/X0360/A/12/2179141 (Planning Inspectorate 2013)

5.65 ***Dynamic Compaction Costs***

5.66 In particular in areas around Southport we are aware that poor ground conditions may exist which could increase build costs. We have therefore included an allowance for dynamic compaction costs at £10 per sq.m, based on WYG's assessment of a typical average cost for dealing with dynamic compaction. The impact of this has been tested based separate area titled 'Southport Greenfield'. Owing to the poor ground conditions, a reduced land value has been used reflecting the poor conditions in the area. Only Greenfield sites have been tested which reflect the conditions in which such additional costs may occur.

5.67 **Non-Residential Appraisal Assumptions**

5.68 ***Development Programme***

5.69 The development programme for non-residential sites will vary depending on the specific characteristics of each scheme.

5.70 For the non-residential testing table 5.5 contains details of the development programme that we have assumed.

Table 5.5: Development Programmes – Non-Residential

Area	Use	Construction Period (Months)
464 sq.m (5,000 sq.ft)	B1/B2/B8 Trade Counter	7
464 sq.m (5,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	7
929 sq.m (10,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	10
1,857 sq.m (20,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	12
4,642 sq.m (50,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	15
13,390 sq.m (150,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	5
464 sq.m (5,000 sq.ft)	Office	6
929 sq.m (10,000 sq.ft)	Office	9
1,857 sq.m (20,000 sq.ft)	Office	10
4,642 sq.m (50,000 sq.ft)	Office	12
279 sq.m (3,000 sq.ft)	Convenience Retail	6
929 sq.m (10,000 sq.ft)	Convenience Retail	9

Area	Use	Construction Period (Months)
2,786 sq.m (30,000 sq.ft)	Convenience Retail	10
4,643 sq.m (50,000 sq.ft)	Convenience Retail	12
279 sq.m (3,000 sq.ft)	Comparison Retail	5
929 sq.m (10,000 sq.ft)	Comparison Retail	9
2,786 sq.m(30,000 sq.ft)	Comparison Retail	10
464 sq.m (5,000 sq.ft)	Leisure – Bingo	12
929 sq.m (10,000 sq.ft)	Leisure – Bowling Alley	12
1,857 sq.m (20,000 sq.ft)	Leisure – Hotel	12
1,857 sq.m (20,000 sq.ft)	Leisure – Cinema	12
697 sq.m (7,500 sq.ft)	Leisure – Food & Drink	12
743 sq.m (8,000 sq.ft)	Leisure – Gym	8
1,857 sq.m (20,000 sq.ft)	Leisure – Gym	11
4,645 sq.m (50,000 sq.ft)	Extra Care Facility (50 Flat/85 Bed)	16
4,645 sq.m (50,000 sq.ft)	Nursing Home (50 Flat/85 Bed)	16
929 sq.m (10,000 sq.ft)	Sui-Generis – Car Showroom	8
139 sq.m (1,500 sq.ft)	Agricultural – Stables	3
464 sq.m (5,000 sq.ft)	Agricultural – Equestrian Centre	5

5.71 ***Sales Values***

5.72 Having regard to the comparable evidence contained in Appendix 1 and the market commentary at Section 4, table 5.6 contains details of the sales values that have been adopted for each of the non-residential uses in the employment allocations.

Table 5.6: Non-residential Sales Values

Area	Use	Sales Price (per sq.m)	Sales Price (per sq.ft)
464 sq.m (5,000 sq.ft)	B1/B2/B8 Trade Counter	£1,013	£94
464 sq.m (5,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	£634	£59
929 sq.m (10,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	£634	£59
1,857 sq.m (20,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	£634	£59

Area	Use	Sales Price (per sq.m)	Sales Price (per sq.ft)
4,642 sq.m (50,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	£676	£63
13,390 sq.m (150,000 sq.ft)	B1/B2/B8 Light Industrial/Warehousing	£676	£63
464 sq.m (5,000 sq.ft)	Office	£1,712	£159
929 sq.m (10,000 sq.ft)	Office	£1,712	£159
1,857 sq.m (20,000 sq.ft)	Office	£1,712	£159
4,642 sq.m (50,000 sq.ft)	Office	£1,712	£159
279 sq.m (3,000 sq.ft)	Convenience Retail	£1,739	£162
929 sq.m (10,000 sq.ft)	Convenience Retail	£2,899	£269
2,786 sq.m (30,000 sq.ft)	Convenience Retail	£3,382	£314
4,643 sq.m (50,000 sq.ft)	Convenience Retail	£3,382	£314
279 sq.m (3,000 sq.ft)	Comparison Retail High Value Comparison Retail Low Value	£2,536 £1,902	£236 £177
929 sq.m (10,000 sq.ft)	Comparison Retail	£1,902	£177
2,786 sq.m (30,000 sq.ft)	Comparison Retail	£1,902	£177
4,643 sq.m(50,000 sq.ft)	Comparison Retail	£1,902	£177
464 sq.m (5,000 sq.ft)	Leisure – Bingo	£1,775	£165
929 sq.m (10,000 sq.ft)	Leisure – Bowling Alley	£1,775	£165
1,857 sq.m (20,000 sq.ft)	Leisure – Hotel	£1,305	£121
1,857 sq.m (20,000 sq.ft)	Leisure – Cinema	£1,902	£177
697 sq.m (7,500 sq.ft)	Leisure – Food & Drink	£2,536	£236
743 sq.m (8,000 sq.ft)	Leisure – Gym	£1,522	£141
1,857 sq.m (20,000 sq.ft)	Leisure – Gym	£1,522	£141
4,750 sq.m (51,150 sq.ft)	Extra Care Facility (50 Flat/85 Bed)	£2,906	£270
4,750 sq.m (51,150 sq.ft)	Nursing Home (50 Flat/85 Bed)	£1,153	£108
929 sq.m (10,000 sq.ft)	Sui-Generis – Car Showroom	£2,174	£202
139 sq.m (1,500 sq.ft)	Agricultural – Stables	£1,060	£99
464 sq.m (5,000 sq.ft)	Agricultural – Equestrian Centre	£641	£60

5.73 ***Construction Costs***

5.74 The construction costs that have been adopted in the viability appraisals have been prepared by WYG Quantity Surveyors and their methodology is included in their report at Appendix 2. For ease of reference Appendix 2 summarises the build costs we have adopted within the generic testing. Appendix 3 contains the site specific build costs adopted, and contains individual site reports with a cost summary and breakdown of each of the assumed costs. These costs are calculated on a cost/sq.m basis, and are inclusive of substructures, super structures, all external works, incoming services and drainage, preliminaries, fees and a contingency.

5.75 ***S.106/S.278 and Other Planning Requirements***

5.76 We have considered the comments made by the Council's Transportation Team which are contained in the individual site reports, and as necessary included additional costs to reflect the need for additional highway works such as new access arrangements, junction improvements and footpaths.

5.77 WYG cost assessments assume that development will achieve BREEAM 'very good' standard.

5.78 ***Sales and Marketing***

5.79 We have assumed marketing and disposal fees on lettings of the units based on 20% of rental value. Sales disposal fees have been included at a rate of 1.75% (1.00% being attributed to agent's fees and 0.75% to legal fees). Such fees are considered reasonable at the present time and comprise the standard market charges. Stamp Duty Land Tax has been included as appropriate at usual HMRC rates.

5.80 ***Finance***

5.81 A finance rate of 6% has been uniformly applied across all commercial development, which is inclusive of arrangement and monitoring fees. This quantum reflects the profile of commercial developers and the characteristics of the development, due to the fact that we anticipate that the majority of developments will be built out by a larger developer.

5.82 ***Developer's Profit and Overhead***

5.83 In assessing the appropriate level of developer's profit, we have had regard to both the size and form of the proposed development and the likely risk associated with the development as a result. As identified above in reference to the assumptions made in relation to developers profit in the residential appraisals, the level of profit requirement will principally reflect the risk associated with a particular development site and as a result a developer will typically require different levels of profit as reward for risk across different sites.

5.84 In the context of most forms of commercial development, the developer will typically seek a profit requirement of approximately 20% on cost. The figure is widely used, and has been applied to all forms of non-residential development that we have tested.

5.85 **Site Specific Appraisal Assumptions**

5.86 The assumptions used within the Site Specific testing are broadly similar to those used in both the Residential and Non-Residential testing scenarios listed above, albeit they have regard to the particular physical and locational characteristic of the specific site. The appraisal assumptions used within the Site Specific testing are outlined in full at Appendix 4.

5.87 It should be noted that the residential density assumptions are based on 35 dwellings per hectare. This varies from the generic testing that has been undertaken at densities of 30 and 40dwellings per hectare.

6.0 VIABILITY RESULTS AND POLICY IMPACTS

6.01 This section sets out the results and findings from the viability assessments undertaken for both the hypothetical and site specific testing.

6.02 **Residential**

6.03 In each case the results tables are presented alongside the site, density and number of units tested. The 'Development Surplus' is the residual sum that is left over once gross costs (inclusive of developers profit and 'threshold land costs') are deducted from gross revenues. The Development Surplus is presented on a per sq.m basis within the tables presented below.

6.04 The 'Development Surplus' is then assessed alongside the proposed policy options, namely the impact of requirements to provide housing to Code Levels 3, 4, 5 and 6, and Affordable Housing requirements using the differing tenure mixes. The columns relating to the policy options show the cost per sq.m reduction to the development surplus as a result of adopting that policy requirement.

6.05 For ease of reference and presentation the table cells have simply been coloured to demonstrate development viability as follows:-

Table 6.1: Development Viability Coding

Red	not viable and demonstrates a loss or deficit
Amber	marginal development which shows a development surplus equivalent to between 0-5% of GDV. In such cases a relatively small increase in costs or reduction in revenue could make the scheme unviable
Green	the development is viable and has a development surplus which is equivalent to or greater than 5% of GDV

6.06 In a number of cases cells are shaded grey which indicates that affordable housing has not been tested at this level as based on the results of testing at lower thresholds it has already been determined that this would be unviable.

6.07 In respect of our assessment of the impact of the Code for Sustainable Homes on the baseline viability, rather than using the traffic light system outlined above, we have simply stated whether or not development is viable at a particular level of Code.

6.08 ***Residential Generic Testing***

6.09 Zone 1 (Bootle and Seaforth)

6.10 Table 6.2 contains the results of the viability testing for development in Zone 1 which broadly covers the areas of Bootle and Seaforth. It should be noted that in relation to Zone 1 our testing has only been undertaken in relation to previously developed Brownfield land.

6.11 *Baseline Surplus*

6.12 At 30 dph the baseline position ranges from a loss of -£169 per sq.m (Scheme 1) to a small surplus of £2 per sq.m (Scheme 4). For development at 40 dph the viability position improves however the least viable scheme (1) still generates a loss of -£86 per sq.m. The greatest surplus is in relation to Schemes 3 and 4 with a surplus in each case of £87 per sq.m.

6.13 In the majority of instances, development is either unviable or marginal. Of the 12 development scenarios tested, 6 (50%) are unviable, 4 (33%) are marginal, and 2 (17%) are viable.

6.14 *Code for Sustainable Homes*

6.15 Once the cost of achieving Code compliance is introduced, very few of the development scenarios tested can support the increased costs associated with the Code and still remain viable.

6.16 Based on the cost of development to achieve Level 3, the only schemes that remain viable are 3, 4, 5 and 6 assuming development at 40dph. At 30 dph none of the scenarios tested indicate viable results.

6.17 The impact of compliance with Code Level 4 is even more pronounced. At 40 dph only Schemes 3, 4 and 6 remain in surplus. Again at 30 dph none of the results indicate viable development on this basis.

6.18 At Code Levels 5 and 6 all development is unviable in Zone 1.

6.19 *Affordable Housing*

6.20 The results for differing tenure mixes adopted are very similar in terms of the impacts on the development surplus.

6.21 In all instances the delivery of on-site affordable housing provision based on the policy compliant position of 30% is not viable. At 20% the results also show that development is not viable. With 10% on site affordable housing provision, a number of schemes show a small surplus based on development at 40 dph, namely schemes 3, 4 and 6 although in each instance the results show that development marginal. Assuming development at 30 dph the inclusion of on-site affordable housing at the thresholds tested is not viable.

6.22 <u>Zone 2 (Litherland, Orrell, Netherton and Waterloo)</u>

6.23 Table 6.3 contains the results of the viability testing for development in Zone 2 which broadly covers the areas of Litherland, Orrell, Netherton and Waterloo. It should be noted that in relation to Zone 2 our testing has only been undertaken in relation to previously developed Brownfield land.

6.24 *Baseline Surplus*

6.25 At 30 dph the baseline position ranges between surpluses of £2 per sq.m (Scheme 1) to £174 per sq.m (Scheme 4). For development at 40 dph the viability position improves with the development surpluses increasing from a minimum of £85 per sq.m (Scheme 1) up to £257 per sq.m (Schemes 3 and 4).

6.26 The Zone 2 development is generally viable. Of the 12 development scenarios tested, none are unviable, 2 (17%) are marginal, and 10 (83%) are viable.

6.27 *Code for Sustainable Homes*

6.28 Once the cost of achieving Code compliance is introduced there is an impact on the development surpluses however the majority of the development scenarios tested can support the cost of Code Levels 3 and 4 and remain viable.

6.29 The only exception is the smallest scheme tested (1) at 30dph, which provides a loss once the cost of Code compliance is accounted for.

6.30 At Code Levels 5 and 6 all development is unviable in Zone 2.

6.31 *Affordable Housing*

6.32 In most cases the delivery of on-site affordable housing provision based on the policy compliant position of 30% is not viable. Of the schemes tested on the basis of an 80%/20% tenure split between the social rented and intermediate affordable house types, only 3 schemes (25%) showed positive results but in all cases the level of surplus indicated marginal development. The remaining 9 schemes tested (75%) were unviable.

6.33 The results are similar for the 60%/40% tenure option. Of the schemes tested, only 3 schemes (25%) showed a surplus and in each instance this was marginal. The remaining 9 scenarios tested (75%) were unviable.

6.34 At 20% on-site affordable housing provision, the results show that viability improves. Assuming an 80/20 tenure mix, 5 (42%) of the development scenarios remain unviable, with a further 4 (33%) being marginal. At 20%, 3 of the schemes tested (25%) are viable. Adopting an 60%/40% mix, the results are very similar with exception of Scheme 3 which goes from being unviable in the 80%/20% tenure mix to marginal with a 60%/40% mix.

6.35 The majority of schemes tested can support an on-site affordable housing provision of 10%. At 10% affordable provision there is only a limited difference in the overall viability position between the two tenure options. In each case of the 12 schemes tested 2 (17%) are unviable (Scheme 1 at both 30 and 40 dph) whilst 2 (17%) are marginal (comprising Schemes 2 and 5 at 30 dph). The remaining 8 schemes (66%) are viable.

6.36 With a 40% affordable housing contribution all development schemes are unviable.

6.37 <u>Zone 3 (Aintree, Thornton & Rural Hinterlands)</u>

6.38 Table 6.4 contains the results of the viability testing for Zone 3 which broadly covers the areas of Aintree, Thornton & Rural Hinterlands.

6.39 *Baseline Surplus*

6.40 At 30 dph in respect of the Brownfield sites tested the baseline position ranges from a loss of -£48 per sq.m (Scheme 1) to a surplus of £129 per sq.m (Scheme 4). At 40 dph the viability position improves and the surpluses range from between £94 per sq.m (Scheme 1) to £269 per sq.m (Scheme 3).

6.41 In respect of the Greenfield Sites tested the baseline surpluses increase. At 30 dph they range from £291 per sq.m (Scheme 1) to £460 per sq.m (Scheme 4). At 40 dph the surpluses range from between £375 per sq.m (Scheme 1) to £523 per sq.m (Schemes 3 and 4).

6.42 Development in Zone 3 is generally viable at the baseline position. Of the 24 development scenarios tested across Greenfield and previously developed sites only 1 (4%) is unviable, 3 (13%) are marginal, and 20 (83%) are viable.

6.43 *Code for Sustainable Homes*

6.44 The majority of development scenarios tested can support development to Code Levels 3 and 4.

6.45 All of the developments tested with the exception of Scheme 1 (Brownfield) at 30 dph can achieve Code Level 3 and remain viable.

6.46 Assuming Code Level 4 a further 2 Brownfield schemes (2 and 5) also become unviable.

6.47 All of the Greenfield sites tested can support Code Level 5 with the exception of Scheme 1 and remain viable. None of the Brownfield scenarios tested are viable at Code Level 5.

6.48 In all cases Code Level 6 is not viable, with the exception of Greenfield development at 40 dph in respect of Scheme 6.

6.49 *Affordable Housing*

6.50 In Zone 3 we have undertaken testing to determine the impact of on-site affordable provision across both previously developed Brownfield and also Greenfield sites. Given the extent of the testing we have briefly summarised the outcome in the schedule below.

Affordable Housing Results for Zone 3

Viability	80% Social Rent/20% Intermediate				60% Social Rent/40% Intermediate			
	10%	20%	30%	40%	10%	20%	30%	40%
Viable	17 (70%)	12 (50%)	10 (42%)	8 (33%)	17 (70%)	13 (54%)	12 (50%)	9 (38%)
Marginal	3 (13%)	4 (17%)	0 (0%)	1 (4%)	3 (13%)	3 (13%)	1 (4%)	3 (13%)
Unviable	4 (17%)	8 (33%)	14 (58%)	15 (63%)	4 (17%)	8 (33%)	11 (46%)	12 (50%)

6.51 Based on the policy compliant position of 30% on site provision and assuming an 80/20 split between social rent and intermediate, 10 (42%) of the development scenarios tested are viable. In all cases the viable options are based on Greenfield development. The Brownfield development scenarios tested at 30% provision are not viable. The results for testing based on a 60/40 tenure split are broadly similar, however as the results show that viability improves slightly with a further two schemes becoming viable and another scheme becoming marginal. Just under half of the scenarios tested, which in all cases are Brownfield sites, are unviable.

6.52 With a reduction in the amount of on-site affordable housing provision to 20%, the viability of the schemes tested increases significantly. Assuming provision based on an 80/20 split the percentage of viable schemes increases to 50%, with only 33% of the scenarios tested having unviable results. In all cases the unviable development schemes are on Brownfield sites. The results show that a further 4 schemes are marginal, and again these relate to the development of Brownfield sites. Based on a 60/40 tenure split the results improve very slightly with a further scheme becoming viable. The number of unviable schemes remains at 33%.

6.53 We have also considered the viability of development incorporating 10% affordable housing provision which results in a further improvement in viability. The results for both tenure options are broadly similar and demonstrate that in each case 70% of the development scenarios tested are viable. All Greenfield developments can support 10% affordable provision. Only 4 of the Brownfield Schemes tested are not viable, whilst 3 are marginal.

6.54 We have also explored the prospect of achieving 40% on site affordable housing provision. The results show that the schemes that can support 40% on-site affordable housing are all Greenfield sites. Based on an 80/20 tenure mix 33% of the schemes tested are viable and at 60/40 there is a slight increase in viability with a further scheme becoming viable.

6.55 Zone 4 (Southport, Ainsdale, Hightown & Maghull)

6.56 Table 6.5 contains the results of the viability testing for development in Zone 4 which broadly covers the areas of Southport, Ainsdale, Hightown and Maghull.

6.57 *Baseline Surplus*

6.58 At 30 dph in respect of Brownfield sites the baseline position ranges from a loss of -£17 sq.m (Scheme 1) to a surplus of £161 per sq.m (Scheme 4). At 40 dph the viability position improves with surpluses ranging from between £139 per sq.m (Scheme 1) to £316 per sq.m (Scheme 3).

6.59 In respect of the Greenfield Sites tested, the baseline surpluses increase. At 30 dph they range from £269 per sq.m (Scheme 1) to £438 per sq.m (Scheme 4). At 40 dph the surpluses range from between £361 per sq.m (Scheme 1) to £531 per sq.m (Scheme 3).

6.60 Development in Zone 4 is generally viable at the baseline position. Of the 24 development scenarios tested across Greenfield and previously developed Brownfield sites, only 1 (4%) is unviable with the remaining 23 (96%) sites viable.

6.61 *Code for Sustainable Homes*

6.62 The majority of development scenarios tested can support development to Code Levels 3 and 4.

6.63 All of the developments tested with the exception of Scheme 1 (Brownfield) at 30 dph can achieve Code Level 3 and 4 and remain viable.

6.64 All Greenfield sites can support Code Level 5 with the exception of Scheme 1 at 30 dph and remain viable. None of the Brownfield development scenarios tested were viable at Code Level 5.

6.65 In all cases Code Level 6 is not viable, with the exception of Greenfield development at 40 dph in respect of Schemes 3, 4 and 6.

6.66 *Affordable Housing*

6.67 In Zone 4 we have undertaken testing to determine the impact of on-site affordable provision across both previously developed Brownfield and also Greenfield sites. Given the extent of the testing we have briefly summarised the outcome in the schedule below.

Affordable Housing Results for Zone 4

Viability	80% Social Rent/20% Intermediate				60% Social Rent/40% Intermediate			
	10%	20%	30%	40%	10%	20%	30%	40%
Viable	17 (71%)	13 (54%)	8 (33%)	5 (21%)	17 (71%)	13 (54%)	11 (46%)	6 (25%)
Marginal	5 (21%)	5 (21%)	5 (21%)	4 (17%)	5 (13%)	5 (21%)	4 (17%)	4 (17%)
Unviable	2 (8%)	6 (25%)	11 (46%)	15 (62%)	2 (17%)	6 (25%)	9 (38%)	14 (56%)

6.68 Based on the policy compliant position of 30% on site provision and assuming an 80/20 split between social rent and intermediate, 11 (46%) of the development scenarios tested are unviable and 8 (33%) are viable. In all cases the viable options are based on Greenfield development. The Brownfield development scenarios tested at 30% provision are generally not viable with the exception of Schemes 3, 4 and 6 at 40 dph. The results for testing based on a 60/40 tenure split are broadly similar; however as the results show viability improves slightly with a further three schemes becoming viable. Nine of the schemes tested, (38%) are not viable and in each of the cases are previously developed Brownfield sites.

6.69 With a reduction in the amount of on-site affordable housing provision to 20%, the viability of the schemes tested increases. Assuming provision based on an 80/20 split the percentage of viable schemes increases to 13 (54%), with only 25% of the scenarios tested having unviable results. In all cases the unviable development schemes are on Brownfield sites. The results show that a further 5 schemes are marginal, and again these relate to development on Brownfield sites. Based on a 60/40 tenure split the results are very similar with 54% of the schemes tested viable, 25% unviable and 21% marginal.

6.70 We have also considered the viability of development incorporating 10% affordable housing provision which results in a further improvement in viability. The results for both tenure options are broadly similar and demonstrate that in each case 71% of the development scenarios tested are viable. All Greenfield developments can support 10% affordable provision. Only 2 of the Brownfield schemes tested are not viable, whilst 4 are marginal.

6.71 We have also explored the prospect of achieving 40% on site affordable housing provision. The results show that the schemes that can support 40% on-site affordable housing are all Greenfield sites. Based on an 80/20 tenure mix 21% of the schemes tested are viable. At 60/40 there is a slight increase in viability with a further scheme becoming viable. The majority of schemes tested cannot support 40% on site affordable housing.

6.72 <u>Zone 5 (Birkdale, Formby and Blundellsands)</u>

6.73 Table 6.6 contains the results of the viability testing for development in Zone 5 which broadly covers the areas of Birkdale, Formby and Blundellsands.

6.74 *Baseline Surplus*

6.75 At 30 dph in respect of the Brownfield sites tested the baseline position ranges from a minimum surplus of £154 sq.m (Scheme 1) up to £331 per sq.m (Scheme 4). At 40 dph the viability position improves and the surpluses range from between £310 per sq.m (Scheme 1) to £485 per sq.m (Scheme 3).

6.76 In respect of the Greenfield Sites tested, the baseline surpluses increase. At 30 dph they range from £440 per sq.m (Scheme 1) to £607 per sq.m (Scheme 4) at 30 dph. At 40 dph the surpluses range from between £532 per sq.m (Scheme 1) and £701 per sq.m (Scheme 3).

6.77 Development in Zone 5 is generally viable at the baseline position. Of the 24 development scenarios tested across Greenfield and previously developed sites all are viable.

6.78 *Code for Sustainable Homes*

6.79 All of development scenarios tested in Zone 5 can support development to Code Levels 3 and 4.

6.80 All of the Greenfield sites tested can support Code Level 5. Of the Brownfield sites tested at 30 dph and 40 dph, 5 scenarios are not viable, namely Scheme 1 (at 30 and 40 dph) and Schemes 2, 5 and 6 at 30 dph only.

6.81 At Code Level 6 all of the Greenfield development scenarios tested with the exception of Scheme 1 can afford the increased costs associated with achieving Code Level 6. In all cases Brownfield development on this basis is not viable with the exception of one scheme (3) at 40 dph.

6.82 *Affordable Housing*

6.83 In Zone 3 we have undertaken testing to determine the impact of on-site affordable provision across both previously developed Brownfield and also Greenfield sites. Given the extent of the testing we have briefly summarised the outcome in the schedule below.

Affordable Housing Results for Zone 5

Viability	80% Social Rent/20% Intermediate				60% Social Rent/40% Intermediate			
	10%	20%	30%	40%	10%	20%	30%	40%
Viable	23 (96%)	19 (79%)	13 (54%)	9 (38%)	23 (96%)	20 (83%)	15 (63%)	12 (50%)
Marginal	0 (0%)	4 (17%)	6 (25%)	6 (25%)	0 (0%)	3 (13%)	5 (21%)	5 (21%)
Unviable	1 (4%)	1 (4%)	5 (21%)	9 (38%)	1 (4%)	1 (4%)	4 (17%)	7 (29%)

6.84 Based on the policy compliant position of 30% on site provision and assuming an 80/20 split between social rent and intermediate, 13 (54%) of the development scenarios tested area viable. In all cases the viable options are based on Greenfield development. Three of the Brownfield development scenarios tested at 30% provision are viable, 5 are unviable and the balance of 4 show marginal results. The results for testing based on a 60/40 tenure split are broadly similar, however as the results show that viability improves slightly with a further two schemes becoming viable and the number of unviable schemes reducing by one to 4.

6.85 With a reduction in the amount of on-site affordable housing provision to 20%, the viability of the schemes tested increases significantly. Assuming provision based on an 80/20 split the percentage of viable schemes increases to 79%, with only 4% or one scheme, namely Scheme 1 at 30 dph (Brownfield) is unviable. The results show that a further 4 schemes are marginal, which again relate to the development of Brownfield sites at 30 dph. Based on a 60/40 tenure split the results improve very slightly with a further scheme becoming viable. Only one scheme remains unviable.

6.86 We have also considered the viability of development incorporating a 10% affordable housing provision which results in a further improvement in viability. The results for both tenure options are broadly similar and demonstrate that in each case all of the development scenarios tested are viable with the exception of Scheme 1 at 30 dph on a Brownfield site.

6.87 We have also explored the prospect of achieving 40% on site affordable housing provision. The results show that the schemes that can support 40% on-site affordable housing are all Greenfield sites, except for Scheme 4 at 40 dph. Based on an 80/20 tenure mix 38% of the schemes tested are viable and at 60/40 there is a slight increase in viability to 50%.

6.88 Southport Greenfield Only (with Dynamic Compaction Costs)

6.89 For completeness we have also undertaken some testing across the hypothetical development scenarios to model the impact of possible poor ground conditions on Greenfield sites in parts of Southport. Table 6.7 below contains the results of this viability testing.

6.90 *Baseline Surplus*

6.91 In respect of the Greenfield Sites tested at 30 dph, the baseline surpluses range from £377 per sq.m (Scheme 1) to £545 per sq.m (Scheme 4). At 40 dph the viability position improves and the surpluses range from between £442 per sq.m (Scheme 1) to £608 per sq.m (Schemes 3 and 4).

6.92 Development in Southport on Greenfield Sites subject to poor ground conditions is considered viable in all of the 24 development scenarios tested (assuming that the threshold land values are adjusted to reflect such conditions).

6.93 *Code for Sustainable Homes*

6.94 All of development scenarios tested can support development to Code Levels 3, 4 and 5.

6.95 At Code Level 6, 4 of the schemes tested become unviable namely Scheme 1 (30 and 40 dph), Scheme 2 (30 dph) and Scheme 5 (30 dph).

6.96 *Affordable Housing*

6.97 In relation to the provision of affordable housing, the results in table 6.7 show that the policy compliant position at 30% is viable in all cases except in relation to Scheme 1. Here assuming an 80/20 tenure mix the result at 30 dph is not viable whilst at 40 dph it is marginal. Assuming a 60/40 mix the position improves although the result at 30 dph is still marginal.

Table 6.2: Zone 1 (Bootle & Seaforth) Residential Viability Testing Results

Zone 1: Bootle & Seaforth

Brownfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	-£169	£21	£71	£305	£522								
	40	-£86	£21	£74	£306	£509								
2 (10 Units)	30	-£63	£20	£71	£290	£499								
	40	£19	£20	£71	£293	£502	£61				£61			
3 (15 Units)	30	-£15	£19	£69	£279	£480								
	40	£87	£19	£69	£280	£481	£51	£145			£51	£130		
4 (20 Units)	30	£2	£19	£70	£277	£481								
	40	£87	£19	£70	£284	£489	£69	£120			£51	£107		
5 (50 Units)	30	-£35	£19	£69	£273	£475								
	40	£48	£19	£69	£276	£482	£63				£59			
6 (100 Units)	30	-£10	£19	£67	£268	£471								
	40	£77	£19	£67	£277	£472	£67	£129			£59	£114		

Table 6.3: Zone 2 (Litherland, Orrell, Netherton & Waterloo) Residential Viability Testing Results

Zone 2: Litherland, Orrell, Netherton & Waterloo

Brownfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	£2	£21	£74	£303	£520	£80				£80			
	40	£85	£21	£74	£304	£521	£143				£143			
2 (10 Units)	30	£108	£20	£71	£329	£497	£69	£159			£69	£159		
	40	£189	£20	£71	£295	£500	£69	£159	£266		£69	£159	£248	
3 (15 Units)	30	£155	£19	£69	£284	£478	£58	£164			£58	£91	£185	
	40	£257	£19	£69	£284	£479	£58	£164	£242	£310	£55	£147	£180	£298
4 (20 Units)	30	£174	£19	£70	£288	£482	£78	£131	£227		£56	£119	£227	
	40	£257	£19	£70	£288	£487	£78	£136	£227	£305	£58	£121	£227	£271
5 (50 Units)	30	£123	£19	£69	£283	£473	£72	£154			£67	£141		
	40	£204	£19	£69	£283	£475	£71	£154	£222		£67	£159	£509	
6 (100 Units)	30	£148	£19	£67	£277	£464	£76	£146	£222		£67	£129	£203	
	40	£231	£19	£67	£277	£466	£76	£146	£222	£292	£67	£129	£203	£200

Table 6.4: Zone 3 (Aintree, Thornton & Rural Hinterlands) Residential Viability Testing Results

Zone 3: Aintree, Thornton & Rural Hinterlands

Brownfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	-£48	£21	£74	£306	£510								
	40	£94	£21	£74	£306	£516	£160				£160			
2 (10 Units)	30	£59	£20	£71	£295	£483	£76				£76			
	40	£200	£20	£71	£295	£502	£77	£178	£297		£77	£178	£276	
3 (15 Units)	30	£115	£19	£69	£284	£483	£65	£183			£55	£165		
	40	£269	£19	£69	£284	£482	£65	£183	£270		£65	£165	£200	£333
4 (20 Units)	30	£129	£19	£70	£288	£491	£87	£152			£65	£135		
	40	£266	£19	£70	£288	£491	£148	£297			£148	£297		
5 (50 Units)	30	£66	£19	£69	£283	£482	£80				£75			
	40	£203	£19	£69	£283	£482	£82	£174	£251		£76	£159	£221	
6 (100 Units)	30	£89	£19	£67	£277	£472	£85	£163			£75	£144		
	40	£226	£19	£67	£277	£472	£85	£163	£248		£75	£144	£247	

Table 6.4: Zone 3 (Aintree, Thornton & Rural Hinterlands) Residential Viability Testing Results

Zone 3: Aintree, Thornton & Rural Hinterlands

Greenfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	£291	£21	£74	£306	£519	£89	£117	£371		£89	£117	£183	£212
	40	£357	£21	£74	£306	£522	£160	£211	£371		£160	£211	£249	
2 (10 Units)	30	£395	£19	£71	£295	£502	£77	£178	£297	£398	£77	£178	£276	£353
	40	£456	£20	£71	£295	£502	£77	£178	£297	£398	£77	£178	£276	£347
3 (15 Units)	30	£438	£19	£69	£284	£483	£65	£183	£270	£346	£62	£165	£200	£264
	40	£523	£19	£69	£296	£483	£65	£183	£270	£346	£65	£165	£200	£333
4 (20 Units)	30	£460	£19	£70	£288	£491	£84	£149	£254	£341	£62	£133	£254	£302
	40	£523	£19	£70	£288	£491	£87	£152	£254	£341	£62	£133	£254	£302
5 (50 Units)	30	£393	£19	£69	£283	£482	£80	£172	£248	£334	£74	£156	£218	£300
	40	£456	£19	£69	£283	£482	£80	£172	£248	£334	£74	£156	£218	£300
6 (100 Units)	30	£416	£19	£67	£277	£472	£85	£163	£247	£325	£75	£144	£226	£293
	40	£481	£19	£67	£277	£472	£85	£163	£247	£325	£75	£144	£226	£293

Table 6.5: Zone 4 (Southport, Ainsdale, Hightown, Crosby & Maghull) Residential Viability Testing Results

Zone 4: Southport, Ainsdale, Hightown, Crosby & Maghull
Brownfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	-17	£21	£74	£306	£509								
	40	£139	£21	£74	£306	£515	£168				£168			
2 (10 Units)	30	£91	£20	£71	£295	£502	£81	£187			£81	£187		
	40	£239	£20	£71	£295	£502	£81	£187	£312		£81	£187	£291	
3 (15 Units)	30	£144	£19	£69	£284	£483	£68	£192			£68	£173		
	40	£316	£19	£69	£284	£483	£68	£193	£284	£ 364	£65	£173	£211	£350
4 (20 Units)	30	£161	£19	£70	£288	£491	£91	£159	£267		£66	£140	£267	
	40	£308	£19	£70	£288	£491	£84	£181	£261		£78	£165	£230	£316
5 (50 Units)	30	£92	£19	£69	£283	£482	£84	£181			£79	£139		
	40	£239	£19	£69	£283	£481	£84	£181	£261		£78	£165	£230	£316
6 (100 Units)	30	£113	£19	£67	£277	£472	£89	£171			£79	£152		
	40	£263	£19	£67	£277	£472	£89	£171	£260	£343	£79	£152	£238	£308

Zone 4: Southport, Ainsdale, Hightown, Crosby & Maghull

Greenfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	£269	£21	£74	£306	£522	£168	£222	£390		£168	£222	£291	
	40	£361	£21	£74	£306	£509	£93	£123	£390		£93	£123	£262	£279
2 (10 Units)	30	£374	£19	£71	£295	£502	£81	£187	£312	£419	£81	£187	£291	£372
	40	£462	£19	£71	£295	£501	£81	£187	£312	£419	£81	£187	£291	£372
3 (15 Units)	30	£418	£19	£69	£284	£483	£68	£193	£284	£364	£65	£173	£211	£350
	40	£531	£19	£69	£284	£483	£68	£193	£284	£364	£68	£173	£211	£350
4 (20 Units)	30	£438	£19	£70	£288	£491	£91	£159	£267	£358	£66	£140	£267	£318
	40	£527	£19	£70	£288	£491	£91	£159	£267	£358	£66	£140	£267	£318
5 (50 Units)	30	£365	£19	£69	£283	£482	£83	£180	£261	£351	£78	£165	£230	£316
	40	£453	£19	£69	£283	£482	£84	£181	£261	£316	£78	£165	£230	£316
6 (100 Units)	30	£387	£19	£67	£277	£472	£84	£181	£261	£316	£79	£152	£238	£308
	40	£478	£19	£67	£277	£472	£89	£171	£260	£343	£79	£152	£238	£308

Table 6.6: Zone 5 (Birkdale, Formby & Blundellands) Residential Viability Testing Results

Zone 5: Birkdale, Formby & Blundellands

Brownfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	£154	£21	£74	£306	£522	£185				£185			
	40	£310	£21	£74	£306	£509	£185	£244	£429		£153	£227	£323	
2 (10 Units)	30	£261	£20	£71	£295	£502	£89	£206	£343		£89	£206	£320	
	40	£409	£20	£71	£295	£502	£89	£206	£343	£460	£89	£206	£320	£402
3 (15 Units)	30	£318	£19	£69	£284	£483	£75	£212	£312	£400	£71	£160	£232	£385
	40	£485	£19	£69	£284	£483	£75	£212	£312	£400	£71	£160	£232	£385
4 (20 Units)	30	£331	£19	£70	£288	£494	£100	£175	£294	£394	£72	£153	£294	£349
	40	£477	£19	£70	£288	£491	£100	£175	£394	£502	£72	£153	£294	£349
5 (50 Units)	30	£248	£19	£69	£283	£482	£92	£199	£287		£86	£182	£252	
	40	£395	£19	£69	£283	£482	£92	£199	£287	£386	£92	£181	£252	£347
6 (100 Units)	30	£267	£19	£67	£277	£472	£98	£188	£286		£86	£167	£262	£297
	40	£417	£19	£67	£277	£472	£98	£188	£286	£376	£86	£167	£262	£339

Zone 5: Birkdale, Formby & Blundellands

Greenfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	£440	£21	£74	£306	£522	£185	£244	£429	£429	£185	£244	£429	£429
	40	£532	£21	£74	£306	£522	£185	£244	£429	£429	£185	£244	£287	£320
2 (10 Units)	30	£543	£19	£71	£295	£502	£89	£206	£343	£460	£89	£206	£320	£408
	40	£632	£20	£71	£295	£502	£89	£206	£343	£460	£89	£206	£320	£408
3 (15 Units)	30	£587	£19	£69	£284	£483	£75	£212	£312	£400	£71	£160	£232	£385
	40	£701	£19	£69	£284	£483	£75	£212	£312	£400	£71	£160	£232	£385
4 (20 Units)	30	£607	£19	£70	£288	£491	£100	£175	£294	£394	£72	£153	£294	£349
	40	£696	£19	£70	£288	£491	£100	£175	£294	£394	£72	£153	£294	£349
5 (50 Units)	30	£521	£19	£69	£283	£482	£92	£199	£287	£386	£85	£181	£252	£347
	40	£609	£19	£69	£283	£482	£92	£181	£252	£347	£92	£181	£252	£347
6 (100 Units)	30	£541	£19	£67	£277	£472	£98	£188	£287	£386	£86	£167	£262	£339
	40	£632	£19	£67	£277	£472	£98	£188	£286	£376	£86	£167	£262	£339

Table 6.7: Southport (Greenfield Development inclusive of Dynamic Compaction Costs) Residential Viability Testing Results

Zone 4 @ Zone 3 Land Values: Southport Greenfield with Dynamic Compaction
Greenfield

Scheme	Density	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate				60% Social Rented 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
1 (5 Units)	30	£377	£21	£74	£306	£509	£168	£222	£390		£168	£222	£262	£291
	40	£442	£21	£74	£319	£509	£168	£222	£390	£390	£168	£222	£262	£291
2 (10 Units)	30	£439	£20	£71	£295	£ 502	£39	£146	£271	£378	£39	£146	£250	£330
	40	£542	£20	£71	£295	£502	£81	£187	£312	£419	£81	£187	£291	£372
3 (15 Units)	30	£484	£19	£69	£284	£483	£29	£153	£244	£325	£25	£134	£299	£311
	40	£608	£19	£69	£284	£483	£68	£193	£284	£364	£65	£173	£231	£350
4 (20 Units)	30	£545	£19	£70	£288	£491	£91	£159	£267	£358	£66	£140	£267	£318
	40	£608	£19	£70	£288	£491	£91	£159	£269	£358	£66	£140	£267	£318
5 (50 Units)	30	£431	£19	£69	£283	£482	£44	£140	£221	£311	£37	£124	£189	£275
	40	£534	£19	£69	£283	£482	£84	£181	£261	£351	£78	£165	£230	£316
6 (100 Units)	30	£494	£19	£67	£277	£472	£89	£220	£260	£343	£79	£152	£238	£308
	40	£558	£19	£67	£277	£472	£89	£171	£260	£343	£79	£152	£238	£308

6.98 **Residential Site Specific Testing**

6.99 The results of the Site Specific Testing contained at table 6.8 show similar trends in terms of viability to the results observed in respect of the generic testing. We have summarised the findings in relation to each site below:-

6.100 ***SR4.2 Land at Bankfield Lane – Churchtown North***

6.101 The results for the development of the site at Bankfield Lane show a baseline surplus of £304 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.102 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.103 In relation to affordable housing, on site provision at 40% is unviable, whilst at the policy compliant position of 30% the results are marginal. Based on 20% on-site affordable housing provision development is viable based on both the tenure options tested.

6.104 ***SR4.3 Land at Moss Lane – Churchtown South***

6.105 The results for the development of the land at Moss Lane show a baseline surplus of £356 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.106 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.107 In relation to affordable housing, the results demonstrate that it is possible to achieve on-site affordable provision at 40% based on a tenure mix of 60% Social Rented/40% Intermediate however the results are marginal if this is adjusted to an 80% Social Rented/20% Intermediate mix. At an affordable housing provision of 30%, 20% and 10% development is viable in all cases.

6.108 ***SR4.5 Land at Broome Road, Southport***

6.109 The results for the development of the land at Broome Road show a baseline surplus of £307 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.110 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.111 In relation to affordable housing, on site provision at 40% is unviable assuming an 80/20 tenure split, although the result is marginal assuming a 60/40 split. At the policy compliant position of 30% the result based on an 80/20 mix is marginal and becomes viable assuming a 60/40 mix. Based on 20% on-site affordable housing provision development is viable based on the tenure options tested.

6.112 ***SR4.6 Former Ainsdale Hope School, Ainsdale***

6.113 The results for the development of the former Ainsdale Hope School show a baseline surplus of £385 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.114 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.115 In relation to affordable housing, on site provision at 40% is marginal based on the affordable tenure options tested. The results show the site can support on site affordable housing provision based on the policy position of 30%. On-site provision at 20% and 10% is also viable.

6.116 ***SR4.10 Land south of Moor Lane, Ainsdale***

6.117 The results for the development of the land to the South of Moor Lane in Ainsdale show a baseline surplus of £329 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.118 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.119 In relation to affordable housing, on site provision at 40% is marginal when a 60% social rent/40% intermediate tenure mix is tested, whilst at 80% social housing/20% intermediate it is unviable. Based on the policy compliant position at 30% the results show that in each case development is marginal. At a reduced affordable housing provision of 20% and 10% development is viable.

6.120 ***SR4.11 Land north of Brackenway, Formby***

6.121 The results for the development of the land to the North of Brackenway in Formby show a baseline surplus of £442 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.122 The introduction of building standards to achieve Code Levels 3, 4 and 5 can also be supported on this site; however, at Code Level 6 development becomes unviable.

6.123 In relation to affordable housing, on site provision at 40% is viable assuming a 60% social rent/40% intermediate tenure mix, whilst based on an 80% social rent/20% intermediate mix development is marginal. Based on the policy compliant position at 30% and also at 20% and 10% development is viable.

6.124 ***SR4.14 Land at Liverpool Road, Formby***

6.125 The results for the development of the land at Liverpool Road in Formby show a baseline surplus of £432 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.126 The introduction of building standards to achieve Code Levels 3, 4 and 5 can also be supported on this site; however, at Code Level 6 development becomes unviable.

6.127 In relation to affordable housing, on site provision at 40% is viable assuming a 60% social rent/40% intermediate tenure mix, whilst based on an 80% /20% mix the result is marginal. The results show that the site can support the policy compliant affordable housing provision of 30%, together with 20% and 10%.

6.128 ***SR4.16 Land at Andrew's Close, Formby***

6.129 The results for the development of the land at St Andrew's Close in Formby show a baseline surplus of £512 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.130 The introduction of building standards to achieve Code Levels 3, 4 and 5 can also be supported on this site; however, at Code Level 6 development becomes marginal.

6.131 In relation to affordable housing, at a provision of 40%, 30%, 20% and 10% in all cases development is viable.

6.132 ***SR4.23 Land at Lydiate Lane, Thornton***

6.133 The results for the development of the land at Lydiate Lane in Thornton show a baseline surplus of £303 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.134 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.135 In relation to affordable housing, an on-site provision at 40% is marginal based on a tenure mix of 60% Social Rented/40% Intermediate, whilst at 80% Social Rented/20% Intermediate tenure it is unviable. Based on the policy compliant position of 30% on-site provision development is viable assuming a 60/40 tenure mix and marginal based on an 80/20 mix. On-site affordable housing provision of 20% and 10% is viable in all cases.

6.136 ***SR4.21 Land west of Holgate, Thornton***

6.137 The results for the development of the land west of Holgate show a baseline surplus of £365 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.138 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.139 In relation to affordable housing, on site provision at 40% is marginal. However based on the policy compliant position of 30% and also at 20% and 10% development is viable in all instances.

6.140 ***SR4.25 Land south of Runnells Lane, Thornton***

6.141 The results for the development of the land to the South of Runnells Lane in Thornton show a baseline surplus of £299 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.142 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.143 In relation to affordable housing, an on-site provision at 40% is marginal if a tenure mix of 60% Social Rented/40% Intermediate is adopted, whilst it is unviable assuming an 80% Social Rented/20% Intermediate tenure mix. Based on the policy compliant position (at 30% on-site provision) assuming an 80/20 mix development is marginal whilst at 60/40 development is viable. On-site affordable housing provision of 20% and 10% is viable in all cases.

6.144 ***SR4.29 Wadacre Farm, Melling***

6.145 The results for the development of the site at Wadacre Farm in Melling show a baseline surplus of £294 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.146 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however, at Code Level 5 development becomes marginal and at Level 6 unviable.

6.147 In relation to affordable housing, an on-site provision at 40% is marginal if a tenure mix of 60% Social Rented/40% Intermediate is adopted, and unviable assuming an 80% Social Rented/20% Intermediate tenure mix. Adopting the policy compliant position based on 30% on-site provision, the results assuming an 80/20 mix are marginal whist assuming 60/40 they are viable. On-site affordable housing provision of 20% and 10% is viable in all cases.

6.148 ***SR4.28 Land east of Waddicar Lane, Melling***

6.149 The results for the development of the land to the east of Waddicar Lane in Melling show a baseline surplus of £293 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.150 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site; however, at Code Levels 5 and 6 the development becomes unviable.

6.151 In relation to affordable housing, an on-site provision at 40% and 30% is marginal based on a tenure mix of 60% Social Rented/40% Intermediate, whilst it is marginal at 30% and unviable at 40% if an 80% Social Rented/20% Intermediate tenure mix is adopted. On-site affordable housing provision of 20% and 10% is viable in all cases.

6.152 ***SR4.40 Former St Wilfrid's School, Bootle***

6.153 The results for the development of the former St Wilfrid's School site in Bootle show a baseline surplus of £163 per sq.m. This demonstrates that at the baseline position development of the site is viable.

6.154 The introduction of building standards to achieve Code Levels 3 and 4 can also be supported on this site, however at Code Levels 5 and 6 development becomes unviable.

6.155 In relation to affordable housing, on site provision at 40% and 30% is unviable, whilst at 20% the results are marginal. At an affordable housing provision of 10% development is viable.

6.156 **Summary**

6.157 Each of the 14 allocated sites tested are considered to be viable based on the testing that we have undertaken. Obviously, this is a high level exercise and limitations exist based on the quality of available evidence, in particular in respect of the ground conditions and details of further abnormal costs that may be incurred. Notwithstanding this, the indicative tests that we have undertaken suggest that each of the sites are viable, and that significant surpluses exist (the lowest being £163 per sq.m).

6.158 In respect of each of the Schemes tested, all can support the additional costs to achieve a standard equivalent to Code Levels 3 and 4. In Formby all of the schemes tested can achieve an equivalent of Code Level 5 requirements and remain viable.

Summary of Affordable Housing Results for Site Specific Testing

Viability	80% Social Rent/20% Intermediate				60% Social Rent/40% Intermediate			
	10%	20%	30%	40%	10%	20%	30%	40%
Viable	14	13	6	1	14	13	10	4
	(100%)	(93%)	(43%)	(7%)	(100%)	(93%)	(71%)	(29%)
Marginal	0	1	7	5	0	1	3	8
	(0%)	(7%)	(50%)	(36%)	(0%)	(7%)	(21%)	(57%)
Unviable	0	0	1	8	0	0	1	2
	(0%)	(0%)	(7%)	(57%)	(0%)	(0%)	(7%)	(14%)

6.159 The results of our site specific testing generally show that the developments are able to support affordable housing provision. Based on the policy compliant position at 30% only one site (St Wilfrids) is not viable, and remains unviable when a 60/40 tenure mix is applied. Adopting a 80/20 tenure mix, 43% of the sites are viable and 50% are marginal. Based on an 60/40 mix the results improve further and 71% of the sites are viable and only 21% are marginal.

Table 6.8: Site Specific Viability Testing Results

Area	Address	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements							
			Level 3	Level 4	Level 5	Level 6	80% Social Rent 20% Intermediate				60% Social Rent 40% Intermediate			
							10%	20%	30%	40%	10%	20%	30%	40%
Southport	SR4.2 Land at Bankfield Lane – Churchtown North	£304	£20	£72	£298	£503	£88	£167	£250	£339	£77	£152	£224	£306
	SR4.3 Land at Moss Lane – Churchtown South	£356	£17	£61	£257	£446	£73	£149	£222	£297	£66	£134	£201	£267
	SR4.5 Land at Broome Road, Southport	£307	£19	£68	£283	£482	£79	£159	£241	£319	£71	£144	£217	£286
	SR4.6 Former Ainsdale Hope School, Ainsdale	£385	£19	£70	£289	£494	£87	£169	£255	£343	£77	£153	£230	£310
	SR4.10 Land south of Moor Lane, Ainsdale	£329	£20	£73	£301	£514	£89	£173	£271	£353	£79	£157	£243	£320
Formby	SR4.11 Land north of Brackenway, Formby	£442	£20	£71	£293	£501	£90	£175	£274	£365	£81	£157	£247	£331
	SR4.14 Land at Liverpool Road, Formby	£432	£18	£66	£273	£468	£85	£171	£256	£343	£77	£155	£231	£309
	SR4.16 Land at Andrew's Close, Formby	£512	£20	£73	£300	£512	£95	£192	£278	£375	£86	£169	£248	£339
Crosby/ Thornton	SR4.23 Land at Lydiate Lane, Thornton	£303	£19	£69	£288	£484	£75	£152	£227	£305	£68	£137	£206	£276
	SR4.21 Land west of Holgate, Thornton	£365	£19	£70	£288	£494	£84	£161	£241	£328	£74	£145	£220	£297
	SR4.25 Land south of Runnells Lane, Thornton	£299	£20	£72	£296	£498	£81	£159	£241	£313	£74	£144	£215	£284
Melling	SR4.29 Wadacre Farm, Melling	£294	£20	£71	£293	£492	£75	£154	£233	£314	£64	£138	£211	£282
	SR4.28 Land east of Waddicar Lane, Melling	£293	£20	£71	£294	£494	£78	£158	£232	£313	£71	£143	£211	£280
Bootle	R4.40 Former St Wilfrid's School, Bootle	£163	£20	£71	£294	£504	£71	£141	£212	£282	£64	£127	£192	£253

6.160 **Commercial Generic Testing**

6.161 The results of the testing that we have undertaken in respect of the Commercial development scenarios are listed in Table 6.9 below.

6.162 The findings conclude that the majority of development typologies tested are unviable. Industrial, office and leisure uses with the exception of food and drink development are unviable on both Brownfield and Greenfield sites. The development of a 7,500 sq.ft food and drink unit provides a surplus of £211 per sq.m, which amounts to 11% as a proportion of cost for development on a Brownfield site, which compares to a surplus of £452 per sq.m (27% as a proportion cost) for the same development on a Greenfield site. This indicates that development on this basis is viable.

6.163 Retail development on the whole is viable, although there are significant differences between convenience and comparison retail. For example, larger comparison units (10,000 and 30,000 sq.ft units) are unviable on Brownfield sites (although remain viable on Greenfield Sites), whilst larger Convenience retail are viable in both Greenfield and Brownfield locations with surpluses in excess of 30% as a proportion of cost.

6.164 Retail development is viable in the majority of Greenfield locations owing to reduced build costs and reduced land values, with only 3,000 sq.ft comparison units considered unviable in respect of local centre development.

6.165 Location is also a key factor in determining whether or not retail accommodation is viable. For example, in respect of comparison retail a 3,000 sq.ft unit when developed in a Brownfield location provides a surplus of £446 per sq.m (27% of cost) in high value town centres, but in comparison makes a loss of -£27 per sq.m (-2% of cost) in low value locations. Similar trends are observed in respect of smaller 3,000 sq.ft convenience units when developed on Brownfield sites, which are marginal in local centres (£56 per sq.m, 4%), unviable in district centres (-£8 per sq.m, -1%), and viable in town centre locations (£190 per sq.m, 12%).

6.166 Extra Care accommodation is unviable at revenues of £2,900 per sq.m (£270 per sq.ft) or less. At revenues above this level then the development of Extra Care units becomes viable. It is possible in Sefton that these higher values may be achievable in higher value areas such as in Zones 4 and 5. At values of £3,330 per sq.m (£300 per sq.ft) for example, surpluses of £198 per sq.m could be achieved (10.25% of cost), which demonstrates that such forms of development are viable.

6.167 The results indicate that at present, standalone speculative office and industrial development is unviable across the borough even though in undertaking the study we have applied an optimistic position in relation to revenues. It is likely that such forms of development may require support from enabling development in the form of more viable forms of development such as residential or retail. Notwithstanding the results of our viability testing office and industrial development is likely come forward on these sites in the future motivated by specific circumstances such as an owner occupier wishing to expand their business or alternatively with the benefit of public sector funding support.

6.168 Despite the fact that speculative development is not considered to be financially viable at this point in time it is likely that some office and industrial development will come forward in the future. Such development is likely to be motivated by specific circumstances such as an existing owner occupier wishing to expand or other business requirements necessitating development of that type in that location, for example to be near a specific piece of existing infrastructure, or for business agglomeration reasons. This type of development is not typical of the market and does not accord to normal development viability criteria. Effectively, the business operation requiring the accommodation supplements the financial shortfall from other means. Accordingly, it is not appropriate to take such prospects of development into account in this instance. When applying normal development viability criteria, office and industrial development is not viable and as such it is considered that substantive speculative market development is unlikely to take place in this respect.

Table 6.9: Commercial Viability Testing Results

Unit Type	Location	Area (sq.ft)	Brownfield				Greenfield			
			Total Cost	Baseline Surplus	Baseline Surplus (Per sq.m)	Surplus as % of Cost	Total Cost	Baseline Surplus	Baseline Surplus (per sq.m)	Surplus as a % of Cost
Offices	All areas	5,000	£765,380	-£103,387	-£223	-13.51%	£739,150	-£77,157	-£166	-10.44%
Offices	All areas	10,000	£1,571,878	-£246,465	-£265	-15.68%	£1,518,254	-£192,841	-£208	-12.70%
Offices	All areas	20,000	£3,066,519	-£417,120	-£224	-13.60%	£2,961,693	-£312,293	-£168	-10.54%
Offices	All areas	50,000	£7,615,348	-£991,137	-£213	-13.01%	£7,350,539	-£726,326	-£156	-9.88%
Trade Counter	All areas	5,000	£529,004	-£137,238	-£295	-25.94%	£504,594	-£112,828	-£243	-22.36%
Industrial B1/B2	All areas	5,000	£492,056	-£276,633	-£596	-56.22%	£497,614	-£252,411	-£544	-50.72
Industrial B1/B2	All areas	10,000	£796,677	-£305,804	-£329	-38.38%	£748,523	-£257,649	-£277	-34.42%
Industrial B1/B2	All areas	20,000	£1,522,944	-£541,725	-£292	-35.57%	£1,408,016	-£426,798	-£230	-30.31%
Industrial B8	All areas	50,000	£3,660,818	-£1,043,954	-£225	-28.52%	£3,432,722	-£815,857	-£176	-23.77%
Industrial B8	All areas	150,000	£8,772,430	-£921,273	-£66	-10.50%	£8,141,752	-£290,595	-£21	-3.57%
Retail (Convenience)	Town Centre		£452,545	£52,897	£190	11.69%				
Retail (Convenience)	District Centre		£406,491	-£2,131	-£8	-0.52%	£366,656	£37,704	£135	10.28%
Retail (Convenience)	Local Centre	3,000	£388,687	£15,673	£56	4.03%	£363,707	£40,653	£146	11.18%
Retail (Convenience)	All areas	10,000	£1,696,987	£547,110	£589	32.24%	£1,195,064	£487,931	£525	40.83%
Retail (Convenience)	All areas	30,000	£5,076,879	£2,774,642	£996	54.65%	£3,363,944	£4,487,577	£1,610	133.40%
Retail (Convenience)	All areas	50,000	£8,763,978	£4,320,951	£930	49.30%	£5,702,267	£7,382,662	£1,589	129.47%
Retail (comparison)	High Value		£465,517	£124,193	£446	26.68%				
	Low Value		£449,926	-£7,664	-£27	-1.70%				
Retail (comparison)	District Centre		£405,133	£37,129	£133	9.16%	£380,770	£61,492	£221	16.15%
Retail (comparison)	Local Centre	3,000	£391,289	-£37,474	-£134	-9.58%	£371,418	-£17,603	-£63	-4.74%
Retail (comparison)	All areas	10,000	£1,630,359	-£157,830	-£170	-9.68%	£1,257,619	£214,910	£231	17.09%
Retail (comparison)	All areas	30,000	£3,946,787	-£469,489	-£168	-11.90%	£3,353,716	£1,062,559	£381	31.68%
Bingo	All areas	5,000	£826,077	-£139,576	-£300	-16.90%	£777,725	-£91,224	-£196	-11.73%
Bowling Alley	All areas	10,000	£1,646,092	-£271,610	-£292	-16.50%	£1,425,949	-£51,467	-£55	-3.61%
Hotel (50 bed)	All areas	20,000	£2,911,432	-£891,789	-£480	-30.63%	£2,750,410	-£730,766	-£393	-26.57%
Cinema (1140 seats)	All areas	20,000	£3,588,656	-£645,000	-£347	-17.97%	£3,331,625	-£387,970	-£209	-11.65%
Food and Drink	All areas	7,500	£1,326,240	£146,909	£211	11.08%	£1,158,240	£314,909	£452	27.19%
Gym	All areas	8,000	£1,064,378	-£122,140	-£164	-11.48%	£987,741	-£45,503	-£61	-4.61%
Gym	All areas	20,000	£2,472,936	-£117,975	-£63	-4.77%	£2,288,304	£66,657	£36	2.91%
Extra Care Facility	All areas	50,000	£7,811,335	-£271,335	-£58	-3.47%				
Nursing Home	All areas	50,000	£7,295,949	-£4,295,948	-£925	-58.88%				
Car Showroom	All areas	10,000	£1,827,343	-£144,349	-£155	-7.90%	£1,693,759	-£10,764	-£12	-0.64%
Stables	All areas	1,500					£90,898	£31,910	£229	35.11%
Equestrian centre	All areas	5,000					£310,337	-£62,563	-£135	-20.16%

6.169 **Non-Residential and Mixed Use Site Specific**

6.170 ***Mixed Use***

6.171 Table 6.10 below provides details of the results of the testing that we have undertaken in respect of the two key mixed use site allocations.

Table 6.10: Mixed Use Results

Site Address	***Option***	***Development Surplus***			
		Overall	Per sq.m (residential floor space)	Per sq.m (overall floor space)	Surplus as % GDV
SR4.4 Land at Crowland Street	*1*	-£12,245,092	-£563.80	-£242.39	-16.53%
	2	-£583,423	-£19.40	-£13.12	-0.76%
	3	£4,242,056	£125.47	£103.69	5.55%
SR4.27 Land east of Maghull		£18,911,650	£145.50	£95.93	5.42%

6.172 ***SR4.4: Land at Crowland Street***

6.173 As outlined within Section 3 of the report, we have looked at three different development options in respect of the above site:-

- Option 1 reflects the allocation for the site in the Draft Local Plan and comprises 265 houses alongside 13,500 sq.m of industrial accommodation and 9,100 sq.m of office space. The results from option 1 show a loss of -£12,245,092, which equates to -16.53% as a proportion of GDV. Based on this development mix the results show that the development is unlikely to be unviable.
- Option 2 is based on an increased number of dwellings relative to Option 1, with a total of 367 houses alongside a reduced commercial element comprising 6,750 sq.m of industrial accommodation and 9,000 sq.m of office space. The results based on this option are also unviable, with a baseline surplus of -£583,423 amounting to -0.76% of GDV.

- Option 3 includes a higher proportion of dwellings, with 413 houses alongside 3,330 sq.m of industrial accommodation and 4,440 sq.m of office space. This development is viable, with a development surplus of £4,242,056 equating to 5.55% as a proportion of GDV. Given the market circumstances in this location however a scheme of this size is not likely to be attractive to potential commercial developers.

6.174 ***SR4.27: Land East of Maghull***

6.175 In relation to this site we have prepared an appraisal based on 1,588 dwellings together with employment development on the balance of the site which is predominantly based on B2/B8 uses with some offices. Our appraisal on this basis shows that development of the site is viable with a development surplus of £18,911,650. This level of surplus equates to 5.42% of GDV.

6.176 ***Non-Residential***

6.177 **SRF1 – Land North of Formby Industrial Estate**

6.178 The results of our viability testing in relation to this site are summarised in the table 6.11.

Table 6.11: Non-Residential Testing Result

Site Address	*Development Surplus*		
	Overall	Per sq.m	Surplus as % GDV
SRF1 – Land North of Formby Industrial Estate	-£2,700,456	-£74.97	-8%

6.179 The viability testing undertaken for employment development on this site shows that entirely speculative development of the site does not currently produce viable results, assuming that the developer builds out without identifying specific occupier requirements. An assessment of development on this basis assumes that the completed development will be sold on as an investment with the developer taking a profit return for the risk of carrying out the development. On this basis purchasers costs at 5.75% of the purchase price are generally deducted whilst the profit return will reflect the risk to the developer of completing the development and then seeking tenants/purchasers for the new accommodation. Our appraisal includes a developer's profit of £4,142,811 and purchasers costs of £1,937,708.

6.180 In our view having regard to the local property market characteristics the entire development on this site would not be taken forward on a speculative basis. Instead we believe that demand for land on this site will predominantly be from owner occupiers who will be seeking a purpose built unit constructed to their requirements for owner occupation. In this respect undertaking the development will be relatively risk free from the developer's perspective and as a result the profit return requirement will be significantly less, reflective of a contractors profit at closer to 6% of cost.

6.181 In addition in purchasing for owner occupation in our experience there will not be the same deductions for purchaser's costs at 5.75%.

6.182 As outlined at paragraph 6.180 employment development of the subject site on this basis and having regard to the likely demand circumstances would be considered to be viable by a potential developer and is therefore likely to come forward.

6.2 **Summary**

6.2.1 The previous section provides a summary of the results, in addition to an analysis of the policy obligations that can be afforded across different areas of the Borough. The following provides a brief overview of the findings and implications of for the study.

6.2.2 ***Residential***

6.2.3 Generic

6.2.4 *Baseline Testing*

6.2.5 In summary, development in lower value areas within Zone 1 (Bootle and Seaforth) is unviable. This is more pronounced in respect of smaller developments. Indeed, one trend that is prevalent throughout the results is the reduced viability in respect of Schemes 1 (5 units) and 2 (10 units) when compared to the larger development forms tested.

6.2.6 With the exception of Zone 1, development across the Borough is viable (albeit Brownfield Development in Zones 3 (Aintree, Thornton and Rural Hinterlands) and 4 for Scheme 1 remains unviable). Surpluses are significantly greater in respect of Greenfield development.

6.2.7 *Code for Sustainable Homes*

6.2.8 In Zones 2, 3, 4 and 5 (Birkdale, Formby and Blundellsands), the increased costs associated with providing dwellings to Code Level 4 specifications can generally be afforded across all forms of development. The only exceptions to this include testing at 30dph of Brownfield sites in lower value locations (Zones 2 and 3).

6.2.9 In Zones 3 and 4, Greenfield sites can afford to provide dwellings to Code Level 5. This extends to Code Level 6 in respect of Greenfield development in Zone 5.

6.2.10 *Affordable Housing*

6.2.11 The results of the affordable housing testing that has been undertaken are summarised below. In short, Greenfield development including greenbelt release sites can support much higher proportions of affordable housing. This is also marginally affected by the density assumptions, with development at 40 dwellings per hectare affording slightly higher provisions.

6.2.12 The tenure mix also has an impact, especially for larger schemes. The 80% social rent/20% intermediate mix cannot afford the same provisions as that of the 60% social rent/40% intermediate mix. Notwithstanding this, the impact is far less in respect of the tenure mix as opposed to the density and site typology, and the results quoted below are generally applicable to both tenure mixes tested.

6.2.13 According to the results, residential development in Zone 1 cannot generally afford any on-site affordable housing provision.

6.2.14 In Zone 2, a 10% affordable housing provision can be supported (in Brownfield locations). In the majority of instances, extending this to 20% would make development either marginal or unviable.

6.2.15 In Zone 3 a 10% affordable housing provision in most instances renders development unviable in respect of Brownfield development. Notwithstanding this, on sites of 15 units or more a full 30% provision can be afforded on Greenfield sites.

6.2.16 In Zone 4, on the whole a 10% affordable housing provision can be supported on Brownfield developments (of 15 units or more). This increases to 30% for Greenfield developments of 15 units or more.

6.2.17 Development in Zone 5 can support up to 20% in most instances in Brownfield locations, which increases to 40% on Greenfield Sites. Again, both these inferences are made with respect to Schemes containing 15 dwellings or more.

6.2.18 Site Specific

6.2.19 *Baseline Testing*

6.2.20 All of the allocated sites tested provide significant development surpluses. SR4.40 comprising the former St Wilfrid's School in Bootle provides the lowest surplus at £163 per sq.m, whilst the remainder of the sites tested provide a surplus in excess of £290 per sq.m.

6.2.21 *Code for Sustainable Homes*

6.2.22 All developments can support the increased costs associated with providing dwellings to Code Level 4 specifications, whilst development in Formby (SR4.11 Land north of Brackenway, SR4.14 Land at Liverpool Road and SR4.16 Land at Andrew's Close) can each afford to provide dwellings to Code Level 5 standards.

6.2.23 *Affordable Housing*

6.2.24 All developments with the exception of SR4.40 Former St Wilfrid's School in Bootle can support up to 20% on-site provision based on the tenure options tested. This extends to 30% in respect of the Formby Sites, and also SR4.3 Land at Moss Lane in Churchtown South, SR4.6 Former Ainsdale Hope School, Ainsdale, SR4.21 Land west of Holgate, Thornton using the 80% social rent/20% intermediate tenure option.

6.2.25 Adopting the 60% social rent/40% intermediate option, the majority of developments (with the exception of SR4.40 Former St Wilfrid's School in Bootle) can afford an affordable housing provision of up to 30%, which extends to 40% in respect of the sites tested in Formby and SR4.3 Land at Moss Lane in Churchtown South.

6.2.26 ***Apartments***

6.2.27 As outlined earlier within the report, in addition to Generic and Site Specific Testing we have also tested the viability of standalone blocks of apartments. The results of our viability testing for apartments are contained at table 6.17 below.

6.2.28 Both the 10 and 50 unit developments follow a similar pattern in terms of viability. Both schemes generate a deficit in the lower value areas of Bootle and Seaforth (Zone 1), comprising between -12.19% and -20.59% as a proportion of GDV (-£197 and -£330 per sq.m). Similarly, the development of apartments in Litherland, Orrell and Waterloo (Zone 2) is also unviable, and create deficits of between -6.12% and -14.64% as a proportion of GDV (-£112 and -£268 per sq.m).

6.2.29 Development of apartments in Aintree, Thornton and the Rural Hinterlands (Zone 3) and Southport, Ainsdale, Hightown, Crosby and Maghull (Zone 4) is marginal in respect of 10 unit developments on Brownfield Sites, providing surpluses of £39 and £97 per sq.m respectively which amount to 1.89% and 4.49% of GDV. Greenfield Development of smaller apartment blocks of 10 units is viable, and provides surpluses of between £125 and £166 per sq.m (6.11% to 7.70% of GDV). Development of larger apartment blocks in Zones 3 and 4 remains unviable, with the exception of development on Greenfield sites in Zone 4 which provides a marginal surplus of £5 per sq.m (0.24% of GDV).

6.2.30 The development of apartments is viable in respect of both larger and smaller blocks, and on both Brownfield and Greenfield Sites in Birkdale, Formby and Blundellsands (Zone 5). Notwithstanding this, development is more viable in respect of 10 unit blocks, and provides surpluses of between £248 per sq.m (10.44%) and £317 per sq.m (13.34%). This reduces to between £56 per sq.m (2.33% of GDV) and £147 per sq.m (6.05% of GDV) for larger blocks of 50 units.

Table 6.17: Results of Apartments Testing

Apartments (All Areas)
Brownfield

Area	Scheme	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements			
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate			
							10%	20%	30%	40%
Zone 1	10 Units	-£197	£24	£88	£363	£618				
	50 Units	-£330	£18	£65	£269	£469				
Zone 2	10 Units	-£113	£23	£84	£358	£614				
	50 Units	-£268	£18	£65	£267	£457				
Zone 3	10 Units	£39	£23	£84	£352	£606	£72			
	50 Units	-£131	£17	£55	£256	£444				
Zone 4	10 Units	£97	£23	£84	£349	£602	£75	£169		
	50 Units	-£85	£17	£62	£251	£438				
Zone 5	10 Units	£248	£23	£84	£348	£596	£67	£186	£340	
	50 Units	£57	£17	£62	£250	£432	£101			

Greenfield

Area	Scheme	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements			
			Level 3	Level 4	Level 5	Level 6	80% Social Rented 20% Intermediate			
							10%	20%	30%	40%
Zone 3	10 Units	£125	£23	£84	£353	£607	£72	£161		
	50 Units	-£20	£17	£60	£261	£449				
Zone 4	10 Units	£166	£23	£84	£350	£604	£75	£169		
	50 Units	£5	£17	£62	£255	£443	£92			
Zone 5	10 Units	£317	£23	£84	£348	£597	£82	£186	£340	
	50 Units	£147	£17	£62	£252	£437	£101	£170		

6.2.31 ***Non Residential***

6.2.32 Generic

6.2.33 As outlined within the results, the majority of development forms tested are unviable. Notwithstanding this, significant development surpluses were observed in respect of larger convenience retail units and for food and drink uses.

6.2.34 The results for larger convenience retail units of over 10,000 sq.ft on both Brownfield and Greenfield sites provide development surpluses in excess of 30% as a proportion of development costs, and exceed £500 per sq.m.

6.2.35 In addition to the above, the development of food and drink premises is viable. For example, on Brownfield Sites a surplus of £211 per sq.m is provided which equates to 11.1% of total cost, whereas Greenfield Development provides a surplus of £452 per sq.m (27.2% of cost).

6.2.36 Site Specific

6.2.37 *Mixed Use*

6.2.38 Based on the results of our testing the Land at Crowland Street (SR4.4) is unviable based on Options 1 and 2. However in Option 3 by reducing the levels of B2/B8 and office accommodation and increasing the number of residential units to 413 the development is viable on the basis of the appraisals undertaken, however considering the market circumstances in that location a scheme of this size would not be attractive to potential commercial developers.

6.2.39 In relation the Land East of Maghull (SR4.27) the testing undertaken shows that the development is viable incorporating the proposed level of employment uses together with a new local centre and contributions to education, new motorway slip roads and a new railway station.

6.2.40 *Non-Residential*

6.2.41 The site specific testing undertaken in respect of the Land to the North of Formby Industrial Estate assumes a speculative form of development, and on this basis the results show a loss. As with the generic testing undertaken this demonstrates that commercial development in the Borough, if built speculatively, is unlikely to be viable. Notwithstanding this such forms of development are still likely to come forward for owner occupation or business agglomeration reasons. Development of the site for owner occupation is likely to be viable on this basis once the requirement for a market risk adjusted profit return is removed and a typical contractors profit is adopted reflecting the reduced risk.

7.0 STAKEHOLDER CONSULTATION

7.01 A key aspect of this study has been to engage with stakeholders to ensure so far as possible that the assumptions on which our assessment is based are robust. This section summarises the Stakeholder Consultation that has taken place to date. In addition, we have identified any changes to the methodology that have been employed as a result of the feedback.

7.02 **Initial Stakeholder Consultation**

7.03 Throughout the process of formulating the methodology and undertaking research to establish values, costs and the other development assumptions used within the appraisals, we have sought to informally meet with developers who are particularly active within Sefton together with a number of other key stakeholders. This provides the stakeholder with an informal and open platform to express their views in a confidential environment. As a result, the views and discussions with stakeholders provided on a confidential basis are not explicitly contained within the report but have been taken into account in identifying the values and inputs to be used in this Study.

7.04 **Stakeholder Presentation**

7.05 On 8 October 2014 we undertook a presentation together with WYG, which presented our interim views on methodology, development typologies and appraisal inputs to the key stakeholders. The key stakeholders typically included house builders, Registered Providers, land owners and agents active within the Borough. A full list of those invited and those who attended is contained in Appendix 5.

7.06 All queries raised and any supporting information provided in relation to these aspects of the study was minuted. Stakeholders were invited to provide any further views and information in writing following the presentation, and in addition to provide appropriate evidence to substantiate their opinions where they considered that the methodology, development typologies or input variables required adjustment.

7.07 **Feedback**

7.08 A number of Stakeholders provided written responses following the Stakeholder Presentation; although very few were able to provide any evidence to support their views. As a result following receipt of these initial written responses, we requested further information from the respondent in the form of supporting evidence.

7.09 The written responses that were received related only to the residential aspects of the study, and broadly fell into the following categories:-

- Unit Mix
- Unit Sizes
- Densities
- Land Values
- Revenues
- Costs
- Developers Profit
- Sales Rates

7.10 For completeness, a summary of each of the Stakeholders' initial responses are provided at Appendix 5.

7.11 **Unit Mixes**

7.12 *Stakeholders' Comments*

7.13 A number of Stakeholders commented on the suitability of the unit mixes adopted.

7.14 In respect of the apartment mixes tested, Stakeholders commented on the high proportion of 3 bed units contained within the 50 unit scheme (at 20%), and stated that this was unrealistic.

7.15 In addition to the above, queries were raised in relation to the number of 4 bed dwellings contained within our baseline testing which comprised 6% of dwellings.

7.16 Another comment related to the inclusion of 3 bed apartments. David Wilson Homes stated that whilst they did not foresee many 50 unit apartment developments being constructed in Sefton, the inclusion of 3 bed apartment would be limited. DTZ on behalf of both Taylor Wimpey and Bellway made similar comments.

7.17 *Our Comments*

7.18 We acknowledge that in different areas of Sefton different dwelling mixes may be provided. The base mix that we have adopted is typical of housing developments that have been constructed in Sefton in the recent past. For completeness however we have also undertaken some further testing on the basis of an 'Executive Dwelling Mix', which is based on the proportions suggested by Rowland Homes and contains a greater number of 4 bed properties. We are aware that such a mix will not be supported in the emerging Publication Version of the Local Plan and this testing is included for comparison purposes only to determine the extent to which a greater proportion of larger dwellings impacts on viability.

7.19 Table 7.1 outlines the Executive Dwelling Mix that we have adopted for the purpose of our additional testing and alongside this the base mix. The house sizes that we have adopted remain the same as those assumed in our earlier testing.

Table 7.1: Executive Dwelling Mix Proportions

Mix	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Base Mix	5%	35%	50%	6%	4%
Executive Mix	5%	10%	30%	50%	5%

7.20 Given the increased proportion of 4 bed dwellings and the character of such development mixes in the higher value areas of the Borough, we have assumed that all the dwellings will be provided at a density of 30 dwellings per hectare.

7.21 The results of the testing of an Executive Mix are provided in Tables 7.2 to 7.5 below.

Table 7.2: Zone 3 (Aintree, Thornton & Rural Hinterlands) Executive Mix Residential Viability Testing Results

Zone 3: Aintree, Thornton & Rural Hinterlands

Scheme	Density	Site Typology	Gross Area (sq.m)	Baseline Surplus (per sq.m)	Impact of Code				Impact of AH
					Level 3	Level 4	Level 5	Level 6	80/20 Split
									30%
1 (5 Units)	30	Brownfield	469	£160	£17	£61	£254	£431	£307
2 (10 Units)	30	Brownfield	1,061	£287	£20	£71	£295	£502	£255
3 (15 Units)	30	Brownfield	1,500	£254	£19	£69	£284	£483	£317
4 (20 Units)	30	Brownfield	2,020	£346	£19	£70	£288	£491	£270
5 (50 Units)	30	Brownfield	5,101	£226	£19	£69	£283	£ 482	£255
6 (100 Units)	30	Brownfield	10,100	£241	£19	£67	£277	£472	£253
1 (5 Units)	30	Greenfield	469	£449	£17	£61	£254	£431	£307
2 (10 Units)	30	Greenfield	1,061	£553	£20	£71	£295	£502	£255
3 (15 Units)	30	Greenfield	1,500	£532	£19	£69	£284	£483	£310
4 (20 Units)	30	Greenfield	2,020	£564	£19	£70	£288	£491	£270
5 (50 Units)	30	Greenfield	5,101	£502	£19	£69	£283	£482	£261
6 (100 Units)	30	Greenfield	10,100	£512	£19	£67	£277	£472	£253

Table 7.3: Zone 4 (Southport, Ainsdale, Hightown, Crosby & Maghull) Executive Mix Residential Viability Testing Results

Zone 4: Southport, Ainsdale, Hightown, Crosby & Maghull

Scheme	Density	Site Typology	Gross Area (sq.m)	Baseline Surplus (per sq.m)	Impact of Code				Impact of AH
					Level 3	Level 4	Level 5	Level 6	80/20 Split
									30%
1 (5 Units)	30	Brownfield	469	£203	£21	£74	£306	£522	£322
2 (10 Units)	30	Brownfield	1,061	£333	£20	£71	£295	£502	£268
3 (15 Units)	30	Brownfield	1,500	£292	£19	£69	£284	£483	£327
4 (20 Units)	30	Brownfield	2,020	£329	£19	£70	£288	£491	£284
5 (50 Units)	30	Brownfield	5,101	£262	£19	£69	£283	£482	£268
6 (100 Units)	30	Brownfield	10,100	£275	£19	£67	£277	£472	£266
1 (5 Units)	30	Greenfield	469	£448	£21	£74	£307	£522	£322
2 (10 Units)	30	Greenfield	1,061	£558	£20	£71	£295	£502	£268
3 (15 Units)	30	Greenfield	1,500	£528	£19	£69	£284	£483	£327
4 (20 Units)	30	Greenfield	2,020	£564	£19	£70	£288	£491	£286
5 (50 Units)	30	Greenfield	5,101	£490	£19	£69	£283	£482	£268
6 (100 Units)	30	Greenfield	10,100	£504	£19	£67	£277	£471	£266

Table 7.4: Zone 5 (Birkdale, Formby and Blundellsands) Executive Mix Residential Viability Testing Results

Scheme	Density	Site Typology	Gross Area (sq.m)	Baseline Surplus (per sq.m)	Impact of Code				Impact of AH
					Level 3	Level 4	Level 5	Level 6	80/20 Split
									30%
1 (5 Units)	30	Brownfield	469	£377	£21	£74	£306	£522	£355
2 (10 Units)	30	Brownfield	1,061	£504	£20	£71	£295	£502	£294
3 (15 Units)	30	Brownfield	1,500	£465	£19	£69	£284	£483	£359
4 (20 Units)	30	Brownfield	2,020	£498	£19	£70	£288	£491	£309
5 (50 Units)	30	Brownfield	5,101	£418	£19	£69	£283	£482	£295
6 (100 Units)	30	Brownfield	10,100	£429	£19	£67	£277	£472	£293
1 (5 Units)	30	Greenfield	469	£621	£21	£74	£306	£522	£355
2 (10 Units)	30	Greenfield	1,061	£729	£20	£71	£295	£502	£294
3 (15 Units)	30	Greenfield	1,500	£671	£19	£69	£284	£483	£359
4 (20 Units)	30	Greenfield	2,020	£731	£19	£70	£288	£491	£313
5 (50 Units)	30	Greenfield	5,101	£645	£19	£69	£283	£482	£295
6 (100 Units)	30	Greenfield	10,100	£658	£19	£67	£277	£472	£293

Table 7.5: Southport Executive Mix Residential Viability Testing Results (on Greenfield Sites only Inclusive of Dynamic Compaction Costs)

Scheme	Density	Site Typology	Gross Area (sq.m)	Baseline Surplus (per sq.m)	Impact of Code				Impact of AH
					Level 3	Level 4	Level 5	Level 6	80/20 Split
									30%
1 (5 Units)	30	Greenfield	469	£502	£21	£74	£306	£522	£323
2 (10 Units)	30	Greenfield	1,061	£608	£20	£71	£295	£502	£268
3 (15 Units)	30	Greenfield	1,500	£584	£19	£69	£284	£483	£327
4 (20 Units)	30	Greenfield	2,020	£617	£19	£70	£288	£491	£284
5 (50 Units)	30	Greenfield	5,101	£542	£19	£69	£283	£482	£268
6 (100 Units)	30	Greenfield	10,100	£557	£19	£67	£277	£472	£266

7.22 The results from the additional testing contained in tables 7.2 to 7.5 suggest that viability improves if an Executive Dwelling Mix is adopted relative to the base Dwelling Mix that the core of our testing assumes. An indicative comparison of the Baseline results in respect of Zone 3 (brownfield sites) is contained within Table 7.6 below. The same result is repeated in Zones 4, 5 and in Southport.

Table 7.6 –Comparison of Development Surplus between Base Dwelling Mix and Executive Dwelling Mix (Brownfield)

Scheme	Base Dwelling Mix Development Surplus £/sq.m	Executive Dwelling Mix Development Surplus £/sq.m	Difference
1 (5 Units)	-£48	£160	+£208
2 (10 Units)	£59	£287	+£228
3 (15 Units)	£115	£254	+£139
4 (20 Units)	£129	£346	+£217
5 (50 Units)	£66	£226	+£160
6 (100 Units)	£89	£241	+£152

7.23 We have considered the impact on viability of including a greater number of larger houses in our testing as suggested by a number of stakeholders. This testing based on an executive mix suggests that such forms of development are likely to be able to support draft Local Plan polices such as affordable housing to an even greater degree than the base mix that we have adopted in the main part of our viability testing, however such forms of development are unlikely to be supported in the Publication Version of the Local Plan.

7.24 In respect of the provision of 3 bed apartments, we have included a relatively low proportion of 3 bed apartments within the 50 units tested, which amounts to 20% (10 units). In the absence of many recent apartment schemes and any further evidence from the Stakeholders, we have retained the proposed unit mix. Notwithstanding this, it is noted that the apartments are valued on a £/sq.m basis, and so revisions to the unit mixes will not significantly affect viability having regard to the methodology employed.

7.25 **Unit Sizes**

7.26 *Stakeholders' Comments*

7.27 A number of Stakeholders proposed slight variations to the unit sizes that we have adopted, and including revisions to the sizes of 3 bed apartments and 5 bed houses.

7.28 *Our Response*

7.29 As part of our stakeholder presentation, the unit size of a 3 bed flat was incorrectly included as 102 sq.m (1,100 sq.ft.), and should have been included at 86 sq.m (925 sq.ft).

7.30 In respect of 5 bed houses, in the absence of further evidence from the Stakeholders and based on the limited numbers of 5 bed dwellings recently constructed in Sefton we have retained a unit size of 158 sq.m (1,700 sq.ft). The only 5 bed dwellings recently constructed in Sefton that we are aware of includes the provision of 3no 'Tarleton' 2 storey detached dwellings comprising 154.5 sq.m (1,663 sq.ft) and 2no 'Melville' 3 storey detached dwellings comprising 189.2 sq.m (2,037 sq.ft) at Links View in Ainsdale. In this instance, the proposed revision (DTZ on behalf of Taylor Wimpey) down to 148 sq.m (1,600 sq.ft) comprised a fairly nominal change in overall percentage terms of around 6%.

7.31 **Densities**

7.32 *Stakeholders' Comments*

7.33 Comments were received from four Stakeholders on the density assumptions that we had adopted at 30 and 40 dwellings per hectare based on the net site area.

7.34 Morris Homes stated that these densities were too high, and that densities of between 25 to 35 dwellings per hectare should be tested.

7.35 DTZ acting on behalf of both Bellway and Taylor Wimpey have suggested that a review of the 90% gross to net ratio adopted in respect of sites of 0.4 to 2.0 hectares should be considered.

7.36 *Our Comments*

7.37 We have analysed the density of development in all of the main housing developments constructed in Sefton over the last 3 years. Densities of between 28 and 54 dwellings per hectare have been observed (on a net area basis) within the 13 developments analysed. A total of 6no sites were developed at densities of between 30 and 40 dwellings per net hectare, whilst a further 3 developments have been built out at densities of between 28 and 30 dwellings per net hectare. A further 3no developments have been constructed at densities of between 40 and 45 dwellings per net hectare also. Only 1no development exceeded a density of 45 dwellings per net acre, which comprised dense mews housing.

7.38 The emerging Local Plan also states that new residential development should achieve a minimum density of 30 dwellings per hectare, except where a lower density can be justified having regard to the prevailing layout and character of the immediate surrounding area. On this basis, we do not consider that the densities need to be revised downwards as our testing assumptions are consistent with recent residential development in Sefton and the emerging Policy.

7.39 In respect of the Gross to Net density ratios, the 90% ratio that has been adopted is consistent with the SHLAA, and on this basis we have not sought to amend the ratios already adopted.

7.40 **Land Values**

7.41 *Stakeholders' Comments*

7.42 A number of respondents commented on the Base Land Values included within the testing, and typically commented on the appropriateness of the values used and the methodology adopted. No evidence was however provided in support of the comments that were received.

7.43 Summaries of each of the individual comments made are contained at Appendix 5.

7.44 *Our Comments*

7.45 As outlined earlier within Section 5 of the report (paragraph 5.07 to 5.14), our approach to Land Values is based on the relevant guidance contained within the Local Housing Delivery Group Guidance titled 'Viability Testing Local Plans'. As such, the approach adopted advocates the use of 'threshold land values', which have been used as inputs within our testing.

7.46 It is therefore considered that the approach adopted fully complies with the relevant guidance.

7.47 **Sales Revenues**

7.48 *Stakeholders' Comments*

7.49 Only one Stakeholder commented on the appropriateness of the revenues. David Wilson Homes stated that they were awaiting further information from their Sales and Commercial Team. At the time of writing the report, no further information has been received.

7.50 *Our Comments*

7.51 On the basis of the available evidence that we have complied in relation to sales revenues and having regard to the limited comments received from Stakeholders regarding the subject we consider that the sales revenues that we have adopted are a reasonable interpretation of house prices across the Borough and a sound basis on which to undertake this study.

7.52 **Construction Cost**

7.53 *Stakeholders' Comments*

7.54 A number of Stakeholders commented on the appropriateness of the Build Costs, and typically stated that the costs adopted were too low and that contractors profit should not be excluded. Other responses centred on the treatment of abnormal costs.

7.55 *Our Comments*

7.56 We have responded to each of the Stakeholders asking for further information regarding the construction costs that they have incurred in undertaking recent developments particularly in Sefton. We have also asked for details to be provided of those developments where subcontractors have been used so we can understand the extent to which the house builders are not acting as the main contractor.

7.57 To date we have not received any responses to our enquiries.

7.58 WYG's construction cost assessments are based on their own extensive data base of construction costs from those developments where they have managed costs or where they have undertaken an assessment of house builders construction costs in undertaking viability assessments for planning application purposes. They have substantial knowledge of the costs involved in undertaking residential developments in Sefton and the costs typically being incurred by house builders at the present time. In terms of abnormal costs WYG have included a specific allowance in respect of Brownfield Sites and for strategic sites have separately costed the price of dynamic compaction around Southport owing to the likely ground conditions within certain areas. On this basis and in the absence of further evidence from stakeholders, we have not sought to alter the construction costs from those adopted in the initial testing.

7.59 **Developers Profit**

7.60 *Stakeholders' Comments*

7.61 Three Stakeholders suggested that developers profit requirements are the same for smaller developments as they are for larger ones, inferring that the profit return adopted for schemes of 20 units or less should be increased to 20%.

7.62 *Our Comments*

7.63 We responded to the individual Stakeholders who queried the level of developers profit applicable to smaller developments in order to obtain further evidence in respect of their recent profit requirements on smaller sites. No information has so far been provided.

7.64 The profit return of 15% of GDV has been adopted having regard to our internal database of viability appraisals that have been submitted to us by developers for assessments across the North West. We therefore consider that the profit requirement at 15% of GDV for the smaller schemes is justified in the absence of any evidence to the contrary from stakeholders.

7.65 **Sales Rates**

7.66 *Stakeholders' Comments*

7.67 Six Stakeholders commented on the appropriateness of the sales rates adopted, which range between 3 and 5 per month within the initial testing undertaken.

7.68 It was suggested that sales rates of between 2 and 2.5/3 per month would be appropriate, with the exception of Rowland Homes who suggested that a range of between 2 and 4 dwellings per month would be appropriate.

7.69 In addition to the above, both David Wilson Homes and Morris Homes suggested that only larger sites in excess of 250/300 dwellings would be divided up between house builders and sold using multiple outlets, in turn improving sales rates.

7.70 *Our Comments*

7.71 According to our analysis the sales rates adopted are indicative of those achieved on developments across Sefton and the surrounding areas. In addition, we are also conscious that there has been recent improvement in the market, and that Help to Buy has improved sales rates on a general level.

7.72 We have requested further evidence in respect of the sales rates achieved on a site specific basis following the Stakeholders initial queries. We have so far not received any responses at the time of writing this report.

7.73 Having regard to recent evidence of sales in Sefton and neighbouring market areas and given the lack of supporting evidence provided by Stakeholders, we have retained the sales rates included in our initial testing at between 3 and 5 per month.

8.0 ECONOMIC PROFILING AND SENSITIVITY ANALYSIS

8.01 It is intended that emerging planning policy will remain in place beyond the current economic cycle and indeed it is anticipated that the Local Plan will remain in place for up to 15 years after implementation, although this will be subject to regular monitoring and review. We understand that the Council is also committed to an early review of the Local Plan. Notwithstanding this consideration needs to be given to the robustness of current viability testing, and the decisions which are based upon it, in the context of the potential period that the planning policies may remain in place and the likely, but as yet unknown, economic variations that will take place during this time. Clearly, the timing and nature of such future economic cycles cannot be predicted particularly given the lengthy plan periods involved. We have therefore given consideration to various possible economic cycles that may take place over this period to assess the impact that these may have on the viability of development.

8.02 With this in mind, the aim is to seek as far as possible to ensure that the decisions made at the time of preparation of this report are not anomalous in the context of changing circumstances in the future. In order to undertake this assessment it is considered that the most effective approach is to look back over past economic cycles and, with that data, model development viability based on the characteristics of similar cycles going forward. It is not to say however, that this approach is a substitute to further real time viability testing during the life of the plan, which would be essential in order to accurately assess the viability of development in the future.

8.03 Some assistance in relation to this approach is contained within the advice published by the Local Housing Delivery Group which states that:-

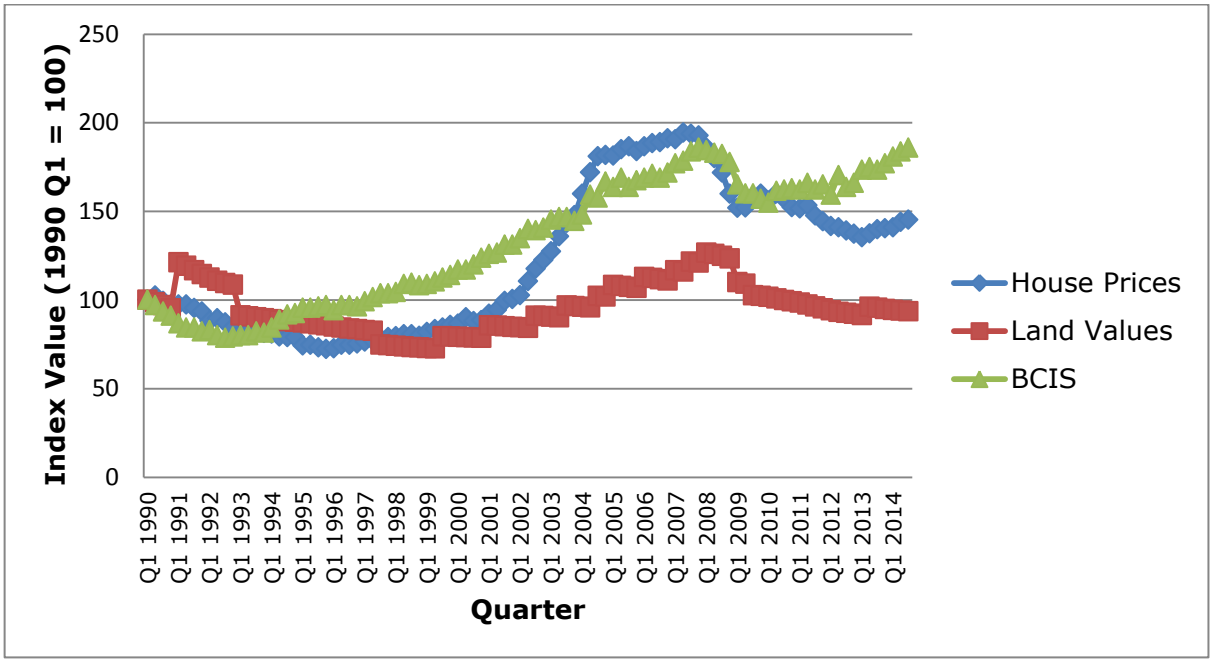
"Forecasting things like house prices or costs is notoriously difficult over the shorter term and subject to wider inaccuracies over the medium and longer term. The best a Council can realistically seek to do is to make some very cautious and transparent assumptions with sensitivity testing on the robustness of those assumptions. In doing so, it is important that variations against baseline costs, as well as values, are tested, and based, where appropriate, on construction costs and other indices."

8.04 The purpose of this section is to provide a high level overview as to the likely impact of property market cycles over the time-frame of the Plan. Using the best evidence available upon which to base a model; historical data; we have sought to measure the effect on viability of changes to the key variables which underpin an economic viability study (with regards to residential development), namely house prices, land values, build costs and interest rates. This data will be used to profile the changes in economic circumstances which are likely to be observed throughout the duration of a property market cycle. This is likely to reflect feature peaks and troughs in respect of each of the key variables.

8.05 By assessing market change over a 21 year period we will seek to model changes which may take place over the plan period. However, it should be noted that the modelling is intended to represent a degree of change and not timing of that change. We will instead be representing a base position; which is the position at the present date demonstrated by our baseline testing; along with low, medium and high points that we would expect to encounter along the course of a typical economic cycle. These are based on three specific 7 year intervals within a 21 year cycle.

8.06 Table 8.1 tracks house price changes through the Nationwide House Price Index for the North West of England; build cost changes via the Building Cost Information Service Tender Price Index; and land prices through a Valuation Office Agency (VOA) Index. For the purposes of this exercise and having regard to development land pricing being based on a derived demand, we have chosen not to use a land price index based on residential development land which would necessarily reflect policy requirements and as such undermine the objectives of the modelling exercise. Instead we have used a base land price position relating to the VOA Industrial Land Index. This index was only published until 2009 and to bring it up to date we have extended the dataset to the present day by using the reported land price changes on a quarterly basis reported by the VOA and our own opinions so as to enable comparison between the data series.

Table 8.1: Comparison of Residential Sales Values, Land Values and Build Costs 1990-2014 in Real Terms



8.07 Whilst the BCIS tender price accounts for changes in inflation, the changes in House Prices and Land Values do not account for the changes in the value of money. Both of the above figures have therefore been weighted using the Consumer Price Index (CPI) and brought back down to 1990 values so as to enable comparison.

8.08 From the costs provided by WYG and the revenues adopted within the baseline appraisals, we have benchmarked the variations in costs to 1990 levels. In addition to the above, we have included a likely borrowing rate, reflecting the Bank of England Base Rate, the London Inter-Bank Offer Rate (LIBOR) and the perceived premium over and above these headline rates likely to have been offered to developers at each of the above intervals.

8.09 The Summary Table (8.2) below tracks the changes in costs and values adopted based on low, medium and high positions in the cycle at intervals based on 1990 values, together with the interest rates adopted.

Table 8.2: Changes in inputs

Position in Cycle	Variance in Build Cost	Variance in Land Value	Variance in House Prices	Interest Rate Adopted (%)
Base	100	100	100	N/A
Low	99.3	82.9	76.4	8.5
High	148.1	96.2	159.9	6.5
Medium	162.2	98.8	151.6	6.5

8.10 The graphs below track the impact of the changes in viability over the tested base, medium and also the high and low positions, adopting the results from Scheme 6 (100 dwellings) as the basis of modelling. The results show that the economic viability of development during the more normal medium period is good and clearly improves further to the tested high point as the rise in house prices exceed that of build costs. As would be expected, viability decreases at the tested low point as house prices fall in real terms relative to build costs.

8.11 The trend line for each location reflects a position of long term average viability that we would expect to be relevant for the majority of a typical economic cycle. The high and low points only serve to reflect extreme positions that may occur briefly along the cycle, and are not indicative of the overall position. A trend line above the £0 position for development surplus indicates that development is viable. The trend lines indicate that all scheme 6 developments across all locations are currently viable at the base position, and that viability will generally increase over the course of a typical economic cycle.

Changes to Viability on Brownfield Land

Table 8.3: Changes to Viability, Scheme 6 (30dph)

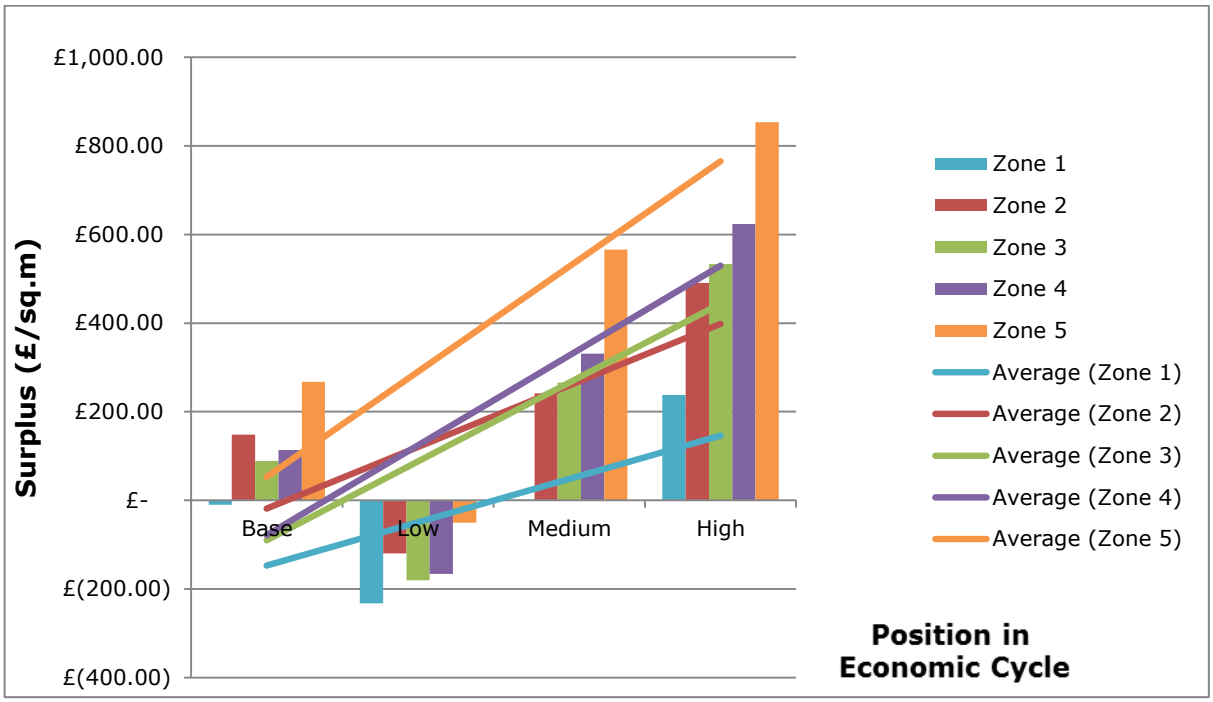
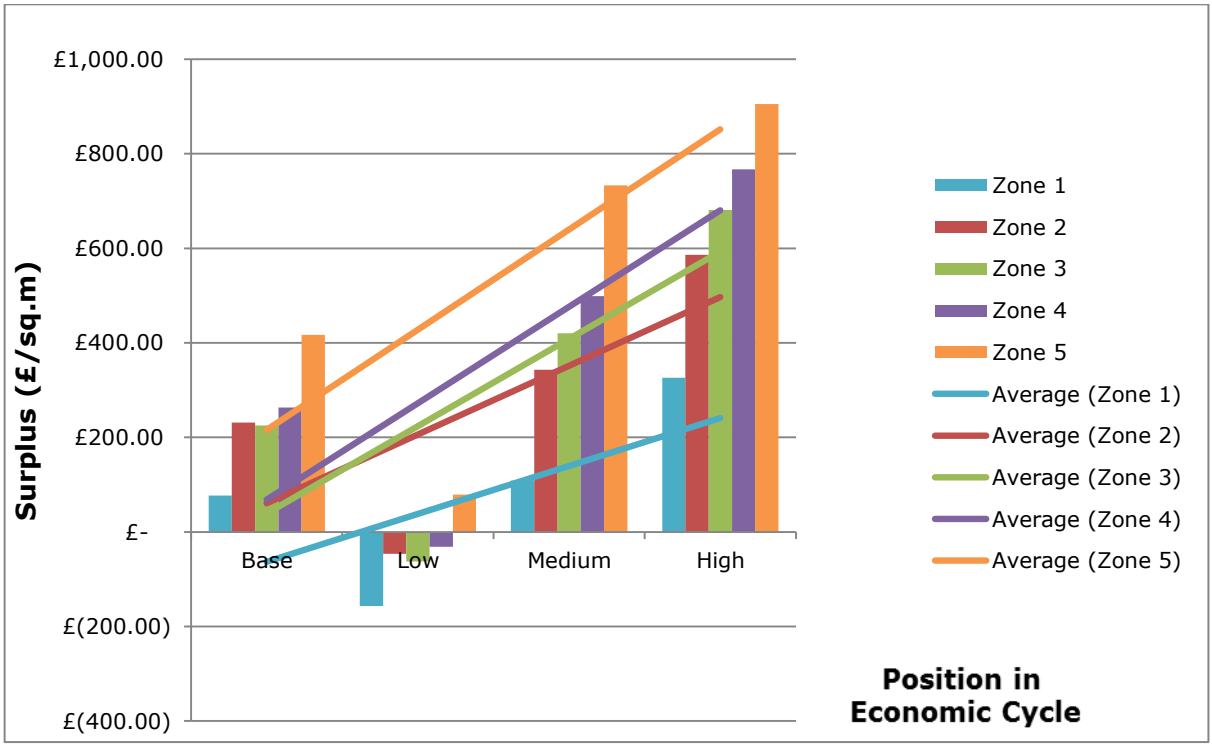


Table 8.4: Changes to Viability, Scheme 6 (40dph)



Changes to Viability on Greenfield Land

Table 8.5: Changes to Viability, Scheme 6 (30dph)

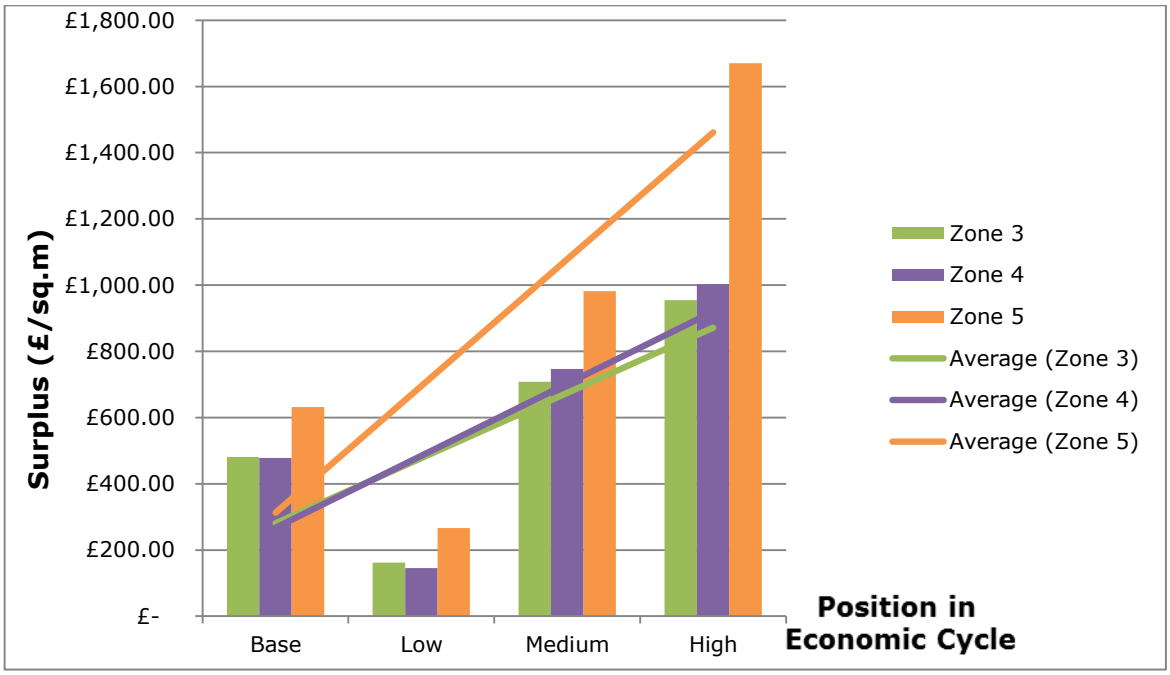
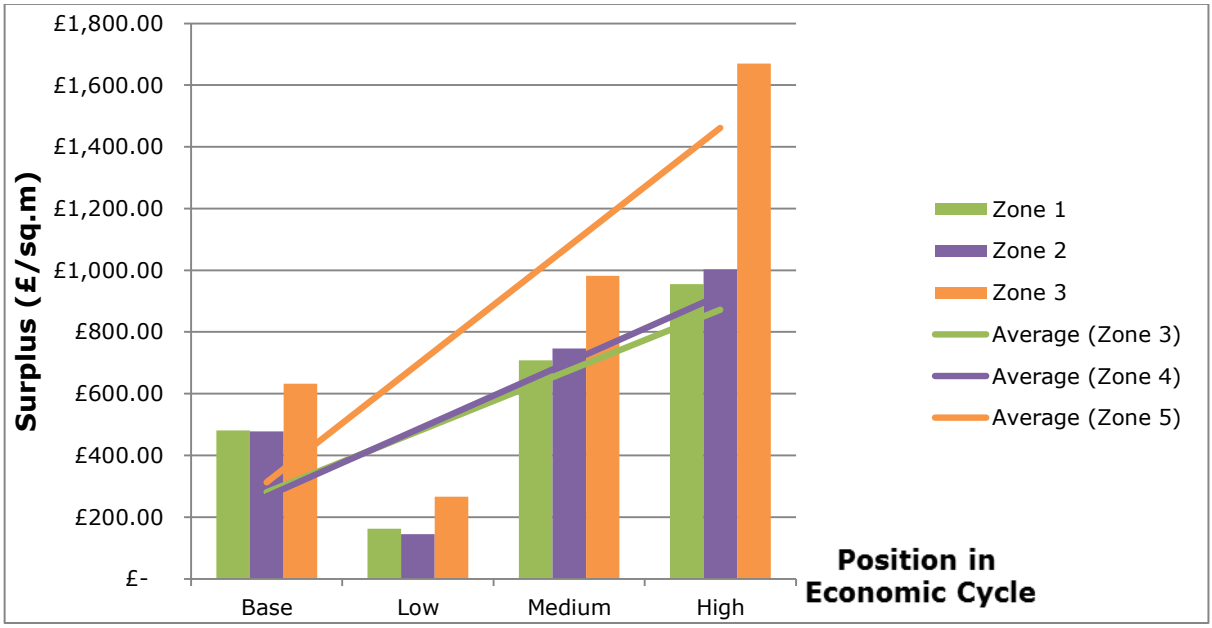


Table 8.6: Changes to Viability, Scheme 6 (40dph)



8.12 The results show that development viability will change depending on economic cycles. Generally, the current assessment levels (base position) used as the basis for the policy consideration represent a reasonable moderate to low position over the series of modelled economic cycles. Accordingly, it is considered that this assessment represents a robust basis for policy consideration which may not have been the case if the current assessments had been at the extremes of the economic variations. Indeed the modelling suggests that whilst the viability of development can change significantly over the course of an economic cycle, throughout a significant portion of the periods examined there was an increase in the viability of development.

8.13 The modelling does not seek to predict when economic cycles will take place. It may be the case that in the event of a significantly improved set of economic conditions, the viability of development could increase from its present position to levels which result in increased scope for the Council to implement for example increases to the level of a CIL charge. Clearly that would be a matter for additional real time viability testing at that point, which emphasises the value of ensuring that viability evidence is as up to date as possible.

8.14 As described earlier, there are limitations to this form of analysis and this impact assessment has been undertaken for illustrative purposes in order to assess the robustness of the current viability modelling over various hypothetical economic cycles. It is unlikely that the market will react in exactly the same way in the future as it has behaved in the past. Property prices, land values, build costs and interest rates are all complex variables and are each linked to a number of macro-economic factors and locally specific circumstances. In order then to gauge viability in the future, further viability studies would need to be undertaken at regular intervals. Though this section has attempted to look at the impact of viability by scenario-testing each of the main variables, the results should be taken in the context of the limitations of this type of analysis.

9.0 PLAN VIABILITY AND DELIVERABILITY

9.01 **Draft Local Plan Policies**

9.02 As outlined in Section 3, the NPPF requires that the Local Plan should be deliverable and the sites and 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 viably developed is threatened.

9.03 In preparing this study we have considered the spatial and strategic policies of the emerging Local Plan, the proposed housing and employment allocations on which new development will be based, the development management policies that will guide the form, design, quality of development and associated planning obligations and also the site specific policies for the strategic development sites which are an important driver of new development delivery over the plan period.

9.04 ***Housing***

9.05 Based on the Draft Local Plan allocations policies and the strategic development sites, we have prepared site specific viability appraisals for a number of the strategic development sites and major housing allocations on which the plan relies together with a representative sample of smaller housing allocations. A summary of the sites tested is contained at Table 3.17.

9.06 The Development Management Policies contained within the Draft Local Plan vary in terms of their impact on development. Not all will have direct implications for development viability. A summary of the key policies and their effect on development is contained at Section 2 of this report.

9.07 Of these policies assessed a number will impact on the form and design of development such as those which require certain standards of design or requirements for open space. Others such as Affordable Housing will place an obligation on the developer which will have a cost implication. Requirements for local infrastructure provision may require a monetary payment either through a S.106 contribution or CIL (which is explored in more detail within the next section).

9.08 In preparing our viability assessments we have firstly considered those policies which guide form and design. The construction cost assessments that have been prepared are fully reflective of Policy requirements in relation to design standards, and on-site open space provision (where required) and drainage management. In relation to new Housing Development we have also assessed the costs associated with achieving a standard in line with the Code for Sustainable Homes Levels 3-6, and we have assumed that all non-residential development will be to BREEAM 'very good' standard. In addition and as noted in Appendix 4 which contains the assumptions for the strategic sites testing, we have also considered the requirements for new infrastructure provision on the respective sites, and any site specific S.106/S278 contributions/works required.

9.09 Full details of our assumptions are contained within Section 3 of the report and at Appendices 4, whilst WYG's report on the Build Cost assumptions is included at Appendix 2. The results of our baseline testing are included within Tables 6.2 to 6.8 earlier within the report.

9.10 With reference to these tables, the results for the development of entirely market housing in both the Generic and Site Specific testing scenarios undertaken (ie. 0% affordable homes) shows that development is viable in all cases, with the exception of a limited number of scenarios tested in Zone 1 (Bootle and Seaforth) and for the development of 5 dwellings on a Brownfield Site at 30 dwellings per hectare in Zone 3 (Aintree, Thornton and the Rural Hinterlands) and in Zone 4 (Southport, Ainsdale, Hightown, Crosby and Maghull).

9.11 In each of the Site Specific scenarios tested, development is viable before any planning obligations are considered in relation to affordable housing or Code requirements.

9.12 To further inform our conclusions about Plan Policy viability we have then considered the impact of affordable housing on development viability. Further specific detail regarding the outcome of this is contained at Section 6. In summary, the delivery of Policy requirements at 30% on site provision (in all areas except Bootle on developments of 15 units or more) measured with reference to bed spaces is not viable in all cases, and may put the delivery of some housing sites at risk. The impact of affordable provision is greater on brownfield sites, where in the majority of cases delivery of the Policy requirement is either unviable or where it is viable the result is generally more marginal. In relation to Greenfield sites these are in most instances able to achieve a Policy compliant level of affordable housing, albeit achieving Code Levels 5 or Code Level 6 as well does create issues for viability in some cases.

9.13 Policy PC2 - Affordable and Special Needs Housing as currently drafted suggests that where the provision of affordable houses proposed is below the Policy requirements the Council will require applicants to provide evidence by way of a financial appraisal to justify a reduced provision. This viability test provides a level of flexibility in the Plan Policy, and as a result for those sites where viability may be at issue it may be possible to justify a lower level of provision to enable a site to be delivered.

9.14 Our viability testing assumes a no grant position. It is possible that Registered Providers may be able to secure funding through the HCA to assist in the delivery of higher numbers of affordable units on sites where viability is at issue.

9.15 Our testing has also shown that meeting higher levels of the Code for Sustainable Homes particularly equivalent to level 5 and above also has an impact on development viability. The Plan Policy as currently drafted does provide a level of flexibility in this respect, as whilst Policies CC1 to CC4 seek to reduce greenhouse gas and carbon emissions and flood risk, no specific targets are set in relation to compliance with the Code for Sustainable Homes. This flexibility will ensure that development to higher levels of Code (or its successor) do not undermine viability and hence development delivery.

9.16 In the longer term however Building Regulations are likely to be revised and updated to incorporate elements of Code to a greater degree and the Council will not have the same flexibility in relation to these nationally set standards. This will be balanced however by improvements in technologies and efficiencies in manufacture which over time should help to reduce the cost of delivering the requirements of higher levels of code.

9.17 In relation to new housing development in Sefton the Council may need to balance the requirements for Affordable Housing, CIL and Code (or higher building regulation standards) so as not to undermine delivery. However, the respective policies in relation to Affordable Housing and sustainability initiatives do allow a degree of flexibility to accommodate this. CIL on the other hand does not, and once implemented is fixed. This is considered within the next Section.

9.18 ***Employment and Mixed Use Allocations***

9.19 The results from the viability testing for the employment allocation at Land North of Formby Industrial Estate suggests that employment development here is not currently viable on a speculative basis. In the absence of a developers profit requirement the results do show that the development 'breaks even'. The results from our generic testing also indicate that speculative development of employment uses is not currently viable.

9.20 In our view the Draft Local Plan Policy obligations, as drafted, do not place such a burden on new employment development so as to prejudice its future delivery. Issues in relation to viability arise because rents and capital values for employment uses are currently at a low level and in comparison there is a 'gap' with build costs. Traditionally in recent years this gap has been met by public sector funding support or in the case of mixed use schemes cross-subsidised by other more viable forms of development.

9.21 Notwithstanding the results of our viability testing it is likely that office and industrial development will come forward on these sites in the future motivated by specific circumstances such as an owner occupier wishing to expand or alternatively with the benefit of public sector funding support.

9.22 Our viability testing has also considered the prospects for delivery of mixed use sites at Crowland Street in Southport and Land East of Maghull. Based on the preferred options policy requirement for the Crowland Street site of 265 dwellings and a minimum of 7.5 ha (gross) of employment provision, the results of our testing show that development of this site is not viable and a greater number of dwellings with reduced employment provision will be required to achieve a viable development. However the limited extent of employment provision on the Crowland Street site may in any event make it unattractive to commercial developers.

9.23 In relation to the land East of Maghull we have also considered viability based on the policy compliant position of 1588 dwellings and 25 ha (gross) of employment provision. The results from our testing show that development on this basis is viable. Notwithstanding this; the development surplus provided is insufficient to provide an affordable housing provision in line with proposed policy requirements at 30%.

9.24 In respect of other forms of commercial development, on the whole convenience retail is viable (albeit in the case of a 3,000 sq.ft unit in a district centre development is unviable with a small deficit -£8 sq.m on Brownfield land). Comparison retail on the other hand is unviable on Brownfield sites with the exception of smaller units (of 3,000 sq.ft) in high value town centre and district centre locations. The development of leisure accommodation (hotels, cinemas, bingo premises, bowling alleys and gyms) are all unviable based on the speculative form of development assumed with the exception of food and drink.

9.25 Our results suggest that Extra Care accommodation built on a speculative basis is unviable at values of £2,900 per sq.m (£270 per sq.ft) or less. At revenues above this level then the development of Extra Care becomes viable. It is likely that such forms of development built for sale on a speculative basis by specialist developers such as McCarthy and Stone are only likely to be delivered in these higher value areas of the Borough. It is not always the case however that extra care accommodation is built on a speculative basis. Many such facilities are purpose built for the operator who may then derive a profit from the operation of the accommodation as opposed to necessarily receiving a profit from the sale of the development itself. If this delivery model is implemented, the viability of Extra Care accommodation significantly improves as a developers profit reduces to a contractors profit. A developer will then typically derive an income from the accommodation which in the majority of instances takes the form of rented accommodation.

9.26 Speculative nursing home development remains unviable also. In relation to the agricultural uses tested, the development of stables is viable, whilst the development of an equestrian centre is unviable.

9.27 ***Summary***

9.28 Subject to the comments made above, the overall scale of obligations, standards and Policy burdens contained in the emerging Local Plan are not of such a scale that cumulatively they threaten the ability of the sites allocated to be developed viably. In certain circumstances there will need to be a balance achieved between the requirements for affordable housing, sustainability initiatives and CIL (if introduced), however there is sufficient flexibility in the Plan policies as currently drafted in relation to affordable housing and sustainability initiatives with a test based on economic viability to allow a relaxation of policy requirements if appropriate.

10.0 PROSPECTS FOR THE INTRODUCTION OF A COMMUNITY INFRASTRUCTURE LEVY

10.01 **Purpose of this Section**

10.02 The section provides further analysis of the results of the study in order to assess the extent to which a Community Infrastructure Levy (CIL) charge could be introduced in Sefton without prejudicing future development in the Borough. Based on this further analysis we draw conclusions about the types of use that could support a CIL charge and any variations in viability that may arise due to location or the scale of development.

10.03 CIL is a charge levied on buildings and extensions to buildings according to their floor area, and is a mechanism where money is raised from development to help a Council pay for schools, leisure centres, aged care accommodation, roads and other facilities to ensure the borough grows sustainably. The introduction of CIL is designed to replace the section 106 "tariff" approaches, which had previously been used for this purpose.

10.04 Taking the results of our study we make recommendations that Sefton as the Charging Authority may wish to consider when making decisions about CIL although it is likely that further work may need to be progressed in relation to CIL by the Council in the period up to the submission of the Local Plan.

10.05 When taking the following recommendations into consideration, we would caution that in accordance with the relevant guidance the viability testing undertaken is at a high level based in part on hypothetical analysis of different development scenarios. Each development site will be different and hence true viability can only be established on a site by site basis. It is not possible in the generic testing that has been undertaken to fully reflect all site specific factors, and as a result, a degree of caution is required when interpreting our results.

10.06 **Variation by Use and Location**

10.07 The evidence of our research and the results of the viability appraisals shows that there are significant differences in the values, costs and hence viability, between residential and non-residential developments.

10.08 Therefore, we recommend that Sefton as Charging Authority should consider introducing CIL on the basis of varying its charge by use, as a minimum between the broad categories of residential and non-residential development.

10.09 Our research also indicated differences in value by location for residential development. As a result of this you may also wish to consider a variable charging schedule with respect to location for residential development.

10.11 Having regard to the identified variations in viability between residential and non-residential development, we have provided below separate conclusions for each use type.

10.12 **Residential Recommendations**

10.13 Having reflected on the results of our assessment, we have considered whether varying a future CIL charge for residential development on a spatial basis might be appropriate in Sefton.

10.14 The analysis of sales values in Section 4 shows the existence of distinct spatial variations in residential values across the Borough. In summary, values are lowest in Bootle and Seaforth, and highest within Birkdale, Formby and Blundellsands. Consequently we adopted five residential value zones for the purpose of our appraisals, as illustrated by Table 5.4.

10.15 We have also undertaken an analysis of potential future development in Sefton as informed by the SHLAA and the emerging Local Plan. This shows that there is a prospect of residential development coming forward across all five zones. Principally this will comprise infill development on Brownfield sites as well as a number of large strategic sites on Greenfield land outside of the existing settlement boundaries of Formby, Maghull, Thornton and Southport.

10.16 Therefore, from the evidence, there is a justification for introducing a Charging Schedule which varies on a spatial basis, broadly according with the geographical areas of:-

1. Bootle/Seaforth
2. Litherland/Orrell/Netherton/Waterloo
3. Aintree/Rural Hinterland/Thornton
4. Southport/Ainsdale/Hightown/Crosby/Maghull
5. Birkdale/Formby/Blundellsands

10.17 Sefton as Charging Authority could therefore consider introducing a CIL charge on the basis of varying its residential charge, by spatial zone based on these geographical areas.

10.18 In addition, the results indicate differences in viability between development within the existing urban settlement boundary, and on Greenfield sites beyond the main settlement boundaries. This is something that also needs to be considered in preparing any charging schedule.

10.19 The results from the generic testing also demonstrate that viability is influenced by density. Generally the results from our high level generic testing indicated that development at 30 dwellings per hectare did not perform as well as at 40 dwellings per hectare (dph), and hence development was less viable at lower densities.

10.20 Having regard to likely future national requirements (and as detailed within Policies CC1 to CC4 of the draft Local Plan), there is an acknowledgement that wherever possible new residential development should seek to reduce carbon and greenhouse gas emissions, alongside managing and reducing the potential impact of flooding. We have therefore used the Code for Sustainable Homes as a guideline to assess the costs of implementing future national requirements.

10.21 The requirement to provide affordable housing is one of the Draft Local Plan policy requirements with the greatest impact on viability, and our results in Section 6 demonstrate that it will not be possible to achieve the 30% target in certain instances, and hence a degree of flexibility may be required in relation to this policy based on viability.

10.22 The level at which a levy could be introduced will be influenced by these policies and the Authority will need to be mindful of these requirements in setting a tariff across the five residential zones.

10.23 We have considered the viability results taken from the generic testing at 30 dph as being the least viable most pessimistic position. The results on this basis suggest that there are prospects to introduce a CIL charge on Greenfield sites. Viability on Brownfield sites is however poorer and when incorporating planning policy requirements in relation to affordable housing at 30% and building standards equivalent to Code for Sustainable Homes is generally unviable.

10.24 The results for Brownfield development sites demonstrate that for a CIL charge to be introduced on these sites there would need to be a relaxation in the Council's policy requirements to ensure that the introduction of a CIL charge does not put future development at risk.

10.25 The proposed housing allocations within the Draft Local Plan are predominantly Green Belt release sites, and therefore a significant proportion of new development is likely to be located on Greenfield sites where development viability is greater and sufficient to support a CIL tariff without prejudicing the delivery of either new market houses or affordable dwellings.

10.26 In broad terms it is likely that the highest tariff rate could be set in zone 5 where the highest values exist. The eventual level of tariff would need to be set with regard to the Local Plan policy requirements, however based on our results the affordable housing requirements and those in relation to building standards do not impact on viability in zone 5 to such a degree that a CIL tariff could not be afforded.

10.27 Viability is not at the same level in zones 3 and 4 and the introduction of additional policy requirements such as higher levels of code or affordable housing could limit the level of CIL tariff that could be set on previously developed brownfield sites. The results of our study indicate that development in Green Belt locations in these zones is more viable than in the urban areas and in this respect a tariff could be supported except at the highest levels of Code.

10.28 The results of our testing in Zones 1 and 2 suggest that viability is more marginal and it would be difficult to support a CIL tariff in combination with 30% affordable housing and higher building standards.

10.29 *Apartment Developments*

10.30 Although it is unlikely that significant proposals for apartment schemes will be brought forward in the immediate term, we considered it was appropriate to undertake some testing of both a small (10 units) and medium (50 units) apartment developments on both Brownfield and Greenfield sites.

10.31 The results reflect the present difficulties in securing sales of new apartments due to a lack of mortgage finance. Overall the results show that for the hypothetical developments tested, based on an affordable housing policy compliant position, apartment development is unviable in all locations.

10.32 Overall at the present time the results suggest limited viability for developments comprising entirely apartments, and it is likely that the introduction of a CIL tariff may prejudice development in these cases.

10.33 The results in respect of 'Independent Living Accommodation' style developments are similar to the results of the apartment schemes tested, and show limited viability except in the higher value areas of the Borough.

10.34 For these two forms of development at the present time the results suggest that the introduction of a CIL charge may prejudice future development in all but the higher value areas.

10.35 **Non-Residential Recommendations**

10.36 Having regard to the results of the appraisals which have been undertaken across all forms of commercial development in Sefton, it is clear that most forms of development within the Borough are not economically viable without additional funding support at the current time, based on a speculative form of development. Our testing does however demonstrate that in certain instances the development of mixed use schemes does help improve viability. More profitable uses such as residential provide cross funding to the unviable elements and can help to achieve viable development. We would not currently recommend implementing any form of CIL charge for B1, B2 or B8 uses.

10.37 The testing of new retail development considered a range of options from small units constructed within the existing town centres, to new mid-size supermarkets and retail warehousing. In the majority of instances convenience retail was viable, whilst in a number of instances the development of new comparison retail space was unviable.

10.38 The results from the retail testing suggest that a variable CIL tariff by location could be introduced for comparison retail units. In relation to convenience retail development some differences in value and hence viability were identified with respect to location and also to the size of unit. In this respect prospects do exist based on the viability evidence to consider implementing a differential rate for convenience retail based on size and location.

10.39 All of the leisure accommodation tested, with the exception of food and drink, was not viable. The construction of a hotel, bowling alley and a bingo hall all resulted in losses when development was considered on Brownfield sites. It is therefore recommended that a CIL charge is not implemented for C1 or D2 Uses.

10.40 The results for food and drink uses show a development surplus. The level of surplus suggests that there is a prospect for the introduction of a tariff for food and drink uses without prejudicing future development.

10.41 In addition to the above, we considered a number of other forms of non- residential development. These included a car showroom, nursing home, an equestrian centre and agricultural buildings. In all instances the results demonstrated that the particular form of development was not viable or marginal. As a result we would advise against the implementation of any CIL charge against these forms of development.

10.42 **Summary**

The results of our testing suggest that prospects do exist in Sefton to introduce a CIL tariff for new residential and certain forms of commercial development. Prior to the introduction of a CIL charging schedule we would recommend that further scenario testing is undertaken to demonstrate the effects of a CIL charge on development viability and also consider the effect of an instalments policy on viability. The Authority will also need to undertake further work to allow an informed decision to be made about the benefits of the introduction of a CIL charging schedule in the Borough.

11.0 PUBLICATION DRAFT LOCAL PLAN

11.01 The "Publication Draft Local Plan" incorporates a number of changes to the policies contained in the original "Preferred Option" version. As a result a number of policy references have altered and in some cases there have been changes to the wording of policies. In certain cases some of the policies within the publication draft contain amendments which may have an impact on viability. In addition there are changes to some of the site allocations, and some of the sites that are affected form part of the original viability testing undertaken. This Section therefore considers the impact of these changes to plan policies on viability.

11.02 The amended policies in so far as they may impact on the viability assessment that we have undertaken fall into 3 broad categories, namely:-

- Developer contributions for example affordable housing requirements
- The physical form of development for example the housing mix or design standards
- Site Allocations and in particular the site specific viability testing that we have undertaken.

11.03 We have considered in turn these changes to the emerging Local Plan policies, and determined the extent to which the assumptions that were made in our original viability testing already reflect these policy requirements. Based on this analysis we then consider the need to undertake further testing and as appropriate provide full results and conclusions based on this additional viability testing.

11.04 This section of the report therefore seeks to assess whether any of the policy changes impact on the conclusions contained earlier within Section 9, and materially affect the economic viability of development across the Borough.

11.05 For ease of reference, the policies which potentially impact on viability are listed within the table 11.1, which provides full details of the amended policy references (contained within the Publication Draft Plan) and the original references (contained within the Preferred Options Plan).

Table 11.1: Equivalent/Amended Policies between Publication Draft Plan and Preferred Option Report

Publication Policy	Preferred Option Policy
HC1 Affordable and Special Housing Needs and HC2 Housing Type, Mix and Choice	PC2 Affordable Housing
EQ2 Design	PD1 Design
EQ7 Energy Efficient and Low Carbon Design	CC3 Energy and Carbon Reduction and CC1 Strategic policy: Climate Change and Carbon Reduction
EQ8 Managing Flood Risk and Surface Water	CC2 Flood Risk and Surface-Water Management
EQ9 Provision of Public Open Space, Strategic Paths and Trees in Development	ER4 Green Infrastructure

11.06 ***Policy HC1 - Affordable and Special Needs Housing***

11.07 The proposed policy has been drafted to reflect the findings of the 2014 SHMA although does not fundamentally differ from Policy PC2 contained within the Preferred Option Report, and states that Affordable Housing should comprise 30% of all new bed spaces provided within new developments of 15 dwellings of more, with the Affordable Housing element split 80% social rented and 20% intermediate.

11.08 There is however one change to the policy which may impact the viability of development. In respect of Bootle and Netherton Policy HC1 states that in developments of 15 units or more an Affordable Housing provision of 15% will be sought by the Council split 50% social rented 50% intermediate. This differs to Policy PC2, which sought a full 30% provision (split 80% social rented 20% intermediate) in Netherton, and 0% in Bootle. We have therefore considered the impact of this policy amendment by undertaking further viability testing. We have used the data set from the generic testing undertaken previously for these areas and the results are contained in tables 11.2 and 11.3.

Table 11.2: Impact on Policy HC1 on Viability in Bootle

Scheme	Density	Level of Affordable Housing (%)	Gross Area (sq.m)	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements	
					Level 3	Level 4	Level 5	Level 6	Policy PC2	Policy HC1
									0%	15%
3 (15 Units)	30	Brownfield	1,257	-£15	£19	£69	£279	£480		
	40	Brownfield		£87	£19	£69	£280	£481	£0	£101
4 (20 Units)	30	Brownfield	1,645	£2	£19	£70	£277	£481		
	40	Brownfield		£87	£19	£70	£284	£489	£0	£107
5 (50 Units)	30	Brownfield	4,096	-£35	£19	£69	£273	£475		
	40	Brownfield		£48	£19	£69	£276	£482	£0	£79
6 (100 Units)	30	Brownfield	8,183	-£10	£19	£67	£268	£471		
	40	Brownfield		£77	£19	£67	£277	£472	£0	£85

Table 11.3: Impact on Policy HC1 on Viability in Netherton

Scheme	Density	Level of Affordable Housing (%)	Gross Area (sq.m)	Baseline Surplus (per sq.m)	Impact of Code				Impact of Affordable Housing Requirements	
					Level 3	Level 4	Level 5	Level 6	Policy PC2	Policy HC1
									30%	15%
3 (15 Units)	30	Brownfield	1,257	£155	£19	£69	£284	£478	Unviable at 20%	£124
	40	Brownfield		£257	£19	£69	£284	£479	£266	£112
4 (20 Units)	30	Brownfield	1,645	£174	£19	£70	£288	£482	Unviable at 20%	£119
	40	Brownfield		£257	£19	£70	£288	£487	£227	£121
5 (50 Units)	30	Brownfield	4,096	£123	£19	£69	£283	£473	Unviable at 20%	£89
	40	Brownfield		£204	£19	£69	£283	£475	£222	£89
6 (100 Units)	30	Brownfield	8,183	£148	£19	£67	£277	£464	£222	£96
	40	Brownfield		£231	£19	£67	£277	£466	£222	£96

11.09 As detailed within the Section 6, at 30 dph development is largely unviable in Zone 1 (Bootle), whilst at 40 dph development is viable albeit with marginal results in the majority of scenarios tested. Policy HC1 reduces viability relative to Policy PC2 as an Affordable Housing provision is now being sought, which reduces the baseline surplus by between £79 and £101 per sq.m. In Bootle the results suggest that the prospects for delivering 15% Affordable Housing based on Policy HC1 are likely to be limited.

11.10 In Netherton Table 11.3 indicates that viability improves as a result of HC1, as a reduced Affordable Housing provision of 15% is required (which was at 30% within PC2 within the Preferred Options report). The impact on the development surplus here is an increase in the baseline surplus of between £133 and £154 per sq.m relative to Policy PC2 within the Preferred Options report. In Netherton the delivery of 15% Affordable Housing based on Policy HC1 can be achieved, albeit at 30 dph development is marginal and small changes to revenues or costs could impact on the development's ability to deliver 15% affordable provision.

11.11 Policy HC1 contained with the Publication Draft Plan does state that the policy position is subject to economic viability, and hence there will be a degree of flexibility in respect of the policy. Therefore despite the results indicating that development at the policy compliant position in Bootle is unviable (at both 30 and 40 dph), Policy HC1 will not prejudice development as the developer will be able to negotiate reduced Affordable Housing contribution on viability grounds on a site specific basis having regard to the proposed wording of the policy contained within the Publication Draft Document.

11.12 ***Policy HC2 - Housing Type, Mix and Choice***

11.13 The Publication Draft policy states that in respect of developments of 15 units or more, a minimum of 25% of the market dwellings must comprise 1 or 2 bed properties, and a minimum of 40% of the market dwellings must comprise 3 bed properties.

11.14 As detailed earlier within our report, we have tested dwelling mixes based on the following:-

1 Bed – 5%
2 Bed – 35%
3 Bed – 50%
4 Bed – 6%
5 Bed – 4%

11.15 In addition, we have tested the impact of the Affordable Housing Policy assuming an affordable mix of:-

5% - 1 bed

35% - 2 bed

50% - 3 bed dwellings

11.16 Our assumptions in terms of both the overall mix and the affordable mix mean that for each development scenario tested, both the generic and site specific, our testing already meets the minimum percentage thresholds for the market dwellings and hence Policy HC2 is satisfied. The viability testing previously undertaken is already compliant with the policy requirement and so the proposed policy does not affect the conclusions reached earlier within this report.

11.17 Part 2 of Policy HC2 states that at least 20% of all new homes in developments of 15 dwellings or more should be designed to meet Lifetime Homes Standards. We have implicitly assumed that this proportion of dwellings will be provided to Lifetime Homes Standards, and as such they are accounted for within our baseline testing. Lifetime Homes comprises a detailed list of 16 criteria which can be afforded at 'minimal cost' (as specified on the Lifetime Homes' website) and seeks to ensure that 'each design feature adds to the comfort and convenience of the home and supports the changing needs of individuals and families at different stages of life'. Given that we have assumed significant proportions of dwellings comprise 3 bed dwellings, it is assumed that the circulation space is such that the criteria can be met in respect of a significant proportion of the dwellings without the need to extend the sizes of each dwelling.

11.18 ***Policy EQ2 – Design***

11.19 This Policy does not materially differ from Policy PD1 contained within the Preferred Option version of the Local Plan. One difference that does exist between policies includes part g. of Policy EQ2 which places an added emphasis on *"the delivery of high quality, well-connected and well-maintained public space"*. We have assumed that high quality, well-connected and well-maintained public space will be provided as part of any development, and as such the costs for providing this are already included within the construction costs provided by WYG as part of both generic and site specific testing already undertaken.

11.20 ***Policy EQ7 – Energy Efficient and Low Carbon Design***

11.21 Policy EQ7 within the Publication Draft Plan is worded similarly to Part 1 of Policy CC3 of the Preferred Options version of the Local Plan. It states that major development should incorporate measures to reduce greenhouse gas emissions by using solar energy, increasing energy efficiency, using low carbon decentralised energy sources (where practicable) and providing the relevant infrastructure for low emissions vehicles. Given the wording of this policy, it has already been addressed within our earlier testing were we have considered the increased costs of achieving standards similar to the current levels 3-6 of the Code for Sustainable Homes.

11.22 ***Policy EQ8 – Managing Flood Risk and Surface Water***

11.23 This Policy is similar to 'Policy CC2 – Flood Risk and Surface Water Management' contained within the Preferred Options version of the Local Plan. It seeks to ensure that development is located in low risk flooding areas and that surface water run off rates are reduced by 20% in respect of sites with buildings, or that for greenfield sites such rates do not exceed greenfield rates. Given the similarities within these policies, and the fact that no more onerous obligations are contained within the Publication Draft Plan, it is considered that the build costs used within the earlier viability testing already incorporate the requirements of this policy. As such there are no further impacts on viability due to the amendments to the policy being taken forward in the Publication Draft of the Local Plan.

11.24 ***Policy EQ9 – Provision of Public Open Space, Strategic Paths and Trees in Development***

11.25 Policy EQ9 largely replicates the requirements contained within 'Policy ER4 – Green Infrastructure' contained within the Preferred Options version of the Local Plan. It seeks to provide high quality public open space provision alongside footpath and cycleway routes as appropriate. Both policies contain provisions for the maintenance of such areas. In respect of the above, it is considered that the development costs of complying with Policy EQ9 are already included within our costs and viability testing, and therefore the resultant costs associated with Policy EQ9 have already been allowed for within our testing, and do not alter our conclusions.

11.26 ***Policy MN2 – Housing, Employment and Mixed Use Allocations***

11.27 Housing

11.28 Policy SR4 of the Preferred Options version of the Local Plan dealt with Housing Allocations and the phasing of these allocations. In the context of this policy and in accordance with good practice we undertook viability testing in relation to a number of the key strategic sites on which the plan relies.

11.29 The Publication Draft Plan introduces an amended policy MN2 Housing, Employment and Mixed Use Allocations. This policy includes amendments to the size and capacity of some of the allocations and it also includes some additional new allocations. Table 11.4 contains details of the Housing Allocations under Policy MN2. This now supersedes Table 2.1 Draft Local Plan Residential Allocations contained at pages 7-9 of this report.

Table 11.4: Publication Draft Local Plan Housing Allocations

Site Ref	Location	Area (ha)	Capacity (no dwellings)
Southport			
MN2.1	Bartons Close, Southport	1.0	36
MN2.2	Land at Bankfield Lane, Southport	9.0	220
MN2.3	Former Phillips Factory, Balmoral Drive, Southport	6.0	158
MN2.4	Land at Moss Lane – Churchtown South	19.67	450
MN2.5	Land at Crowland Street, Southport	25.8	678
MN2.6	Land at Broome Road, Southport	8.2	215
MN2.7	Land at Lynton Road, Southport	1.5	25
MN2.8	Former Ainsdale Hope School, Ainsdale	9.3	243
MN2.9	Former St John Stone School, Meadow Lane, Ainsdale	1.3	40
MN2.10	Meadows ATC, Sandbrook Road, Ainsdale	1.9	49
MN2.11	Land south of Moor Lane, Ainsdale	2.4	75
Total			**2,189**

Site Ref	Location	Area	Capacity (no dwellings)
Formby			
MN2.12	Land north of Brackenway, Formby	13.8	286
MN2.13	Land at West Lane, Formby	2.3	40
MN2.14	Former Holy Trinity School, Lonsdale Road, Formby	0.9	50
MN2.15	Formby Professional Development Centre, Park Road, Formby	1.6	15
MN2.16	Land at Liverpool Road, Formby	14.2	319
MN2.17	Land at Altcar Lane, Formby	0.8	29
MN2.18	Power House Phase 2, Hoggs Hill Lane, Formby	0.8	20
MN2.19	Land at Andrew's Close, Formby	3.3	87
Total			**846**
Crosby			
MN2.20	Land at Elmcroft Lane, Hightown	6.5	120
MN2.21	Land at Sandy Lane, Hightown	0.7	10
MN2.22	Land at Hall Road West, Crosby	0.8	14
MN2.23	Land at Southport Old Road, Thornton	3.2	85
MN2.24	Land at Holgate, Thornton	8.4	221
MN2.25	Land at Lydiate Lane, Thornton	9.9	265
MN2.26	Land south of Runnells Lane, Thornton	5.2	137
Total			**852**
Maghull			
MN2.27	Land At Turnbridge Lane, Maghull	1.6	40
MN2.28	Land North of Kenyons Lane	9.8	295
MN2.29	Former Prison Site, Park Lane, Maghull	13.6	370
MN2.46	Land east of Maghull	86.0	1,400
MN2.30	Land east of Waddicar Lane, Melling	5.7	178
MN2.31	Wadacre Farm, Chapel Lane, Melling	5.5	135
MN2.32	Land South of Spencers Lane, Melling	0.6	18
MN2.33	Land at Wango Lane, Aintree	1.8	25
Total			**2,461**

Site Ref	Location	Area	Capacity (no dwellings)
Bootle & Netherton			
MN2.34	Aintree Curve Site, Ridgewood Way, Netherton	3.2	100
MN2.35	Z Block Sites, Buckley Hill Lane, Netherton	3.5	100
MN2.36	Former St Raymond's School playing field, Harrops Croft, Netherton	1.8	65
MN2.37	Land at Pendle Drive, Netherton	1.4	52
MN2.38	Former Bootle High School, Browns Lane, Netherton	1.4	63
MN2.39	Former Daleacre School, Daleacre Drive, Netherton	1.0	37
MN2.40	Former Rawson Road Primary School, Rawson Road, Bootle	1.0	20
MN2.41	Former St Wilfrid's School, Bootle	6.6	160
MN2.42	Klondyke redevelopment phases 2 and 3, Bootle	4.2	140
MN2.43	Peoples Site, Linacre Lane, Bootle	2.9	110
MN2.44	Former St Joan of Arc School, Rimrose Road, Bootle	1.3	48
MN2.45	Former St Mary's Primary School playing fields, Waverley Street, Bootle	1.6	72
Total			**967**
Total from all Allocations			**7,315**

11.30 The new allocations increase the indicative capacity from 6,956 dwellings to 7,315 dwellings on allocated housing sites.

11.31 In order to understand the viability of these larger allocated housing sites we previously undertook some site specific viability testing, and Table 3.17 contains details of the sites that we assessed.

11.32 Having regard to the revisions to the housing allocations in the Publication Draft, Table 11.5 contains details of the allocations that we have previously tested and compares the previous assumptions as to size and capacity in Policy SR4 with the new Policy MN2. This allows us to understand the extent of any changes to the form and scale of development and the likely impact on viability. Table 11.5 also contains the amended policy references for the respective sites.

Table 11.5: Amendments to the Housing Allocations Tested

Address/Policy Reference	Net Area (ha)	Units	Net Area (ha)	Units	Units
MN2.2 Land at Bankfield Lane – Churchtown North	3.53	120	6.75	220	100
MN2.4 Land at Moss Lane – Churchtown South	14.75	538	14.78	450	-88
MN2.6 Land at Broome Road, Southport	6.38	223	6.15	215	-8
MN2.8 Former Ainsdale Hope School, Ainsdale	6.2	217	7.0	243	26
MN2.11 Land south of Moor Lane, Ainsdale	3.88	136	2.16	75	-61
MN2.12 Land north of Brackenway, Formby	4.82	169	10.35	286	117
MN2.16 Land at Liverpool Road, Formby	10.62	372	10.65	319	-53
MN2.19 Land at Andrew's Close, Formby	3.44	120	2.48	87	-33
MN2.24 Land at Holgate, Thornton	5.06	177	6.30	221	44
MN2.25 Land at Lydiate Lane, Thornton	6.72	235	7.43	265	30
MN2.26 Land south of Runnells Lane, Thornton	3.92	137	3.90	137	0
MN2.30 Land east of Waddicar Lane, Melling	4.03	141	5.13	178	37
MN2.31 Wadacre Farm, Melling	4.11	144	4.13	135	-9
MN2.41 Former St Wilfrid's School, Bootle	4.95	198	4.95	160	-38

11.33 In relation to a number of the specific sites on which viability testing has previously been carried out, the new policy has limited overall impact on the capacity or size of the site allocated. For some sites there is no change and hence there is no impact on the previous viability results. In relation to the Land at Broome Road (MN2.6) and Wadacre Farm (MN2.31), there is a reduction of less than 10 units in the overall capacity and the impact of this on viability is limited and will not alter the overall position.

11.34 The capacity of the sites known as Former Ainsdale Hope School (MN2.8), Land at Holgate (MN2.24), Land at Lydiate Lane (MN2.25) and Land East of Waddicar Lane (MN2.30) have increased by between 26 up to 44 units. In the case of these sites this increase in capacity is likely to improve viability all other matters remaining the same.

11.35 In relation to the balance of the sites were site specific testing was undertaken, the new policy has resulted in some more significant reductions in capacity, or alternatively in some cases has nearly doubled the size of the allocation. In order to understand the impact of these changes on viability we have undertaken further viability testing reflecting these changes in size and capacity. Table 11.6 contains details of the allocations for which further viability testing has been carried out. Appendix 6 contains the revised assumptions on which this further testing is based and Appendix 7 includes the revised construction cost assessments prepared by WYG in relation to these sites.

Table 11.6 Revised Housing Allocations Tested

Policy Reference/ Address	Net Area (ha)	Units
MN2.2 Land at Bankfield Lane, Churchtown	6.75	220
MN2.4 Land at Moss Lane, Churchtown	14.78	450
MN2.11 Land south of Moor Lane, Ainsdale	2.16	75
MN2.12 Land north of Brackenway, Formby	10.35	286
MN2.16 Land at Liverpool Road, Formby	10.65	319
MN2.19 Land at Andrew's Close, Formby	2.48	87
MN2.41 Former St Wilfrid's School, Bootle	4.95	160

11.36 In addition to the above the site at Crowland Street, Southport was identified in the Preferred Options Version of the Local Plan under Policy SR4.4 as a mixed use allocation for Housing and Employment. The new Policy MN2.5 in the Publication Draft of the Plan identifies the site as a housing site of 25.8 ha gross with an indicative capacity of 678 dwellings. Due to these changes we have also prepared a further viability assessment of this site. Again the assumptions for our assessment are contained at Appendix 6 and WYG's costs at Appendix 7.

11.37 Table 11.7 contains the results of our viability testing for these amended site allocations. The results are in the format adopted at section 6 of this report. In each case the results are presented to show the address of the site tested, the number of dwellings identified for the site. The results of the testing illustrate the viability of a development of entirely market housing (0%) ie. the baseline surplus.

11.38 In relation to Affordable Housing our testing is based on the policy requirement for affordable housing at Policy HC1 that Affordable Housing should comprise 30% of all new bed spaces provided within new developments of 15 dwellings of more, with the Affordable Housing element split 80% social rented and 20% intermediate. We have also considered the impact on the baseline surplus of onsite provision at 20% and 10%. As with our earlier testing we have also considered the impact on viability of achieving standards equivalent to the Code for Sustainable Homes Level 3 – 6. The results show the reduction in the baseline surplus on a per sq.m basis of the particular affordable housing or code assumption.

11.39 For ease of reference and presentation the table cells have simply been coloured to demonstrate development viability as detailed in table 11.8.

Table 11.7: Development Viability Coding

Red	not viable and demonstrates a loss or deficit.
Amber	marginal development which shows a development surplus equivalent to between 0-5% of GDV. In such cases a relatively small increase in costs or reduction in revenue could make the scheme unviable.
Green	the development is viable and has a development surplus which is equivalent to or greater than 5% of GDV.

Table 11.8: Revised Allocations Viability Results

Policy Ref	Address	Baseline Surplus (per sq.m)	Impact of Code				Affordable Housing Provision		
			Level 3	Level 4	Level 5	Level 6	10%	20%	30%
MN2.2	Land at Bankfield Lane, Churchtown	£323	£19	£70	£298	£489	£73	£144	£220
MN2.4	Land at Moss Lane, Churchtown	£315	£18	£64	£269	£424	£70	£141	£214
MN2.5	Land at Crowland Street, Southport	£242	£17	£61	£258	£450	£65	£130	£197
MN2.11	Land south of Moor Lane, Ainsdale	£284	£20	£74	£306	£509	£80	£155	£242
MN2.12	Land north of Brackenway, Formby	£383	£19	£68	£282	£482	£80	£161	£240
MN2.16	Land at Liverpool Road, Formby	£393	£19	£67	£279	£477	£83	£160	£240
MN2.19	Land at Andrew's Close, Formby	£491	£20	£74	£305	£519	£85	£167	£250
MN2.41	Former St Wilfred's School, Bootle	£97	£20	£71	£285	£506	£62	£123	£186

11.40 Table 11.7 shows the amendments to the allocations have a limited impact on the overall viability of the strategic sites that were originally tested. The results of our further testing do indicate some changes to viability on certain sites. The increase in capacity of the site at Bankfield Lane (MN2.2) means that viability has slightly improved with an increase in the baseline surplus whilst the development is now able to support 30% affordable housing and remain viable, in contrast with the previous testing that indicated a more marginal result on this basis.

11.41 Conversely the allocation at Moss Lane (MN2.4) is less viable due to the changes however it is still able to support the same 30% level of affordable provision and remain viable. Similarly the reduced capacity at Moor Lane (MN2.11) also means a slight reduction in viability, although in line with our earlier testing the results at 30% affordable provision remain marginal.

11.42 For the three Formby sites (MN2.12, MN2.16 and MN2.19) viability is slightly reduced by the changes however in each case development is able to support 30% onsite affordable housing provision and remain viable.

11.43 The reduction in capacity for the allocation at St Wilfreds School (MN2.41) means that although the allocation is viable on the basis of a development of market housing the prospects for affordable housing provision are limited. The result at 10% becomes marginal where it was previously viable.

11.44 The amendments also have a limited impact on the ability to achieve higher levels of code, with two of the results at Level 5 changing from viable to marginal.

11.45 <u>New Housing Allocations and Safeguarded Sites</u>

11.46 Policy MN2 contains a number of new housing allocations. We have reviewed these additional allocations and for a number of the additional sites we have prepared viability assessments. Details are contained in table 11.9. The table includes details of the form of development and capacity that has been assumed for our viability testing of each site.

Table 11.9: Additional Allocated Housing Sites Tested

Ref	Address	Gross Site Area (hec)	Gross/ Net Ratio	Net Site Area (hec)	No Dwellings	Comments
MN2.28	Land North of Kenyons Lane, Lydiate	9.8	75%	7.35	295	Including 30 bed extra care unit
MN2.3	Former Phillips Factory, Balmoral Drive, Southport	6.0	75%	4.5	158	Housing Allocation

11.47 The Publication Draft of the Local Plan also contains two safeguarded sites at Policy MN8, which are identified in order to meet longer term development needs. The safeguarded land is not allocated for development at the present time and planning permission for the permanent development of these sites will only be approved following a local plan review that allocates the land for development. The sites have a combined capacity for around 1,000 dwellings and as such are significant future strategic sites. For completeness we have therefore undertaken viability testing in relation to these sites to establish their viability and prospects for future delivery should they be released for development. Details of the two safeguarded sites are contained in table 11.10.

Table 11.10: Safeguarded Sites Tested

Ref	Address	Gross Site Area (hec)	No Dwellings	Comments
MN8.1	Land North of Lambshear Lane	33	819	Housing
MN8.2	Land Adjacent to Ashworth Hospital, Maghull	18.53	379	Housing

11.48 To inform the consideration of these sites we have prepared an assessment of their viability in accordance with the methodology and assumptions, outlined in the earlier sections of this report.

11.49 We have considered the location and characteristics of the sites together with the local property market. At Appendix 6 we have provided a detailed schedule of all of the inputs that we have used in the preparation of the viability assessments for each of these sites, and at Appendix 7 WYGs construction cost assessments are included.

11.50 Table 11.11 contains details of the results of our viability testing for the new housing allocations and the safeguarded sites outlined above.

Table 11.11: New Housing Allocations and Safeguarded Sites Tested – Results

Status	Address	Baseline Surplus (per sq.m)	Impact of Code				Affordable Housing Provision		
			Level 3	Level 4	Level 5	Level 6	10%	20%	30%
Housing Allocations	Land North of Kenyons Lane, Lydiate	£338	£19	£68	£282	£486	£98	£164	£239
	Former Phillips Factory, Balmoral Drive, Southport	£232	£19	£70	£292	£489	£72	£150	£225
Safeguarded Land	Land North of Lambshear Lane	£379	£16	£59	£248	£428	£68	£135	£204
	Land Adjacent to Ashworth Hospital, Maghull	£333	£18	£64	£267	£461	£70	£140	£211

11.51 The results for the additional residential sites tested (including the safeguarded sites) show that at an equivalent standard to Code Level 3 and 4, a development of market houses would be viable for each site. At a standard equivalent to Code Level 5 one of the sites becomes unviable and two are marginal, only one site (Lambshear Lane) remains viable. Assuming development to a standard equivalent to Code Level 6 none of the additional sites tested is viable.

11.52 We have then considered the viability of each of the additional sites assuming a development to meet current building regulation and planning policy requirements on the basis of differing levels of on-site affordable housing provision.

11.53 Assuming the policy compliant position of 30% affordable housing provision on the basis of 80% social rent and 20% intermediate (Policy HC1), all of the additional sites tested are viable, although the result for the Former Phillips Factory site shows that development is becoming more marginal on this basis. Assuming 20% affordable housing provision the result remains marginal, and at 10% provision development is viable on the site. In the case of the Phillips site the reduced viability is principally a result of the additional costs involved in undertaking the demolition of the factory and dealing with foundation solutions.

11.54 ***Policy MN3 Strategic Mixed Use Allocation – Land East of Maghull***

11.55 This policy replaces Policy SRM1 Land East of Maghull contained within the Preferred Options version of the plan. The new policy identifies this 86 ha site as providing a strategic mixed use allocation, including:-

- A minimum of 1,400 dwellings
- A 20 ha net serviced business park for office and light industrial (B1), general industrial (B2) and storage and distribution (B8).
- A local centre of an appropriate scale
- New public open space
- The policy also deals with landscaping, access routes, public transport and flood risk.
- MN3 also includes details of the proposed phasing of the development and developer contributions including
- A financial contribution towards Maghull North Station
- A financial contribution towards new slip roads required at Junction 1 of the M58 motorway.
- A financial contribution to subsidise a bus service through the site for at least 3 years

- Appropriate highways and public transport improvements
- Affordable Housing
- Contributions to improve health and education facilities including the expansion of Summerhill Primary School and community facilities within the Local Centre.

11.56 Having regard to the adjustments to the policy in respect of the housing capacity on the site, and also to the proposed phasing we have prepared a further viability appraisal of the site. The appraisal assumes the form of development outlined earlier in our report at paragraph 3.62 however the housing capacity has been reduced from 1588 to 1400 units. Details of the updated appraisal assumptions are contained at Appendix 6 and WYG's revised cost assessment is contained at Appendix 7.

11.57 Table 11.12 contains a comparison of the result from our original viability testing for this site, in comparison with the results based on new Policy MN3.

Table 11.12: Viability Testing Results Land East of Maghull

Site Address	Policy	Development Surplus			
		Overall	Per sq.m (residential floor space)	Per sq.m (overall floor space)	Surplus as % GDV
MN3 Land east of Maghull	*SRM1*	£18,911,650	£145.50	£95.93	5.4%
	MN3	£12,066,064	£105.32	£66.40	3.8%

11.58 The result of our further viability testing in relation to Land East of Maghull based on Policy MN3 shows that the development remains viable incorporating the proposed level of employment uses together with the new local centre and contributions towards education, new motorway slip roads, a subsidised bus service and a new railway station, albeit at a reduced level of viability. Notwithstanding this the development surplus remains insufficient to provide affordable housing provision in line with policy requirements at 30%.

11.59 ***Policy MN5 – Land South of Formby Industrial Estate***

11.60 Within the publication draft of the Local Plan Land South of Formby Industrial Estate is now allocated for a 'Strategic Employment Location', subject to the following requirements:-

a) The western part of the site is developed for the uses specified in Policy MN2. Subject to a full financial appraisal, the development of a limited number of other uses on this part of the site may be acceptable where they are necessary to cross subsidise the delivery of B1, B2 and B8 uses;

b) Replacement pitches suitable for football available for community use must be provided along the site's eastern boundary;

c) Improved connectivity and / or access with the wider highway network, including provision for walking, cycling and public transport;

d) Flood risk is managed effectively and appropriately within the site, including use of sustainable drainage systems;

e) Provision of a landscaping framework, appropriate tree planting, and a buffer alongside Downholland Brook.

11.61 We have not previously undertaken viability testing of this Strategic Site and have therefore now undertaken some testing of this allocation. The form of the development assumed for testing broadly reflects the assumptions made in the site promoter's submitted assessment; however we have included an assessment of the likely viability of the proposed sports facility that we understand is envisaged for the site. Details of the form of development assumed for testing is contained in table 11.13.

Table 11.13: Land South of Formby Industrial Estate Form of Development Tested

Ref	Address	Gross Site Area (hec)	Uses Assumed	Gross Floor Area (sq.m)
MN5	Land South of Formby Industrial Estate	17.25	B2/B8	32,504
			Retail	11,802
			Public House	735
			Air Dome	3,250

11.62 The viability testing result for the Land South of Formby Industrial Estate is contained in table 11.14.

Table 11.14: Land South of Formby Industrial Estate

Address	Gross Site Area (ha)	Gross Floor Area (sq.m)	Surplus	Surplus (per sq.m)	Surplus % Cost
Land South Formby Industrial Estate	17.5	48,284	£5,147,119	£107	10.7%

11.63 The result shows that based on the mixed form of development assumed the development is viable with a development surplus equivalent to £107 per sq.m of floor space or 10.7% of cost. This is in addition to the normal developers profit return. Our results suggest that dependent on the final form of the sports facility that is proposed, there may be some scope to reduce the level of enabling development on the site (in the form of retail) and still provide a viable development.

11.64 ***Conclusions***

11.65 We have reviewed the Publication Draft of the Local Plan and considered the extent to which changes to policies impact on the viability testing we have previously undertaken. As appropriate we have then undertaken further viability testing to understand the impact of any significant changes to the policies.

11.66 Having considered the requirements of the Publication Draft and noting the comments made above in this section, the overall scale of obligations, standards and Policy burdens contained in the Publication Version of the Local Plan are not of such a scale that cumulatively they threaten the ability of the sites allocated to be developed viably. In certain circumstances there will need to be a balance achieved between the requirements for affordable housing, sustainability initiatives and CIL (if introduced), however there is sufficient flexibility in the Plan policies as currently drafted in relation to affordable housing and sustainability initiatives to allow this.

GLOSSARY

BREEAM: Building Research Establishment Environmental Assessment Methodology, which comprises the most widely used method of assessing, rating, and certifying the sustainability of buildings. Rating levels given include pass, good, very good, excellent and outstanding.

Code: The Code for Sustainable Homes is an environmental assessment method for rating and certifying the performance of new homes in England, Wales and Northern Ireland which was set up in 2007. Criteria for assessment include energy and CO^2 emissions, water, surface water run-off, waste, pollution, health and well-being, management and ecology. New homes are judged against each of the above criteria to determine a 'Level'. At present, current Building Regulations are close to achieving Code Level 3, whilst additional cost to the developer is required to build out dwellings to Code Levels 4, 5 and 6 which feature greater compliance with the criteria outlined above.

The minimum standards required are set out within the schedule below, although other criteria apply in respect of the 'other points required'.

Achieving a sustainability rating

	Minimum Standards				
	Energy		Water		
Code Level	Standard (Percentage better than Part L[1] 2006)	Points Awarded	Standard (litres per person per day)	Points Awarded	Other Points[4] Required
1(★)	10	1.2	120	1.5	33.3
2(★★)	18	3.5	120	1.5	43.0
3(★★★)	25	5.8	105	4.5	46.7
4(★★★★)	44	9.4	105	4.5	54.1
5(★★★★★)	100[2]	16.4	80	7.5	60.1
6(★★★★★★)	A zero carbon home[3]	17.6	80	7.5	64.9

Notes
1. Building Regulations: Approved Document L (2006) – 'Conservation of Fuel and Power.'
2. Zero emissions in relation to Building Regulations issues (i.e. zero emissions from heating, hot water, ventilation and lighting).
3. A completely zero carbon home (i.e. zero net emissions of carbon dioxide (CO_2) from **all** energy use in the home).
4. All points in this document are rounded to one decimal place.

SuDS: SuDS, or Sustainable Urban Drainage Systems are a sequence of water management practices and facilities designed to drain surface water in a manner that will provide a more sustainable approach than what has been the conventional practice of routing run-off through a pipe to a watercourse.

RESIDENTIAL ACCOMODATION (NEW BUILD DEVELOPMENTS)

Development	Area	Description	Price	Source
Hartley Grange Bellway	Southport	The scheme has been built out and sold	The scheme comprises 3 and 4 bedroomed dwellings. Sold prices range between **£1,894 - £2,260 per sq.m (£176 - £210 per sq.ft)**. Average sales prices amounted to around **£2,157 per sq.m (£200 per sq.ft)**	Rightmove Plus; Bellway Homes Marketing Particulars
Aspen Gardens Broadley Developments	Southport	The scheme has been built out and sold.	The scheme comprises 3 bedroomed semi and detached dwellings. Sold prices range between **£1,905 - £2,389 per sq.m (£177 - £222 per sq.ft)**. Average sales prices amounted to around **£2,045 per sq.m (£190 per sq.ft)**	Land Registry; Rightmove Plus; Broadley Developments Marketing Particulars
Virginia Mews Bellway	Southport	The scheme has been built out and sold.	The development comprised 2 and 3 bed mews dwellings **£1,551 - £2,163 per sq.m (£144 - £201 per sq.ft)**. Average sales prices amounted to around **£1,938 per sq.m (£180 per sq.ft)**	Land Registry; Rightmove Plus; Bellway Marketing Particulars

Development	Area	Description	Price	Source
Links View Bellway	Ainsdale	On completion of the development, a total of 107 units will be provided	The development comprises a mixture of 3, 4 and 5 bed dwellings. Sales to date have achieved between **£1,851 - £2,335 per sq.m (£172 - £217 per sq.ft).** Average prices have been at around **£2260 per sq.m (£210 per sq.ft)**	Land Registry; Rightmove Plus; Bellway Marketing Particulars
Fallowfield Close Broadley Developments	Formby	Scheme built out and sold	The development sold at prices between **£2,174 - £2,497 per sq.m (£202 - £232 per sq.ft).** Average prices amounted to **£2,422 per sq.m (£225 per sq.ft)**	Land Registry; Rightmove Plus
The Hamptons York Homes	Formby	Based on Sales between May 2013 and Jan 2014.	Sales to the order of around **£2,153 per sq.m (£200 per sq.ft)**	Land Registry; Rightmove Plus
Hawthorn Park Bellway	Crosby	The development comprises 83 dwellings. 13 properties for sale. Properties 3 and 4 bedroomed detached.	The sales prices achieved range from **£2,045 - £2,561 per sq.m(£190-£238 per sq.ft)**, and average around **£2,314 per sq.m (£215 per sq.ft)**	Land Registry; Rightmove Plus; Bellway Marketing Particulars

Development	Area	Description	Price	Source
Thornton Cross Elan Homes	Thornton	Scheme built out and sold	Sold prices range between **£2,034 - £2,238 per sq.m (£189 - £208 per sq.ft)**. Average sales prices amounted to **£2,153 per sq.m (£200 per sq.ft)**	Land Registry; Rightmove Plus;
Sefton Mills Persimmon	Sefton Village	Scheme is built out and sold. Mixture of 2, 3 and 4 bedroomed dwellings.	The sales prices achieved range from **£1,776 - £2,680 per sq.m (£165-£249 per sq.ft)**. Average prices amounted to around **£2,260 per sq.m (£210 per sq.ft)**	Land Registry; Rightmove Plus; Persimmon Marketing Particulars
Church Fields Bellway	Litherland	The scheme comprises 88 dwellings with 39 sold. A mixture of 3 and 4 bedroomed mews and detached properties.	The sales prices to date achieve a range from **£1,689 - £2,142 per sq.m (£157-£199 per sq.ft).** Average sales prices amount to around **£1,884 per sq.m (£175 per sq.ft)**	Land Registry; Rightmove Plus; Bellway Marketing Particulars
Coffee House Bridge Keepmoat	Bootle	Scheme is built out and sold. Comprises 20 dwellings.	The sales prices achieved range from **£1,496 - £1,754 per sq.m (£139-£163 per sq.ft)**. Average sales prices amount to **£1,615 per sq.m (£150 per sq.ft)**	Land Registry; Rightmove Plus; Keepmoat Marketing Particulars Information from developer

Development	Area	Description	Price	Source
Regency Park Keepmoat	Bootle	Recent sales on all phases.	The sales prices to date achieve a range from **£1,054 - £2,034 per sq.m (£98-£189 per sq.ft)**. Average sales prices amount to around **£1,399 per sq.m (£130 per sq.ft)**	Land Registry; Rightmove Plus; Keepmoat Marketing Particulars Information from developer
St Elizabeth's Place	Bootle	Recent sales on all phases.	The average sales prices amount to around **£1,722 per sq.m (£160 per sq.ft)**	Land Registry; Rightmove Plus; Keepmoat Marketing Particulars Information from developer

RESIDENTIAL LAND

Type/Details	Size (Acres)	Price/Market Price	Yield/Yield Indication	Source
Hartley Grange Southport Bellway	3.58	£3,100,000	N/A	Site sold on 04/08/2008. Source: Land Registry. **Site sold for around £865,000 per acre.** Site sold with the benefit of planning consent for residential dwellings (N/2006/1054) which was granted in October 2007.
The Links Ainsdale Bellway	9.54	£6,228,500	N/A	Site sold on 27/04/2011. Source: Land Registry. **Site sold for around £652,000 per acre.** Site sold without planning consent for residential development, which was subsequently granted on 13/06/2011. 30% Affordable Housing provided. Application S/2011/0298 under consideration at the date of purchase.
Fallowfield Close Formby Broadley Developments	0.56	£550,000	N/A	Site sold on 29/10/2010 **Site sold for around £982,000 per acre.** Site sold whilst planning application no. S/2010/1748 was under consideration. Planning granted in December 2010 for the construction of residential dwellings. Development below threshold for delivery of Affordable Housing.
Hawthorne Park Crosby Bellway	7.04	£6,000,000	N/A	Site sold on 10/11/2011. Source: Land Registry. **Site sold for around £850,000 per acre.** Site sold with the benefit of outline planning consent for residential development. An Affordable Housing provision at 20%.

Type/Details	Size (Acres)	Price/Market Price	Yield/Yield Indication	Source
Thornton Cross Thornton Elan Homes	1.06	£705,000	N/A	Site sold on 01/11/2011. **Site sold for around £665,000 per acre.** Site below Affordable Housing threshold. Site benefitted from planning consent for residential development via application S/2011/747 at the date of purchase, which was granted in August 2011.
Sefton Mill Sefton Moss Persimmon	6.95	£1,590,000	N/A	Site sold on 15/04/2001. Source: Land Registry. Site sold prior to planning consent being granted for residential development, via application S/2001/0772 which was determined in 2005. **Site sold for around £228,000 per acre.**
Church Fields Litherland Bellway	6.07	£3,100,000	N/A	Site sold on 21/12/2012. Source: Land Registry. The Site sold with planning consent for residential dwellings, which was determined on 19/09/2012 via application S/2012/0650. Due to current Planning Policy as the site is Bootle no Affordable Housing was required. **Site sold for around £510,000 per acre.**
The Powerhouse Formby Bellway	13.39	£4,140,000	N/A	Site sold on 20/12/2013. Source: Land Registry. The Site sold with planning consent for residential development (S/2013/0584) which was granted on 06/12/13. According to the S106 agreement, 9 dwellings (12%) will comprise Affordable Units. **Site sold for around £310,000 per acre.**

Type/Details	Size (Acres)	Price/Market Price	Yield/Yield Indication	Source
The Coppice Banks Redrow	11.6	£3,000,000	N/A	Site sold on 01/09/2013. **Site sold for around £258,000 per acre.** Site benefitted from outline planning consent at the date of purchase for residential development via application 2013/0030/OUT which was granted on 08/03/2013. 30% Affordable Housing provided.
Plough Southport Kingswood Homes	0.78	£320,000	N/A	Site sold on 20/09/2013. Source: Land Registry. **Site sold for around £410,000 per acre.** Site sold 3 days prior to determination of planning application S/2013/0766, which allowed for residential development. No Affordable Housing required as development below 15 dwellings.
Brunlees Court Churchtown McCarthy & Stone	1.6	£2,500,000	N/A	Site sold on 26/01/2012. Source: Land Registry. **Site sold for around £1,562,000 per acre.** Site sold with the benefit of planning consent (S/2011/0884) for residential development, which was approved on 22/09/2011.

VOA Market Report

City	Reported £/Hectare	Reported £/Acre
Liverpool	£1,500,000	£605,000
Manchester	£1,350,000	£550,000

INDUSTRIAL ACCOMMODATION

Type/Details	Size (Sq.m)	Rent/Marketing Rent/Price	Yield/Yield Indication	Source
Unit 1, Vesty Buisness Park, Bridle Way, Bootle	2,583	£129,270	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright. **£50.05 per sq.m (£4.65 per sq.ft) (Lease)**
Unit 2a, Vesty Buisness Park, Bridle Way, Bootle	717	£40,530	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 2b, Vesty Buisness Park, Bridle Way, Bootle	717	£40,530	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 3, Vesty Buisness Park, Bridle Way, Bootle	1,530	£78,230	N/A	Newly constructed Grade A Unit. Let by Hitchcock Wright **£51.12 per sq.m (£4.75 per sq.ft) (Lease)**
Unit 4, Vesty Buisness Park, Bridle Way, Bootle	184	£101,410	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 7, Vesty Buisness Park, Bridle Way, Bootle	465	£27,500	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 8, Vesty Buisness Park, Bridle Way, Bootle	465	£27,500	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 9, Vesty Buisness Park, Bridle Way, Bootle	372	£22,000	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 10, Vesty Buisness Park, Bridle Way, Bootle	279	£16,500	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 11, Vesty Buisness Park, Bridle Way, Bootle	279	£16,500	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 12, Vesty Buisness Park, Bridle Way, Bootle	334	£19,800	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**

Type/Details	Size (Sq.m)	Rent/Marketing Rent/Price	Yield/Yield Indication	Source
Unit 13, Vesty Buisness Park, Bridle Way, Bootle	334	£19,800	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 14, Vesty Buisness Park, Bridle Way, Bootle	660	£37,275	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 15, Vesty Buisness Park, Bridle Way, Bootle	715	£40,425	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 16, Vesty Buisness Park, Bridle Way, Bootle	715	£40,425	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 17, Vesty Buisness Park, Bridle Way, Bootle	557	£31,500	N/A	Newly constructed Grade A Unit. Available by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 18, Vesty Buisness Park, Bridle Way, Bootle	557	£31,500	N/A	Newly constructed Grade A Unit. Sold by Hitchcock Wright **£56.51 per sq.m (£5.25 per sq.ft) (Lease)**
Unit 2, Millers Bridge, Seymour Street, Bootle	56	£3,250	N/A	Self contained unit. Marketed by Hurstwood. **£58.34 per sq.m (£5.42 per sq.ft) (Lease)**
Unit 9 & 10, Millers Bridge, Seymour Street, Bootle	111	£6,500	N/A	Self contained unit. Marketed by Hurstwood. **£58.34 per sq.m (£5.42 per sq.ft) (Lease)**
Unit 11, Millers Bridge, Seymour Street, Bootle	56	£3,250	N/A	Self contained unit. Marketed by Hurstwood. **£58.34 per sq.m (£5.42 per sq.ft) (Lease)**
Unit 15, Millers Bridge, Seymour Street, Bootle	241	£12,500	N/A	Self contained unit. Marketed by Hurstwood. **£51.88 per sq.m (£4.82 per sq.ft) (Lease)**
Unit 21, Millers Bridge, Seymour Street, Bootle	76	£4,100	N/A	Self contained unit. Marketed by Hurstwood. **£53.92 per sq.m (£5.01 per sq.ft) (Lease)**

Type/Details	Size (Sq.ft)	Rent/Marketing Rent/Price	Yield/Yield Indication	Source
Unit 34, Millers Bridge, Seymour Street, Bootle	74	£4,100	N/A	Self contained unit. Marketed by Hurstwood. **£55.21 per sq.m (£5.13 per sq.ft) (Lease)**
Unit 36, Millers Bridge, Seymour Street, Bootle	197	£8,500	N/A	Self contained unit. Marketed by Hurstwood. **£43.16 per sq.m (£4.01 per sq.ft) (Lease)**
Royal Mail Warehouse, Trinity Road, Bootle	1,176	£69,000	N/A	Modern unit. Let by Cooper Rose **£58.66 per sq.m (£5.45 per sq.ft) (Lease)**
54 Stephenson Way, Formby	183	£8,000	N/A	Single storey modern stell frame warehouse. Available by Hitchcock Wright. **£43.70 per sq.m (£4.06 per sq.ft) (Available)**
Unit 6, Kensington Industrial Est, Hall Street, Formby	116	£9,000	N/A	Brick built steel framed unit. Let by Robert Pinkus. **£77.60 per sq.m (£7.21 per sq.ft) (Lease)**
Unit 8, Kensington Industrial Est, Hall Street, Formby	139	£10,500	N/A	Brick built steel framed unit. Let by Robert Pinkus. **£75.56 per sq.m (£7.02 per sq.ft) (Lease)**
Unit 10, Kensington Industrial Est, Hall Street, Formby	116	£8,000	N/A	Brick built steel framed unit. Let by Robert Pinkus. **£68.99 per sq.m (£6.41 per sq.ft) (Lease)**
Unit 11, Kensington Industrial Est, Hall Street, Formby	116	£8,000	N/A	Brick built steel framed unit. Let by Robert Pinkus. **£68.99 per sq.m (£6.41 per sq.ft) (Lease)**
Unit 4, Kensington Industrial Est, Hall Street, Formby	92	£6,000	N/A	Brick built steel framed unit. Let by Robert Pinkus. **£65.22 per sq.m (£6.06 per sq.ft) (Lease)**

Type/Details	Size (Sq.ft)	Rent/Marketing Rent/Price	Yield/Yield Indication	Source
Unit 4a, Aintree Racecourse Business Park, Ormskirk Road, Aintree	369	£19,800	N/A	Modern self contained unit. Let. EGi Deals. **£53.60 per sq.m (£4.98 per sq.ft) (Lease)**
Unit 4c, Aintree Racecourse Business Park, Ormskirk Road, Aintree	372	£22,000	N/A	Modern self contained unit. Let. EGi Deals. **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 7d, Aintree Racecourse Business Park, Ormskirk Road, Aintree	372	£22,000	N/A	Modern self contained unit. Let. EGi Deals. **£59.20 per sq.m (£5.50 per sq.ft) (Lease)**
Unit 7d, Aintree Racecourse Business Park, Ormskirk Road, Aintree	249	£14,000	N/A	Modern self contained unit. Let. EGi Deals. **£56.18 per sq.m (£5.22 per sq.ft) (Lease)**
Unit 7d, Aintree Racecourse Business Park, Ormskirk Road, Aintree	498	£24,000	N/A	Modern self contained unit. Let. EGi Deals. **£48.22 per sq.m (£4.48 per sq.ft) (Lease)**

OFFICE ACCOMMODATION

Type/Details	Size (sq.m)	Price/Rent /Marketing Rent	Yield/Yield Indication	Source
12 Molyneux Way, Bleasdale Shopping Centre, Aintree	171	£14,744	N/A	First floor self-contained offices above shops. Fitton Estates at an asking price equating to **£86.11 per sq.m (£8.00 per sq.ft) (Lease)**
St Hughes House, Trinity Road, Bootle	19-2,323	£41,760	N/A	High spec refurbished offices. Marketed by Bruntwood **£91.49 per sq.m (£8.50 per sq.ft) (Lease)**
Alaska House, Dunningsbridge Road, Bootle.	755 – 3,302	N/A	N/A	Unit currently marketed by GVA at rents of **£145 per sq.m (£13.50 per sq.ft)(Lease)**
Burlington House, Crosby Road North	81	£9,968	N/A	High Spec refurbished. EGI Deals. **£123.24 per sq.m (£11.45 per sq.ft) (Lease)**
Suite 4e, Burlington House, Crosby Road North	168	£15,334	N/A	Rent not quoted. High Spec refurbished. EGI Deals **£91.49 per sq.m (£8.50 per sq.ft) (Lease)**
Suite 1f, Burlington House, Crosby Road North	48	£4,420	N/A	Rent not quoted. High Spec refurbished. EGI Deals **£91.49 per sq.m (£8.50 per sq.ft) (Lease)**
Suite 1g, Burlington House, Crosby Road North	424	£38,743	N/A	Rent not quoted. High Spec refurbished. EGI Deals **£91.49 per sq.m (£8.50 per sq.ft) (Lease)**
Suite g2/g3, Burlington House, Crosby Road North	716	£65,501	N/A	Rent not quoted. High Spec refurbished. EGI Deals **£91.49 per sq.m (£8.50 per sq.ft) (Lease)**
Suite g5, Burlington House, Crosby Road North	153	£13,948	N/A	Rent not quoted. High Spec refurbished. EGI Deals **£91.49 per sq.m (£8.50 per sq.ft) (Lease)**
Suite b, Burlington House, Crosby Road North	465	£42,491	N/A	Rent not quoted. High Spec refurbished. EGI Deals **£91.49 per sq.m (£8.50 per sq.ft) (Lease)**

Type/Details	Size (sq.m)	Price/Rent /Marketing Rent	Yield/Yield Indication	Source
Troutbeck House, 27-35 Brows Lane	249	£20,000	N/A	First floor town centre office. Marketed by Fitton Estates. **£80.51 per sq.m (£7.48 per sq.ft) (Lease)**
6a/6b The Cloisters, Halsall Lane, Formby	686	£29,750	N/A	1st Floor gym and office. Marketed by Fitton Estates. **£43.37 per sq.m (£4.03 per sq.ft) (Lease)**
The Waterfront Offices, Promenade, Southport	325-1,515	£3,500-£16,310	N/A	Modern open plan first floor offices. Marketed by Fitton Estates. **£129.16 per sq.m (£12.00 per sq.ft) (Lease)**

TOWN CENTRE RETAIL

Type/Details	Size (sq.m)	Rent/Capital Value (Rent per sq.m - refers to Sales Area Only)	Yield/Yield Indication	Source
137-141 Lord Street, Southport	275	Achieved rent of £65,000, equating to **£236.8 per sq.m(£21.97 per sq.ft)**	NA	CoStar
203-205 Lord Street, Southport	296	Achieved rent of £29,000, equating to **£97.95 per sq.m(£9.10 per sq.ft)**	NA	CoStar
207-209 Lord Street, Southport	161	Marketing Rent of £49,000, equating to **£304 per sq.m(£28.27 per sq.ft)**	NA	CoStar
335-337 Lord Street, Southport	181	Achieved rent of £38,500, equating to **£212.47 per sq.m(£19.74 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	44	Achieved Rent of £9,500, equating to **£218.07 per sq.m(£20.26 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	40	Marketing Rent of £10,000, equating to **£250.36 per sq.m(£23.26 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	107	Marketing rent of £20,000, equating to **£187.72 per sq.m(£17.44 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	41	Marketing rent of £10,000, equating to **£241.86 per sq.m(£22.47 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	50	Marketing rent of £10,000, equating to **£200.85 per sq.m(£18.66 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	36	Marketing rent of £9,000, equating to **£249.72 per sq.m(£23.20 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	34	Marketing rent of £10,000, equating to **£297.29 per sq.m(£27.62 per sq.ft)**	NA	CoStar
Wayfarers Arcade Lord Street, Southport	47	Marketing rent of £36,000, equating to **£764.34 per sq.m(£71.01 per sq.ft)**	NA	CoStar
40-44 Chapel Street Southport	1,485	Marketing rent of £250,000, equating to **£168.34per sq.m(£15.64 per sq.ft)**	NA	CoStar
The Strand Shopping Centre Bootle	206	Marketing rent of £19,000, equating to **£92.13 per sq.m(£8.56per sq.ft)**	NA	CoStar
The Strand Shopping Centre Bootle	1,476	Marketing rent of £35,000, equating to **£23.68 per sq.m(£2.20 per sq.ft)**	NA	CoStar
The Strand Shopping Centre Bootle	173	Achieved rent of £8,000, equating to **£46.28 per sq.m(£4.30 per sq.ft)**	NA	CoStar
The Strand Shopping Centre Bootle	23.2	Achieved rent of £12,500, equating to **£373.72 per sq.m(£34.72 per sq.ft)**	NA	CoStar

Type/Details	Size (sq.m)	Rent/Capital Value (Rent per sq.mr efers to Sales Area Only)	Yield/Yield Indication	Source
Stella Nova Washington Parade Bootle	53	Marketing rent of £9,000, equating to **£169.96 per sq.m(£15.79 per sq.ft)**	NA	CoStar
Stella Nova Washington Parade Bootle	237	Marketing rent of £38,250, equating to **£161.45 per sq.m(£15.00 per sq.ft)**	NA	CoStar
Stella Nova Washington Parade Bootle	149	Marketing rent of £24,045, equating to **£161.45 per sq.m(£15.00 per sq.ft)**	NA	CoStar

CONVENIENCE RETAIL AND SUPERMARKETS

Type/Details	Size (sq.m)	Rent/Capital Value	Yield/Yield Indication	Source
Tesco Express 285 Ashton Road Oldham OL8 2NA	314	Unit sold on 01/01/2012 for £585,000, which equated to a value of **£1,862 per sq.m (£173 per sq.ft) freehold**	NA	CoStar
22-28 Chester Street Flint CH6 5NR	256	Unit sold on 03/12/2013 for £450,000 which equates to **£1,758 per sq.m (£163 per sq.ft) freehold.**	7.08%	EI Group
22-28 Chester Street Flint CH6 5NR	455	Unit sold on 21/10/2014 for £705,000, which equates to **£1,549 per sq.m (£144 per sq.ft) freehold.** Rent agreed by way of a new lease commencing 16/07/2014 for 20 years at £50,000, equating to **£110 per sq.m (£10.20 per sq.ft) leasehold.**	7.09%	EI Group
Tesco Express Liscard Village Wallasey CH45 4JG	502	Unit sold on 21/10/2014 for £900,000, equating to a value of **£1,793 per sq.m (£167 per sq.ft) freehold**. Rent reviewed February 2014 at £65,182, equating to **£130 per sq.m (£12 per sq.ft) leasehold.**	7.24%	EI Group
Tesco St Helens	13,885	Large new build supermarket has reportedly let at around **£194 per sq.m (£18.00 per sq.ft)**	N/A	Land Registry/ VOA
Tesco Leigh	10,235	Large new build supermarket let at around £2,150,000 per annum **£210 per sq.m (£19.50 per sq.ft)**	N/A	Land Registry/ Wigan MBC Planning Website

Type/Details	Size (sq.m)	Rent/Capital Value	Yield/Yield Indication	Source
Sainsbury's Macclesfield	6,828	Achieves a current rent of £1,683,059 pa, equating to **£246 per sq.m (£22.90 per sq.ft)**	4.40%	Savills
Sainsbury's Marus Bridge Wigan	5,202	Unit sold for £39,200,000. Reported by EGI in July 2012. **Capital Value £7,536 per sq.m (£700 per sq.ft)**. Based on the net initial yield reported, passing rent was £347 per sq.m (£32 per sq.ft)	4.60%	EGi
Sainsbury's Fallowfield Manchester	5,261	Rent of £1,499,200 pa, equating to **£287 per sq.m (£26.70 per sq.ft)**	4.10%	Savills

Type/Details	Size (m^2)	Rent/Capital Value	Yield/Yield Indication	Source
Morrisons Rhyl Coast Road Rhyl LL18 3UU	406	Let on a 15 year lease commencing August 2014. Rent of £57,500 equates to **£142 per sq.m (£13.20 per sq.ft).** Property failed to sell at auction on 08/07/13.	NA	EI Group

In addition to the above KM consulted internal property database which includes confidential transactions.

LEISURE

FOOD AND DRINK

Type/Details	Size (sq.m)	Rent/Capital Value	Yield/Yield Indication	Source
The Waterfront, Promenade, Southport. PR9 0DZ	505	Let at rent to Greene King of **£110,985** on 28/02/2013 on a 20 year term. Rent equated to around **£220 per sq.m.**	NA	CoStar
The Imperial, 71B Albert Road, Widnes. WA8 4JS	392	Unit let at **£66,600** on and 11 year term from 18/01/2012 to Bella Italia which equated to a rent of **£170 per sq.m.**	N/A	EIG Group
McDonalds, Worthington Way, Wigan. WN3 6XA	202	Unit sold for **£810,000** on 05/12/2013, which equates to £4,010 per sq.m. Rent agreed in 2011 amounted to **£280 per sq.m.**	6.6%	CoStar
Frankie and Bennys, Charon Way Warrington	334	Unit sold from an asking price of **£1,300,000** on 15/01/2013, which equated to **£337 per sq.m.** Unit was let at £90,750 per annum, equating to **£270 per sq.m.**	6.6%	CoStar

Within recent work acting against a Pub Operator, rental ranges of between £17.50 and £20.00 per sq.ft have been quoted in respect of recent lettings of new build premises across the North West. In this instance, a net additional yield of 6% was used to capitalise the rental income.

HOTEL ACCOMMODATION

Type/Details	Size (rooms)	Rent/Capital Value	Yield/Yield Indication	Source
Travelodge, Charon Way, Warrington.	71 rooms	Sold for £7,000,000 on 22/02/2011. Included Starbucks and Harvester Public House towards the front also.	6.55%	CoStar. Sold for **£98,600 per room (Freehold)**
Premier Inn, Caton Road , Lancaster and Exeter in Devon.	NA	Sale and leaseback. Sold for £21,040,870 to Standard Life Investments, which equated to **£4,456 per sq.m.**	5.5%	CoStar.
Scarisbrick Hotel, 235-241 Lord Street, Southport. PR8 1NY	88 rooms	Sold for £3,100,000 on 02/08/2011.	N/A	CoStar. Sold for **£38,272 per room (Freehold)**
Premier Inne West Derby (Liverpool), Norwich Airport, Wrotham Road (Kent), Hatfield.	NA	NFU Mutual purchased 4x hotels for £30,000,000 on a cap and collared and capped rent 0-4% on 25 yearly leases.	5.3%	CoStar
Travelodge Bolton Central, River Street, Bolton. BL2 1BX.	80 rooms	Sold for £3,750,000 on 12/11/2013.	7%	CoStar. Sold for **£46,875 per room (Freehold)**
Travelodge Oldham Windsor Street OL8 4AS	102	Sold for £1,500,000 on 01/02/2013. Built in 1989. Listed as Distressed Sale.	NA	CoStar. Sold for **£14,706 per room (Freehold)**

BOWLING ALLEY PREMISES

Type/Details	Size (sq.m)	Rent/Capital Value	Yield/Yield Indication	Source
Widnes Superbowl Venture Fields Leisure Park Earle Road Widnes	1,998	Let at £148,750 on 22 September 2011. **£75.50/m² (6.92/ft²)**	NA	Land Registry
Megabowl, Sefton Retail Park, Dunningsbridge Road Bootle L30 6TQ	3,257	**£57.40/m² (£5.33/ft²) RV**	NA	VOA Rateable Value at 1 April 2008.
Premier Bowl Ocean Plaza Marine Parade Southport	2,485	**£65.00/m² (£6.04/ft²) RV**	NA	VOA Rateable Value at 1 April 2008.

BINGO HALL PREMISES

Type/Details	Size (sq.m)	Rent/Capital Value	Yield/Yield Indication	Source
Castle Bingo, 245 Stanley Road, Bootle. L20 3DY	NA	**£232,000 RV**	NA	VOA Rateable Value at 1 April 2010.
Bingo Hall, Lowthian House Market Street Preston	NA	**£70,500 RV**	NA	VOA Rateable Value at 1 April 2010.
53 Tithebarn Street Preston PR1 1DJ	NA	**£176,000 RV**	NA	VOA Rateable Value at 1 April 2010.
Mecca Bingo Club Lord Street Southport PR8 1RW	NA	**£80,000 RV**	NA	VOA Rateable Value at 1 April 2010.
77-79 The Concourse Skelmersdale WN8 6HD	NA	**£39,000 RV**	NA	VOA Rateable Value at 1 April 2010.

STABLES

Type/Details	No. of Stables	Rent/Capital Value	Yield/Yield Indication	Source
Taylors Farm Marsh Road Southport Merseyside PR9 8DB	4	**£760 RV**	N/A	VOA Rateable Value at 1 April 2010
27 Vicarage Lane Southport Merseyside PR9 8ES	18	**£3,950 RV**	N/A	VOA Rateable Value at 1 April 2010

CINEMA

Type/Details	Size (sq.m)	Rent/Capital Value	Yield/Yield Indication	Source
Vue Cinema Conway Park Europa Boulevard Birkenhead CH41 4PE	2,973 sq.m.	Let at £666,000 per annum Sold for £5,500,000 in August 2014.	7.7%	Place North West
Vue Cinema Botchergate Carlisle Cumbria CA1 1QS	4,552 sq.m	Let at £673,977 per annum. Passing rent equates to £409 per seat, or £142/m² (Leasehold). Sold for £8,170,000 in December 2012.	8.25%	EGi
Odeon Preston, Taunton, Tamworth, Merry Hill, Warrington, Derby, London.	Various	Portfolio purchased by LondonMetric Property Plc for **£80,600,000**.	6.92%	CoStar
Vue Cinema, Hyndburn Road, Accrington. BB5 1QF.	3,123 sq.m	Purchased for **£1,380,000,** which equated to a rent of **£442 per sq.m**.	10.26%	CoStar

GYM

Type/Details	Size (sq.m)	Rent/Capital Value	Yield/Yield Indication	Source
LA Fitness, 109-111 Liverpool Road, Formby. L37 6BR	1,455	Rent set in March 2013 at £190,753, which equates to **£131 per sq.m (£12.55 per sq.ft).** Unit sold for £1,330,000 at auction on 21/03/2013, which equates to a price of **£915 per sq.m (£85 per sq.ft)**	14.34%	EI Group
Total Fitness, Northern Perimeter Rpad, Bootle. L30 7PT	6,125	Rent sent in November 2013 at £300,000 per annum, equating to **£49 per sq.m (£4.55 per sq.ft)**. Unit sold prior to auction, which was due to take place on 04/12/2013	6.92%	EI Group

COMMERCIAL LAND

Type/Details	Size	Price/Marketing Price	Yield/Yield Indication	Source
Scarisbrick New Road, Southport. PR8 5HL.	6.79 acres	£400,000	N/A	According to CoStar, land next to Kew Retail Park with consent for a Home Improvement Centre sold on 01/01/2013 at around **£59,000 pac.**
Image Business Park, Knowsley Industrial Park. L33 7UG.	7 acres	£700,000	N/A	Vacant cleared site currently being marketed by Keppie Massie for **£100,000 pac**.on a long leasehold basis.
Plots at Venture Point, Speke	0.96 to 1.95 acres	Various	N/A	Plots 1, 3, 5, 6, 7, 8 and 10 available for **£125,000 pac**. Cleared, levelled and serviced plots. CoStar.
Cell 10 Liverpool International Business Park, Speke	25 acres	£4,675,000	N/A	Sold in January 2013 for **£187,000 pac** according to Land Registry.
29 Lees Road, Knowsley Industrial Park.	3.03 acres.	£275,000	N/A	Sold for **£91,000 pac** according to Edward Symmons.
Plots 1-5 Cronton Road, Huyton	11.4 acres	£800,000	N/A	Site with consent for employment/retail/ hotel use sold in October 2012 for **£70,000 pac..**
Revolution Park, Buckshaw Village, Chorley, Lancashire	15	£5,650,000	N/A	Accoding to CoStar Royal Mail acquired site for **£375,000 pac.** Comprised cleared levelled and serviced plot within the confines of a new industrial/mixed use area.
Land at Heysham Road, Bootle	1.2 acres	£180,000	N/A	Site sold at auction for **£150,000 pac**. Understand site was irregularly shaped and unserviced.

Type/Details	Size	Price/Marketing Price	Yield/Yield Indication	Source
Former Rover Car Showroom, Coronation Road, Crosby	N/A	£420,000	N/A	Site sold and subsequently converted into a supermarket premises.
Former Lady Bowes Lyon Club, 402-410 Gidlow Lane, Wigan	0.66	£1,219,678	N/A	Site comprised vacant social club, with consent for two retail units. Tesco acquired the plot in September 2011 for **£1,850,000 pac.**
Former Lighthouse Public House, Liverpool Road, Formby	0.36	£492,000	N/A	Sold with the benefit of consent for convenience store on ground floor with office above. Price equated to **£1,370,000 pac**.

In addition to the above KM consulted internal property database which includes confidential transactions.

VOA Market Report 2011

Assumes a cleared industrial site of between 0.5 and 1.0 hectares (approximately 1.25-2.50 acres).

City	Reported £/Hectare	Reported £/Acre
Liverpool	£450,000	£182,113
Manchester	£650,000	£263,031

AGRICULTURAL LAND

Type/Details	Size (Acres)	Price/Market Price	Yield/Yield Indication	Source
Land and Buildings at Hesketh New Marsh, Dib Road, Hesketh Bank, Preston	67.77	£400,000	N/A	Land currently on the market with P.Wilson & Co. **Land currently on the market for £5,902 per acre. Grade 1.**
Land at Waddicar Lane, Melling, Liverpool. L31 1DT	12.95	£130,000	N/A	Understand from P. Wilson & Co. that the site recently sold at close to the asking price. **Site sold for around £10,000 per acre.**
Land at Prenton Dell Road, Prenton, Merseyside. CH43 3BS	13	£100,000	N/A	Site sold at Venmore's Auction on 10/04/2014. **Site sold for £7,700 per acre.**
Land at Crabtree Bridge Farm, Crabtree Lane, Burscough. L40 0RN	13.5	£130,000	N/A	Land currently on the market with Armitstead Barnett via informal tender. **Land currently marketed for £9,630 per acre.**

RICS/RAC Rural Land Market Survey H1 2014
North West of England

Type	Reported £/Acre
Arable	£8,625
Pastoral	£7,875

RICS Property Market Report January 2011
North West of England

Type	Reported £/Acre
Dairy Lancashire (Equipped- Inc. Buildings)	£6,750
Mixed Lancashire (Equipped- Inc. Buildings)	£7,000
Dairy Lancashire (Unequipped- Exc. Buildings)	£6,000
Mixed Lancashire (Unequipped- Exc. Buildings)	£6,600

DEVELOPMENT PROGRAMME VIABILITY STUDY

Sefton Council

REPORT CONCERNING CONSTRUCTION COSTS FOR DEVELOPMENTS

1 Introduction

WYG have worked alongside Keppie Massie to provide viability advice to Sefton Council in respect of the Economic Viability Study, which will seek to test the viability of development across the borough and the planning policies which are contained within the emerging Local Plan.

WYG have provided advice on the construction costs for the different types of anticipated development that may come forward throughout the plan period. These construction costs have then been used to test the viability of each form of development. This report details the methodology adopted.

The likely development typologies have been divided into two basic categories: residential and non-residential uses and these are considered separately. Some mixed use developments have also been considered.

WYG have assessed the construction costs both on a generic and site specific basis.

The generic sites have been based upon the following notional developments:-

Scheme 1	6 dwellings
Scheme 2	10 dwellings
Scheme 3	15 dwellings
Scheme 4	20 dwellings
Scheme 5	50 dwellings
Scheme 6	100 dwellings

Two developments of flats have also been costed

Scheme 1	10 dwellings; two floors; no lift
Scheme 2	50 dwellings; three floors; with lift

Construction costs have been prepared for two different densities for each of the Schemes assessed. Densities of 30 dwellings per hectare and 40 dwellings per hectare have been adopted.

A total of 16 different identified residential and mixed developments have been assessed. These are as follows:

SR4.02	Land at Bankfield lane, Churchtown
SR4.03	Land at Moss Lane, Churchtown South
SR4.04	Crowland Street, Churchtown – Options 1 - 3*
SR4.05	Broome Road, Southport
SR4.06	Former Ainsdale Hope School, Ainsdale
SR4.10	Land South of Moor Lane, Ainsdale
SR4.11	Land north of Brackenway, Formby
SR4.14	Land at Liverpool Road, Formby
SR4.16	Land at Andrews Close, Formby
SR4.21	Land west of Holgate, Thornton
SR4.23	Land at Lydiate lane, Thornton
SR4.25	Land south of Runnells Lane, Thornton
SR4.27	Land - East of Maghull - Options 1 and 2*
SR4.28	Land east of Waddicar Lane, Melling
SR4.29	Wadacre Farm, Melling
SR4.40	Former St Wilfrids School, Bootle
	* Mixed developments

Residential developments have a different costing methodology from that adopted for industrial and office developments. These are described separately below.

A number of notional non-residential developments have also been costed. These are as follows:

	No flrs	**Floor area (ft2)**	**Floor area (m2)**	**Site area (ft2)**	**Site areas (m2)**
Offices	2 Nr	5,000 ft2	464 m2	6,125 ft2	569 m2
Offices	2 Nr	10,000 ft2	929 m2	12,535 ft2	1,164 m2
Offices	2 Nr	20,000 ft2	1,857 m2	24,904 ft2	2,313 m2
Offices	2 Nr	50,000 ft2	4,643 m2	61,912 ft2	5,750 m2

Industrial B1/B2	1 Nr	5,000 ft2	464 m2	7,483 ft2	695 m2
Industrial B1/B2	1 Nr	10,000 ft2	929 m2	14,803 ft2	1,375 m2
Industrial B1/B2	1 Nr	20,000 ft2	1,857 m2	52,653 ft2	4,890 m2
Industrial B8	1 Nr	50,000 ft2	4,643 m2	62,452 ft2	5,800 m2
Industrial B8	1 Nr	150,000 ft2	13,930 m2	163,113 ft2	15,148 m2
Retail (Foodstore - Convenience)	1 Nr	3,000 ft2	279 m2	7,625 ft2	708 m2
Retail (Foodstore - Convenience)	1 Nr	10,000 ft2	929 m2	27,812 ft2	2,583 m2
Retail (Foodstore - Convenience)	1 Nr	30,000 ft2	2,786 m2	82,905 ft2	7,699 m2
Retail (Foodstore - Convenience)	1 Nr	50,000 ft2	4,643 m2	137,906 ft2	12,807 m2
Non food retail (comparison)	1 Nr	3,000 ft2	279 m2	6,955 ft2	646 m2
Non food retail (comparison)	1 Nr	10,000 ft2	929 m2	22,838 ft2	2,121 m2
Non food retail (comparison)	1 Nr	30,000 ft2	2,786 m2	67,989 ft2	6,314 m2
Bingo	2 Nr	5,000 ft2	464 m2	8,252 ft2	766 m2
Bowling Alley	1 Nr	10,000 ft2	929 m2	46,679 ft2	4,335 m2
Hotel (50 bed)	2 Nr	20,000 ft2	1,857 m2	24,458 ft2	2,271 m2
Cinema (1140 seats)	2 Nr	20,000 ft2	1,857 m2	50,457 ft2	4,686 m2
Food and Drink (Pub/Restuarant)	2 Nr	7,500 ft2	697 m2	36,649 ft2	3,404 m2
Gym	2 Nr	8,000 ft2	743 m2	13,142 ft2	1,220 m2
Gym	2 Nr	20,000 ft2	1,857 m2	30,473 ft2	2,830 m2
Residential Institutional (50 Flat / 85 bed)	3 Nr	51,148 ft2	4,750 m2	29,977 ft2	2,784 m2
Car Showroom	1 Nr	10,000 ft2	929 m2	67,090 ft2	6,230 m2
Stables	1 Nr	1,500 ft2	139 m2	3,153 ft2	293 m2
Equestrian centre	1 Nr	5,000 ft2	464 m2	10,282 ft2	955 m2

It should be noted that all developments are costed without the benefit of any detailed design data and must be regarded as a theoretical costing exercise for guidance. Costs are based on a number of assumptions and these are stated within the methodologies outlined below. All costs are based on market cost ruling at July 2014 and do not allow

for increases after that date. No allowance has been made within the construction costs for any of the following:

- Value Added Tax.
- Costs arising from any award made under the Party Wall Act.
- Special service installations, service diversions or service reinforcement.
- Any works of resurfacing existing roads or pavings outside site boundary (except where included within stated off-site Section 278 works or similar).
- Payments of any type in respect of Section 106 or other Planning requirements.
- Acquisition, legal, finance or marketing costs.

2 Generic Residential Houses

Generic residential developments are costed in the following way:

1 The mix of dwelling types is common for the generic residential developments.

Archetype	Floor area	Percentage
1 Bed terrace	56.00 m2	5%
2 Bed Semi	65.00 m2	35%
3 Bed Semi	88.00 m2	50%
4 Bed Detached	116.00 m2	6%
4 + Bed Detached	158.00 m2	4%

2 The gross area of each plot is assessed from the density of the dwellings. That is 333m2 per plot for developments of 30dph and 250m2 per plot for developments of 40dph. The site area is then derived from those data.

3 The shape, that is the length and breadth of each plot, is then calculated assuming an aspect ratio of 1.25. Using this, the area of road and footpath allocable to each plot is assessed. From these theoretical areas an addition of 20% for a density of 30 dph and 18% for a density of 40dph is made in order to allow for inefficiency – that is the additional area arising from curves, corners, junctions etc. The roads and footpaths are costed using typical rates and prices with allowances for drains, street lighting, kerbs etc.

4 The net plot area remaining is then analysed into the areas for parking, paving and grass, having made allowance for the footprint of the dwellings. Parking is

assumed at 2 spaces for each dwelling of 3 bedrooms or higher and a single space for smaller dwellings. Each of the surfaces is then costed using typical rates and prices.

5 Using the dwelling shape data, costs for fencing are then assessed to the rear areas. No allowance is made for front area boundaries; it is assumed that the front areas will be open plan.

6 The dwellings themselves are costed based on their floor area. All dwellings are assumed to have two floors of the same area. The substructure costs that have been adopted are based on a rate per m2 that has been applied to the footprint area are for normal substructures, and comprises simple strip footings founded at a nominal depth of 1m. Rates per m2 are derived from data held by WYG based on a large range of housing projects carried out in recent years.

7 Superstructure costs have been calculated on a rate per m2 basis and applied to the gross internal floor are for each dwelling. These too are derived from data held by WYG. Each different floor area has a different rate/m2 to reflect the differing costs per m2 as the dwelling size varies.

8 The costs of drainage and incoming services are included as sums per dwelling. These are based on costs experienced by WYG for developments of a similar size. Allowance is made for attenuation of surface water as this is now a normal cost but no allowance has been made for any substations except where stated or abnormal service work such as diversions.

9 The costs of preliminaries are assessed using a construction period derived from the predicted sales rate of 3, and 4/month, depending on the number of units in the development, with sales starting after four months. The cost per month is assessed as a percentage of the construction spend rate and thus increases for larger developments. The small developments, 1 and 2, have assessed construction periods of 7 and 9 months respectively as they are regarded as too small to build to a sales rate.

10 Allowance is made for contingencies at 5%. At this stage of development there are many unknown factors and 5% should be regarded as the minimum prudent allowance.

11 The costs for compliance with the Code for Sustainable Homes have not been included within basic costs. These are added within the overall viability calculations as policy options. The following costs have been applied:-

- Code Level 3 at £1,620 per unit
- Code Level 4 at £5,850 per unit
- Code Level 5 at £24,150 per unit
- Code Level 6 at £41,100 per unit

12 Public open space: The costs of public open space zincluded on the basis of an additional site area based on the following:

Scheme 1	No addition
Scheme 2	No addition
Scheme 3	Additional 10% of site area
Scheme 4	Additional 10% of site area
Scheme 5	Additional 10% of site area
Scheme 6	Additional 25% of site area

The work costed includes grassing, tree planting and capitalised maintenance based on 15 years. An allowance has also been made for play areas for Schemes 3 – 6. The PS and play areas costs are allocated to each dwelling based on their floor area.

14 Fees: Allowance has been made for fees, to cover design, planning, building regulations, NHBC or similar costs and sundry fee based costs.

15 Profit and overheads**:** The basic costs from the costs database include profit and overheads for a Building Contractor typically at a level of 6%; however this has then been excluded as it has been assumed that the Developer's return and overhead recovery would be taken as a proportion of sales revenue and to include some return within construction costs would be to allow a double counting of that cost.

16 Scale: allowance has been made for the scale of the developments as larger developments will attract some economies of scale. The baseline development is Scheme 5 to which a scale adjustment of zero percent has been made

Scheme 1	7.0 %
Scheme 2	5.0 %
Scheme 3	3.0 %
Scheme 4	1.5 %
Scheme 5	0.0 %
Scheme 6	-1.0%

17 Details of these costs are given in Appendix 1

3 Generic Residential Flats

1 Flats have been costed as two stand alone developments. The dwellings used are as follows:

Archetype	Net Floor area	Common area	Gross floor area
1 Bed flat	55.74 m2	10.00 m2	65.74 m2
2 Bed flat	69.68 m2	12.00 m2	81.68 m2
3 Bed flat	102.19 m2	15.00 m2	117.19 m2

2 The flats are allocated as follows:

Flat Scheme 1	10 Nr 2 Bed
Flat Scheme 2	10 Nr 1 Bed 30 Nr 2 Bed 10Nr 3 Bed

3 The costs include external works, parking etc. immediately around the flats but do not include areas for access roads etc.

4 They have been assumed to be Contracts on their own and include for preliminaries, fees and contingencies and reduction for profit as described for houses. No adjustment for scales has been made in this case as the costs are intended to reflect the size of development being considered.

5 Details of these costs are given in Appendix 2

4 Site Specific Residential Testing

1 The area of the site has been based upon data provided by Sefton Council and adjustment made for Public Open Space. The number of dwellings to be accommodated has also been provided by Sefton Council. The resultant density generally falls within the range of 30 – 35 dph of the site area after deduction of the Public Open Space. That PoS constitutes 25% in all cases of identified site due their large size.

2 Each of the identified sites has then been costed on the basis of the generic sites. That is that the same mix proportions have been used and applied to the total number of dwellings. The costs for the substructures and superstructure are as the generic sites with costs for external works etc based on the gross and net plot areas as described above, but applied to the actual site area and number of dwellings. Preliminaries have been assessed based on the period assessed for the site at an appropriate sales rate. External works and public open space costs have also been assessed based on the actual site area.

3 Allowance has been made for abnormal works, based on the likely needs of the site. These vary, but for the Southport area , we have assumed that dynamic compaction will be needed and that piling is a likely requirement. There are no ground investigations to support these assumptions but it would not be prudent to ignore local knowledge when preparing a local plan.

4 Where off site and Section 278 or similar highway costs have been included, these have been based on advice from Sefton Council with supported by measurement where appropriate.

5 Where there are mixed developments, the non-residential aspects have been costed in accordance with the details given below.

6 The summaries for each site detail both the abnormal costs and the non-residential developments.

7 In two cases more than 1 option of mixed development has been considered. In the case of Crowland Street, the options vary the balance of the residential and mixed aspects of the development to test the viability under differing constraints. In the case of Land East of Maghull, the two options reflect differing amounts of non-residential developments, without varying the number of dwellings.

8 Details of these costs are given in Appendix 3

5 Generic Non-Residential Testing and Site Specific Non-Residential elements of Mixed Use Schemes

Non-residential developments are costed in the following way:

1 The buildings are costed based on their floor area using Building Cost Information Service published costs data. It should be noted that this basis differs from that used for the residential developments. All developments are assumed to be conventional, speculative shell finish and do not allow for any fitting out. Where a non-residential building is to be built for a specific user who would wish to fit out to suit a particular function then such fitting out costs would not be included.

2 External works etc are then included based on the site area not covered by building at an average rate/m2 of site area. This is intended to include for car parking and circulation, as well as drainage, grassed areas and boundaries.

3 Preliminaries are included within the BCIS costs and allowance for further preliminary costs made within the costs for external works.

4 Allowances are made for site specific works depending on the site and knowledge of any particular requirements.

5 Allowances are made for fees on a percentage basis. The percentage varies with the nature of the development and is judged based on WYG experience on many similar projects.

6 Contingencies are added to the construction costs, including fees, at 5%.

7 All costs are included within an overall summary for all sites.

9 Details of these costs are given in Appendix 4

6 Site Specific Non-Residential Developments.

1 A single non-residential site has been identified for costing. Details are given in the summary for that development.

2 The costing follows the approach given above with assumptions as to how the site area is made up included with the cost data.

3 Details of these costs are given in Appendix 5

R4.40 **Former St Wilfrids School, Bootle**

Site area	**6.60 ha**
PoS %	**25.0%**
Net Dev area	**52800 m2**
PoS Area	**13200 m2**
Sales rate	**5 per month**
Code	
Rainwater Harvesting	
No of dwellings	**198 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	10 Nr	56 m2	554 m2
2 bed	35.00%	69 Nr	65 m2	4505 m2
3 bed	50.00%	99 Nr	86 m2	8514 m2
4 bed	6.00%	12 Nr	116 m2	1378 m2
5 bed	4.00%	8 Nr	158 m2	1251 m2
		198 Nr		16202 m2

Substructures	£888,294	£4,486.33	£ 54.83 /m2
Superstructures	£9,352,701	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£884,010	£4,464.70	£ 54.56 /m2
External works beyond curtilage	£775,275	£3,915.53	£ 47.85 /m2
Drainage costs	£821,735	£4,150.18	£ 50.72 /m2
Inc Services costs	£653,653	£3,301.28	£ 40.34 /m2
Public Open Space	£164,970	£833.18	£ 10.18 /m2
Play area	£50,000	£252.53	£ 3.09 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 46 months	£842,490	£4,255.00	£ 52.00 /m2
SUBTOTAL	**£14,433,129**	**£72,895**	**£ 890.81 /m2**
Abnormals	£804,000	£4,060.61	£ 49.62 /m2
Fees 5.00%	£763,019	£3,853.63	£ 47.09 /m2
Contingencies 5.00%	£801,170	£4,046.32	£ 49.45 /m2
Total	**£16,801,319**	**£84,855**	**£ 1,036.97 /m2**

Abnormals

Allowance for removal of school foundations			£50,000
Substations	1 Nr	£60,000	£60,000
Junction to Hawthorn Road			£100,000
Remediation	198 Nr	£3,000	£594,000
Total of abnormals			**£804,000**

SR4.23 **Land at Lydiate lane, Thornton**

Site area	**8.96 ha**
PoS %	**25.0%**
Net Dev area	**71680 m2**
PoS Area	**17920 m2**
Sales rate	**5 per month**
Code	
Rainwater Harvesting	
No of dwellings	**235 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	12 Nr	56 m2	658 m2
2 bed	35.00%	82 Nr	65 m2	5346 m2
3 bed	50.00%	118 Nr	86 m2	10105 m2
4 bed	6.00%	14 Nr	116 m2	1636 m2
5 bed	4.00%	9 Nr	158 m2	1485 m2
		235 Nr		19230 m2

Substructures	£1,054,289	£4,486.33	£ 54.83 /m2
Superstructures	£11,100,428	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£1,122,124	£4,774.99	£ 58.35 /m2
External works beyond curtilage	£1,007,417	£4,286.88	£ 52.39 /m2
Drainage costs	£975,292	£4,150.18	£ 50.72 /m2
Inc Services costs	£775,801	£3,301.28	£ 40.34 /m2
Public Open Space	£223,959	£953.02	£ 11.65 /m2
Play area	£50,000	£212.77	£ 2.60 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 53 months	£1,019,230	£4,337.15	£ 53.00 /m2
SUBTOTAL	**£17,328,539**	**£73,738**	**£ 901.12 /m2**
Abnormals	£320,000	£1,361.70	£ 16.64 /m2
Fees 5.00%	£883,590	£3,759.96	£ 45.95 /m2
Contingencies 5.00%	£927,769	£3,947.95	£ 48.25 /m2
Total	**£19,459,898**	**£82,808**	**£ 1,011.95 /m2**

Abnormals

New crossroads (shared with			
SR4.24 - Tanhouse Farm/Runnells			£75,000
Separate junction to Lydiate Lane			£50,000
Other 278 works (shared with			£75,000
Substations	2 Nr	£60,000	£120,000
Total of abnormals			**£320,000**

SR4.25 **Land south of Runnells Lane, Thornton**

Site area	**5.23 ha**
PoS %	**25.0%**
Net Dev area	**41840 m2**
PoS Area	**10460 m2**
Sales rate	**4 per month**
Code	
Rainwater Harvesting	
No of dwellings	**137 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	7 Nr	56 m2	384 m2
2 bed	35.00%	48 Nr	65 m2	3117 m2
3 bed	50.00%	69 Nr	86 m2	5891 m2
4 bed	6.00%	8 Nr	116 m2	954 m2
5 bed	4.00%	5 Nr	158 m2	866 m2
		137 Nr		11211 m2

Substructures			£614,628	£4,486.33	£ 54.83 /m2
Superstructures			£6,471,314	£47,235.87	£ 577.24 /m2
External Works within curtilage costs			£654,582	£4,777.97	£ 58.39 /m2
External works beyond curtilage			£587,805	£4,290.55	£ 52.43 /m2
Drainage costs			£568,575	£4,150.18	£ 50.72 /m2
Inc Services costs			£452,275	£3,301.28	£ 40.34 /m2
Public Open Space			£130,726	£954.20	£ 11.66 /m2
Play area			£50,000	£364.96	£ 4.46 /m2
Code for Sustainable Homes level 3			£0	£0.00	£ 0.00 /m2
Rainwater Harvesting			£0	£0.00	£ 0.00 /m2
Preliminaries for 40 months			£695,970	£5,080.07	£ 62.08 /m2
SUBTOTAL			**£10,225,874**	**£74,641**	**£ 912.15 /m2**
Abnormals			£210,000	£1,532.85	£ 18.73 /m2
Fees		5.00%	£517,375	£3,776.46	£ 46.15 /m2
Contingencies		5.00%	£543,244	£3,965.28	£ 48.46 /m2
Total			**£11,496,493**	**£83,916**	**£ 1,025.49 /m2**

Abnormals

New crossroads (shared with SR4.23 - Ind at Lydiate Lane)			£75,000
Substations	1 Nr	£60,000	£60,000
Other 278 works (shared with Lydiate Lane)			£75,000
Total of abnormals			**£210,000**

SR4.29 **Wadacre Farm, Melling**

Site area	**5.48 ha**
PoS %	**25.0%**
Net Dev area	**43840 m2**
PoS Area	**10960 m2**
Sales rate	**4 per month**
Code	
Rainwater Harvesting	
No of dwellings	**144 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	7 Nr	56 m2	403 m2
2 bed	35.00%	50 Nr	65 m2	3276 m2
3 bed	50.00%	72 Nr	86 m2	6192 m2
4 bed	6.00%	9 Nr	116 m2	1002 m2
5 bed	4.00%	6 Nr	158 m2	910 m2
		144 Nr		11784 m2

Substructures	£646,032	£4,486.33	£ 54.83 /m2
Superstructures	£6,801,965	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£686,949	£4,770.48	£ 58.30 /m2
External works beyond curtilage	£616,510	£4,281.32	£ 52.32 /m2
Drainage costs	£597,626	£4,150.18	£ 50.72 /m2
Inc Services costs	£475,384	£3,301.28	£ 40.34 /m2
Public Open Space	£136,975	£951.21	£ 11.62 /m2
Play area	£50,000	£347.22	£ 4.24 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 42 months	£730,769	£5,074.78	£ 62.02 /m2
SUBTOTAL	**£10,742,208**	**£74,599**	**£ 911.63 /m2**
Abnormals	£295,000	£2,048.61	£ 25.03 /m2
Fees 5.00%	£551,192	£3,827.72	£ 46.78 /m2
Contingencies 5.00%	£578,752	£4,019.11	£ 49.12 /m2
Total	**£12,167,152**	**£84,494**	**£ 1,032.56 /m2**

Abnormals

Substations	1 Nr	£60,000	£60,000
Junction improvements			£100,000
Reconstruction of Chapel Lane	100 m	£ 950 /m	£95,000
Demolition of farm buildings			£40,000
Total of abnormals			**£295,000**

SR4.28 **Land east of Waddicar Lane, Melling**

Site area	**5.37 ha**
PoS %	**25.0%**
Net Dev area	**42960 m2**
PoS Area	**10740 m2**
Sales rate	**4 per month**
Code	**28 July14**
Rainwater Harvesting	
No of dwellings	**141 Nr**

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	7 Nr	56 m2	395 m2
2 bed	35.00%	49 Nr	65 m2	3208 m2
3 bed	50.00%	71 Nr	86 m2	6063 m2
4 bed	6.00%	8 Nr	116 m2	981 m2
5 bed	4.00%	6 Nr	158 m2	891 m2
		141 Nr		11538 m2

Substructures	£632,573	£4,486.33	£ 54.83 /m2
Superstructures	£6,660,257	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£672,898	£4,772.33	£ 58.32 /m2
External works beyond curtilage	£603,987	£4,283.60	£ 52.35 /m2
Drainage costs	£585,175	£4,150.18	£ 50.72 /m2
Inc Services costs	£465,480	£3,301.28	£ 40.34 /m2
Public Open Space	£134,225	£951.95	£ 11.63 /m2
Play area	£50,000	£354.61	£ 4.33 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 41 months	£713,369	£5,059.36	£ 61.83 /m2
SUBTOTAL	**£10,517,966**	**£74,596**	**£ 911.59 /m2**
Abnormals	£259,500	£1,840.43	£ 22.49 /m2
Fees 5.00%	£538,205	£3,817.06	£ 46.65 /m2
Contingencies 5.00%	£565,115	£4,007.91	£ 48.98 /m2
Total	**£11,880,786**	**£84,261**	**£ 1,029.71 /m2**

Abnormals

Substations	1 Nr	£60,000	£60,000
Access Road to B5192	210 m	£ 950 /m	£199,500
Total of abnormals			**£259,500**

SR4.27 **Land East of Maghull** **Option 2 - B8**

Site area	**60.50 ha**
PoS %	**25.0%**
Net Dev area	**484000 m2**
PoS Area	**121000 m2**
Sales rate	**8 per month**
Code	
Rainwater Harvesting	
No of dwellings	**1588 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	79 Nr	56 m2	4446 m2
2 bed	35.00%	556 Nr	65 m2	36127 m2
3 bed	50.00%	794 Nr	86 m2	68284 m2
4 bed	6.00%	95 Nr	116 m2	11052 m2
5 bed	4.00%	64 Nr	158 m2	10036 m2
		1588 Nr		129946 m2

Substructures	£6,947,066	£4,374.73	£ 53.46 /m2
Superstructures	£73,144,506	£46,060.77	£ 562.88 /m2
External Works within curtilage costs	£7,391,202	£4,654.41	£ 56.88 /m2
External works beyond curtilage	£6,634,698	£4,178.02	£ 51.06 /m2
Drainage costs	£6,426,532	£4,046.93	£ 49.46 /m2
Inc Services costs	£5,112,014	£3,219.15	£ 39.34 /m2
Public Open Space	£1,474,602	£928.59	£ 11.35 /m2
Play area	£300,000	£188.92	£ 2.31 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 205 months	£4,759,523	£2,997.18	£ 36.63 /m2
SUBTOTAL	**£112,190,143**	**£70,649**	**£ 863.36 /m2**
Abnormals	£12,078,047	£7,605.82	£ 92.95 /m2
Fees 2.75%	£3,411,090	£2,148.04	£ 26.25 /m2
Contingencies 5.00%	£6,372,536	£4,012.93	£ 49.04 /m2
Total	**£134,051,815**	**£84,416**	**£ 1,031.60 /m2**
Other development functions	£68,326,650		
Overall Total	**£202,378,465**		

Abnormals

Demolitions				£200,000
Piling		82374 m2	£ 75.00 /m2	£6,178,047
Motorway junction	20%	£5,500,000		£1,100,000
Railway Station	20%	£6,200,000		£1,240,000
Allowance for new service supplies to site				£3,000,000
Substations		6 Nr	£60,000	£360,000

Total of abnormals **£12,078,047**

Other uses

Industrial	50000 m2	£ 440 /m2	£22,000,000
Offices (2 floor)	19000 m2	£ 1,200 /m2	£22,800,000
Local Centre	1000 m2	£ 1,250 /m2	£1,250,000
External works to above	140000 m2	£ 50 /m2	£7,000,000
Abnormals to above	60000 m2	£ 90 /m2	£5,400,000
Public open space (extra)	50000 m2	£ 25 /m2	£1,250,000
Fees		9.00%	£5,373,000
Contingencies		5.00%	£3,253,650
Total of abnormals			**£68,326,650**

Site Balance

Net residential area	48.4 ha
Residential Pos	12.1 ha
Non residential	
Industrial footprint	5.0 ha
Office footprint	1.0 ha
Local centre	0.1 ha
External areas	14.0 ha
PoS	5.0 ha
TOTAL	**85.6 ha**

SR4.21 **Land west of Holgate, Thornton**

Site area	**6.75 ha**
PoS %	**25.0%**
Net Dev area	**54000 m2**
PoS Area	**13500 m2**
Sales rate	**4 per month**
Code	
Rainwater Harvesting	
No of dwellings	**177 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	9 Nr	56 m2	496 m2
2 bed	35.00%	62 Nr	65 m2	4027 m2
3 bed	50.00%	89 Nr	86 m2	7611 m2
4 bed	6.00%	11 Nr	116 m2	1232 m2
5 bed	4.00%	7 Nr	158 m2	1119 m2
		177 Nr		14484 m2

Substructures	£794,081	£4,486.33	£ 54.83 /m2	
Superstructures	£8,360,748	£47,235.87	£ 577.24 /m2	
External Works within curtilage costs	£845,262	£4,775.49	£ 58.36 /m2	
External works beyond curtilage	£758,886	£4,287.49	£ 52.40 /m2	
Drainage costs	£734,582	£4,150.18	£ 50.72 /m2	
Inc Services costs	£584,326	£3,301.28	£ 40.34 /m2	
Public Open Space	£168,719	£953.21	£ 11.65 /m2	
Play area	£50,000	£282.49	£ 3.45 /m2	
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2	
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2	
Preliminaries for 50 months	£915,750	£5,173.73	£ 63.23 /m2	
SUBTOTAL	**£13,212,354**	**£74,646**	**£ 912.21 /m2**	
Abnormals	£277,500	£1,567.80	£ 19.16 /m2	
Fees	5.00%	£675,656	£3,817.26	£ 46.65 /m2
Contingencies	5.00%	£709,439	£4,008.13	£ 48.98 /m2
Total	**£14,874,949**	**£84,039**	**£ 1,027.00 /m2**	

Abnormals

Upgrade Holgate	150 m	£950	£142,500
Junction to Green Lane			£75,000
Substations	1 Nr	£60,000	£60,000
Total of abnormals			**£277,500**

SR4.03 **Land at Moss Lane, Churchtown South**

Site area	**19.67 ha**
PoS %	**25.0%**
Net Dev area	**157360 m2**
PoS Area	**39340 m2**
Sales rate	**6 per month**
Code	**28 July14**
Rainwater Harvesting	
No of dwellings	**538 Nr**

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	27 Nr	56 m2	1506 m2
2 bed	35.00%	188 Nr	65 m2	12240 m2
3 bed	50.00%	269 Nr	86 m2	23134 m2
4 bed	6.00%	32 Nr	116 m2	3744 m2
5 bed	4.00%	22 Nr	158 m2	3400 m2
		538 Nr		44025 m2

Substructures	£2,365,810	£4,397.42	£ 53.74 /m2
Superstructures	£24,909,217	£46,299.66	£ 565.80 /m2
External Works within curtilage costs	£2,465,767	£4,583.21	£ 56.01 /m2
External works beyond curtilage	£2,196,829	£4,083.33	£ 49.90 /m2
Drainage costs	£2,188,543	£4,067.92	£ 49.71 /m2
Inc Services costs	£1,740,886	£3,235.85	£ 39.54 /m2
Public Open Space	£481,915	£895.75	£ 10.95 /m2
Play area	£150,000	£278.81	£ 3.41 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 96 months	£1,981,901	£3,683.83	£ 45.02 /m2
SUBTOTAL	**£38,480,867**	**£71,526**	**£ 874.08 /m2**
Abnormals	£4,346,666	£8,079.31	£ 98.73 /m2
Fees 3.00%	£1,282,480	£2,383.79	£ 29.13 /m2
Contingencies 5.00%	£2,201,591	£4,092.18	£ 50.01 /m2
Total	**£46,311,605**	**£86,081**	**£ 1,051.95 /m2**

Abnormals

Piling	27908 m2	£ 75.00 /m2	£2,093,066
Section 278 works			£500,000
Dynamic compaction	157360 m2	£ 10.00 /m2	£1,573,600
Substations	3 Nr	£60,000	£180,000
Total of abnormals			**£4,346,666**

SR4.05 **Broome Road, Southport**

Site area	**8.50 ha**
PoS %	**25.0%**
Net Dev area	**68000 m2**
PoS Area	**17000 m2**
Sales rate	**4 per month**
Code	
Rainwater Harvesting	
No of dwellings	**223 Nr**

28 July14

	Mix Data			**Total GFA**
1 bed	5.00%	11 Nr	624 m2	3.42%
2 bed	35.00%	78 Nr	5073 m2	27.80%
3 bed	50.00%	112 Nr	9589 m2	52.55%
4 bed	6.00%	13 Nr	1552 m2	8.51%
5 bed	4.00%	9 Nr	1409 m2	7.72%
		223 Nr	18248 m2	100.00%

Substructures	£1,000,452	£4,486.33	£ 54.83 /m2
Superstructures	£10,533,598	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£1,064,669	£4,774.30	£ 58.34 /m2
External works beyond curtilage	£955,784	£4,286.03	£ 52.38 /m2
Drainage costs	£925,490	£4,150.18	£ 50.72 /m2
Inc Services costs	£736,185	£3,301.28	£ 40.34 /m2
Public Open Space	£212,461	£952.74	£ 11.64 /m2
Play area	£50,000	£224.22	£ 2.74 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 62 months	£1,192,307	£5,346.67	£ 65.34 /m2
SUBTOTAL	**£16,670,946**	**£74,758**	**£ 913.57 /m2**
Abnormals	£2,122,316	£9,517.11	£ 116.30 /m2
Fees 5.00%	£940,826	£4,218.95	£ 51.56 /m2
Contingencies 5.00%	£987,867	£4,429.90	£ 54.14 /m2
Total	**£20,721,956**	**£92,924**	**£ 1,135.57 /m2**

Abnormals

Gas protection measures	11568 m2	£ 11.00 /m2	£127,244
Piling	11568 m2	£ 75.00 /m2	£867,572
New access road	150 m	£ 950 /m	£142,500
Improvement to pedestrian and cycleway provision			£75,000
Signal Controlled junction			£100,000
Dynamic compaction	68000 m2	£ 10.00 /m2	£680,000
Substations	2 Nr	£50,000	£100,000
Removal of knotweed			£30,000
Total of abnormals			**£2,122,316**

SR4.06 **Former Ainsdale Hope School, Ainsdale**

Site area	**8.27 ha**	
PoS %	**25.0%**	Note 25% as SMBC details
Net Dev area	**66160 m2**	No change to unit numbers
PoS Area	**16540 m2**	
Sales rate	**5 per month**	
Code		**28 July14**
Rainwater Harvesting		
No of dwellings	**217 Nr**	

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	11 Nr	56 m2	608 m2
2 bed	35.00%	76 Nr	65 m2	4937 m2
3 bed	50.00%	109 Nr	86 m2	9331 m2
4 bed	6.00%	13 Nr	116 m2	1510 m2
5 bed	4.00%	9 Nr	158 m2	1371 m2
		217 Nr		17757 m2

Substructures	£973,534	£4,486.33	£ 54.83 /m2
Superstructures	£10,250,183	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£1,035,942	£4,773.93	£ 58.34 /m2
External works beyond curtilage	£929,967	£4,285.56	£ 52.37 /m2
Drainage costs	£900,589	£4,150.18	£ 50.72 /m2
Inc Services costs	£716,377	£3,301.28	£ 40.34 /m2
Public Open Space	£206,712	£952.59	£ 11.64 /m2
Play area	£50,000	£230.41	£ 2.82 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 49 months	£942,307	£4,342.43	£ 53.07 /m2
SUBTOTAL	**£16,005,612**	**£73,759**	**£ 901.36 /m2**
Abnormals	£671,920	£3,096.41	£ 37.84 /m2
Fees 5.00%	£835,040	£3,848.11	£ 47.03 /m2
Contingencies 5.00%	£876,792	£4,040.51	£ 49.38 /m2
Total	**£18,389,363**	**£84,744**	**£ 1,035.61 /m2**

Abnormals

Demolition of school			£150,000
Gas protection m,easures	11256 m2	£ 11.00 /m2	£123,820
Section 278 works			£50,000
Allowance for work to wild life buffer	16540 m2	£ 15.00 /m2	£248,100
Substations	2 Nr	£50,000	£100,000
Total of abnormals			**£671,920**

SR4.10 **Land South of Moor Lane, Ainsdale**

Site area	**5.17 ha**
PoS %	**25.0%**
Net Dev area	**41360 m2**
PoS Area	**10340 m2**
Sales rate	**5 per month**
Code	
Rainwater Harvesting	
No of dwellings	**136 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	7 Nr	56 m2	381 m2
2 bed	35.00%	48 Nr	65 m2	3094 m2
3 bed	50.00%	68 Nr	86 m2	5848 m2
4 bed	6.00%	8 Nr	116 m2	947 m2
5 bed	4.00%	5 Nr	158 m2	860 m2
		136 Nr		11129 m2

Substructures	£610,141	£4,486.33	£ 54.83 /m2
Superstructures	£6,424,078	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£648,437	£4,767.92	£ 58.27 /m2
External works beyond curtilage	£581,830	£4,278.17	£ 52.28 /m2
Drainage costs	£564,424	£4,150.18	£ 50.72 /m2
Inc Services costs	£448,974	£3,301.28	£ 40.34 /m2
Public Open Space	£129,226	£950.19	£ 11.61 /m2
Play area	£50,000	£367.65	£ 4.49 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 33 months	£574,175	£4,221.88	£ 51.59 /m2
SUBTOTAL	**£10,031,286**	**£73,759**	**£ 901.37 /m2**
Abnormals	£1,212,102	£8,912.52	£ 108.92 /m2
Fees 5.00%	£561,501	£4,128.68	£ 50.45 /m2
Contingencies 5.00%	£589,576	£4,335.12	£ 52.98 /m2
Total	**£12,394,465**	**£91,136**	**£ 1,113.72 /m2**

Abnormals

Piling	7055 m2	£ 75.00 /m2	£529,102
Section 278 works			£100,000
Footpath to Moor Lane	400 m	£ 125.00 /m	£50,000
Substations	1 Nr	£50,000	£50,000
Dynamic compaction	41360 m2	£ 10.00 /m2	£413,600
Assessment of impact on SPA			£15,000
Allowance for flood resilience (20%)	27 Nr	£2,000	£54,400
Total of abnormals			**£1,212,102**

SR4.02 **Land at Bankfield lane, Churchtown**

Site area	**4.70 ha**
PoS %	**25.0%**
Net Dev area	**37600 m2**
PoS Area	**9400 m2**
Sales rate	**4 per month**
Code	**28 July14**
Rainwater Harvesting	
No of dwellings	**120 Nr**

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	6 Nr	56 m2	336 m2
2 bed	35.00%	42 Nr	65 m2	2730 m2
3 bed	50.00%	60 Nr	86 m2	5160 m2
4 bed	6.00%	7 Nr	116 m2	835 m2
5 bed	4.00%	5 Nr	158 m2	758 m2
		120 Nr		9820 m2

Substructures	£538,360	£4,486.33	£ 54.83 /m2
Superstructures	£5,668,304	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£580,754	£4,839.62	£ 59.14 /m2
External works beyond curtilage	£524,036	£4,366.97	£ 53.37 /m2
Drainage costs	£498,021	£4,150.18	£ 50.72 /m2
Inc Services costs	£396,153	£3,301.28	£ 40.34 /m2
Public Open Space	£117,478	£978.99	£ 11.96 /m2
Play area	£50,000	£416.67	£ 5.09 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 36 months	£626,373	£5,219.78	£ 63.79 /m2
SUBTOTAL	**£8,999,481**	**£74,996**	**£ 916.48 /m2**
Abnormals	£1,278,355	£10,652.96	£ 130.18 /m2
Fees 5.00%	£513,223	£4,276.86	£ 52.27 /m2
Contingencies 5.00%	£538,884	£4,490.70	£ 54.88 /m2
Total	**£11,329,944**	**£94,416**	**£ 1,153.81 /m2**

Abnormals

Piling	6225 m2	£ 75.00 /m2	£466,855
Adoption of Blundell Lane	290 m	£ 950 /m2	£275,500
Dynamic compaction	37600 m2	£ 10.00 /m2	£376,000
Allowance for work to wild life habitat			£100,000
Substations	1 Nr	£60,000	£60,000
Total of abnormals			**£1,278,355**

SR4.14 **Land at Liverpool Road, Formby**

Site area	**14.16 ha**
PoS %	**25.0%**
Net Dev area	**113280 m2**
PoS Area	**28320 m2**
Sales rate	**6 per month**
Code	
Rainwater Harvesting	
No of dwellings	**372 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	19 Nr	56 m2	1042 m2
2 bed	35.00%	130 Nr	65 m2	8463 m2
3 bed	50.00%	186 Nr	86 m2	15996 m2
4 bed	6.00%	22 Nr	116 m2	2589 m2
5 bed	4.00%	15 Nr	158 m2	2351 m2
		372 Nr		30441 m2

Substructures	£1,643,630	£4,418.36	£ 53.99 /m2
Superstructures	£17,305,504	£46,520.17	£ 568.50 /m2
External Works within curtilage costs	£1,747,935	£4,698.75	£ 57.42 /m2
External works beyond curtilage	£1,568,772	£4,217.13	£ 51.54 /m2
Drainage costs	£1,520,475	£4,087.30	£ 49.95 /m2
Inc Services costs	£1,209,468	£3,251.26	£ 39.73 /m2
Public Open Space	£348,572	£937.02	£ 11.45 /m2
Play area	£100,000	£268.82	£ 3.29 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 68 months	£1,349,205	£3,626.90	£ 44.32 /m2
SUBTOTAL	**£26,793,561**	**£72,026**	**£ 880.19 /m2**
Abnormals	£2,197,250	£5,906.59	£ 72.18 /m2
Fees 4.00%	£1,158,518	£3,114.30	£ 38.06 /m2
Contingencies 5.00%	£1,506,074	£4,048.59	£ 49.48 /m2
Total	**£31,655,404**	**£85,095**	**£ 1,039.90 /m2**

Abnormals

Piling	19297 m2	£ 75.00 /m2	£1,447,250
Section 278 works			£450,000
Substations	2 Nr	£50,000	£100,000
LEAP			£100,000
Allowance for flood resilience	372 Nr	£1,500	£100,000
Total of abnormals			**£2,197,250**

SR4.11 **Land north of Brackenway, Formby**

Site area	**6.43 ha**
PoS %	**25.0%**
Net Dev area	**51440 m2**
PoS Area	**12860 m2**
Sales rate	**5 per month**
Code	
Rainwater Harvesting	
No of dwellings	**169 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	8 Nr	56 m2	473 m2
2 bed	35.00%	59 Nr	65 m2	3845 m2
3 bed	50.00%	85 Nr	86 m2	7267 m2
4 bed	6.00%	10 Nr	116 m2	1176 m2
5 bed	4.00%	7 Nr	158 m2	1068 m2
		169 Nr		13829 m2

Substructures	£758,190	£4,486.33	£ 54.83 /m2
Superstructures	£7,982,861	£47,235.87	£ 577.24 /m2
External Works within curtilage costs	£806,124	£4,769.96	£ 58.29 /m2
External works beyond curtilage	£723,435	£4,280.68	£ 52.31 /m2
Drainage costs	£701,380	£4,150.18	£ 50.72 /m2
Inc Services costs	£557,916	£3,301.28	£ 40.34 /m2
Public Open Space	£160,720	£951.01	£ 11.62 /m2
Play area	£50,000	£295.86	£ 3.62 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 40 months	£732,600	£4,334.91	£ 52.97 /m2
SUBTOTAL	**£12,473,228**	**£73,806**	**£ 901.94 /m2**
Abnormals	£904,500	£5,352.07	£ 65.40 /m2
Fees 5.00%	£670,049	£3,964.79	£ 48.45 /m2
Contingencies 5.00%	£703,552	£4,163.03	£ 50.87 /m2
Total	**£14,751,329**	**£87,286**	**£ 1,066.67 /m2**

Abnormals

Section 278 works to Deansgate and Paradise Lanes			£250,000
Flood precautions (zone 2)	169 Nr	£2,500	£422,500
Allowance for work for Wild Life			£50,000
Substations	1 Nr	£60,000	£60,000
Upgrade of bridleway adjacent to site	550 m	£ 40.00 /m	£22,000
Allowance for connection to cycle			£100,000
Total of abnormals			**£904,500**

SR4.16 **Land at Andrews Close, Formby**

Site area	**4.59 ha**
PoS %	**25.0%**
Net Dev area	**36720 m2**
PoS Area	**9180 m2**
Sales rate	**5 per month**
Code	
Rainwater Harvesting	
No of dwellings	**120 Nr**

28 July14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	6 Nr	56 m2	336 m2
2 bed	35.00%	42 Nr	65 m2	2730 m2
3 bed	50.00%	60 Nr	86 m2	5160 m2
4 bed	6.00%	7 Nr	116 m2	835 m2
5 bed	4.00%	5 Nr	158 m2	758 m2
		120 Nr		9820 m2

Substructures		£538,360	£4,486.33	£ 54.83 /m2
Superstructures		£5,668,304	£47,235.87	£ 577.24 /m2
External Works within curtilage costs		£573,918	£4,782.65	£ 58.45 /m2
External works beyond curtilage		£515,558	£4,296.32	£ 52.50 /m2
Drainage costs		£498,021	£4,150.18	£ 50.72 /m2
Inc Services costs		£396,153	£3,301.28	£ 40.34 /m2
Public Open Space		£114,729	£956.07	£ 11.68 /m2
Play area		£50,000	£416.67	£ 5.09 /m2
Code for Sustainable Homes level 3		£0	£0.00	£ 0.00 /m2
Rainwater Harvesting		£0	£0.00	£ 0.00 /m2
Preliminaries for 30 months		£521,978	£4,349.81	£ 53.16 /m2
SUBTOTAL		**£8,877,021**	**£73,975**	**£ 904.01 /m2**
Abnormals		£45,000	£375.00	£ 4.58 /m2
Fees	5.00%	£445,433	£3,711.94	£ 45.36 /m2
Contingencies	5.00%	£467,704	£3,897.53	£ 47.63 /m2
Total		**£9,835,158**	**£81,960**	**£ 1,001.58 /m2**

Abnormals

Demolition of single house	£10,000
Assessment of impact on SPA	£15,000
Access Road over house plot	£20,000
Total of abnormals	**£45,000**

Sefton Strategic Sites for Testing
Residential - Assumptions
(17 November 2014)

			Site Area/Capacity				Values					Construction Costs										Other Appraisal Variables			Miscellaneous		
Location	**Site Address**	**Status**	**Gross Site Area (ha)**	**Capacity**	**Net Site Area (ha)**	**Density (net site area)**	**Land Value (£/per acre)**	**Land Value (£/per hec)**	**Site Value**	**Ave. Sale Price (£/psf)**	**Ave. Sale Price (£/psm)**	**Base Construction**	**Gas Protection**	**Demo/clearance**	**Piling/add foundations**	**Dynamic Compaction**	**Ecology**	**Substations**	**Flood Resiliance/precautions**	**Sales Rate (per month)**	**Overall Programme (months)**	**Finance Cost**	**Marketing /Sales (% Market GDV)**	**Profit (%GDV)**	**CIL (£/m)**	**S278**	**Other**
Southport	SR4.3 Land at Moss Lane – Churchtown South	Greenbelt	19.67	538	14.75	36	£150,000	£370,500	£5,465,801	200	2,153	£874.08			£2,093,066	£1,573,600		£180,000		6	96	7%	3.50%	20%		£500,000	
	SR4.5 Land at Broome Road, Southport	Urban Greenspace	8.5	223	6.38	35	£150,000	£370,500	£2,361,938	200	2,153	£913.57	£127,244		£867,572	£680,000		£100,000		4	62	7%	3.50%	20%		£317,500	Knotweed - £30,000
	SR4.6 Former Ainsdale Hope School, Ainsdale	Greenbelt	8.27	217	6.20	35	£250,000	£617,500	£3,830,044	210	2,260	£901.36	£123,820	£150,000			£248,100	£100,000		5	49	7%	3.50%	20%		£50,000	
	SR4.10 Land south of Moor Lane, Ainsdale	Greenbelt	5.17	136	3.88	35	£250,000	£617,500	£2,394,356	210	2,260	£901.37			£529,102	£413,600	£15,000	£50,000	£54,400	5	33	7%	3.50%	20%		£150,000	
	SR4.2 Land at Bankfield Lane – Churchtown North	Greenbelt	4.7	120	3.53	34	£150,000	£370,500	£1,306,013	200	2,153	£916.48			£466,855	£376,000	£100,000	£60,000		4	36	7%	3.50%	20%		£275,500	
Formby	SR4.14 Land at Liverpool Road, Formby	Greenbelt	14.16	372	10.62	35	£250,000	£617,500	£6,557,850	220	2,368	£880.19			£1,447,250			£100,000	£100,000	6	68	7%	3.50%	20%		£450,000	LEAP - £100,000
	SR4.11 Land north of Brackenway, Formby	Greenbelt	6.43	169	4.82	35	£250,000	£617,500	£2,977,894	220	2,368	£901.94					£50,000	£60,000	£422,500	5	40	7%	3.50%	20%		£372,000	
	SR4.16 Land at Andrew's Close, Formby	Greenbelt	4.59	120	3.44	35	£250,000	£617,500	£2,125,744	220	2,368	£904.01		£10,000			£15,000			5	30	7%	3.50%	20%		£20,000	
Crosby	SR4.23 Land at Lydiate Lane, Thornton	Greenbelt	8.96	235	6.72	35	£200,000	£494,000	£3,319,680	190	2,045	£901.12						£120,000		5	53	7%	3.50%	20%		£200,000	
	SR4.21 Land west of Holgate, Thornton	Greenbelt	6.75	177	5.06	35	£200,000	£494,000	£2,500,875	200	2,153	£912.21						£60,000		4	50	7%	3.50%	20%		£217,500	
	SR4.25 Land south of Runnells Lane, Thornton	Greenbelt	5.23	137	3.92	35	£200,000	£494,000	£1,937,715	190	2,045	£912.15						£60,000		4	40	7%	3.50%	20%		£150,000	
Maghull/Aintree	SR4.29 Wadacre Farm, Melling	Greenbelt	5.48	144	4.11	35	£200,000	£494,000	£2,030,340	190	2,045	£911.63		£40,000				£60,000		4	42	7%	3.50%	20%		£195,000	
	SR4.28 Land east of Waddicar Lane, Melling	Greenbelt	5.37	141	4.03	35	£200,000	£494,000	£1,989,585	190	2,045	£911.59						£60,000		4	41	7%	3.50%	20%		£199,500	
Bootle	R4.40 Former St Wilfrid's School, Bootle	Urban Greenspa	6.6	198	4.95	40	£200,000	£494,000	£2,445,300	170	1,830	£890.81		£50,000				£60,000		5	46	7%	3.50%	20%		£100,000	Remediation - £594,000

Mixed Use and Employment - Assumptions
(17 November 2014)

			Site Area/Capacity				Values					Construction Costs											Other Appraisal Variables			Miscellanous		
Option	**Site Address**	**Status**	**Gross Site Area (ha)**	**Capacity**	**Net Site Area (ha)**	**Density (net site area)**	**Land Value (£/per acre)**	**Land Value (£/per hec)**	**Site Value**	**Ave. Sale Price (£/psf)**	**Ave. Sale Price (£/psm)**	**Base Construction**	**Commercial Abnormals**	**Demo/clearance**	**Piling**	**Dynamic Compaction**	**Capping**	**Substations**	**Additional drainage**	**Flood Resiliance/precautions**	**New Service supplies**	**Sales Rate (per month)**	**Overall Programme (months)**	**Finance Cost**	**Marketing /Sales (% Market GDV)**	**Profit (%GDV)**	**CIL (£/m)**	**S278**	**Other**
1	SR4.4 Land at Crowland Street*, Southport	Residential	10.1	265	7.58	35	£150,000	£370,500	£2,806,538	**190**	**2,045**	£903		£75,000	£1,060,000	£522,251	£413,400	£1,300,000	£132,500			4	72	7%	3.50%	20%		£150,000	
		Mix economic uses	Min 7.5	B2/B8 - 13,500 sq m			£50,000	£123,500	£926,250	60	646	£500	£2,025,000											20% on letting 1.75% on sale				
				Offices - 18,000 sq m						125	1,346	£1,200																
2	SR4.4 Land at Crowland Street*, Southport	Residential	13.85	367	10.39	35	£150,000	£370,500	£3,848,569	**190**	**2,045**	£887		£75,000	£1,468,000	£712,264	£506,220	£1,300,000	£183,500			5	79	7%	3.50%	20%		£150,000	
		Mix economic uses	3.75	B2/B8 - 6,750 sq m			£50,000	£123,500	£463,125	60	646	£500	£1,012,500											20% on letting 1.75% on sale				
				Offices - 9,000 sq m						125	1,346	£1,200																
3	SR4.4 Land at Crowland Street*, Southport	Residential	15.75	413	11.81	35	£150,000	£370,500	£4,376,531	**190**	**2,045**	£881		£75,000	£1,652,000	£662,662	£548,080	£1,350,000	£206,500			5	89	7%	3.50%	20%		£150,000	
		Mix economic uses	1.85	B2/B8 - 3,330 sq m			£50,000	£123,500	£228,475	60	646	£500	£499,500											20% on letting 1.75% on sale				
				Offices - 4,440 sq m						125	1,346	£1,200																
B2-B8	SR4.27 Land east of Maghull*	Residential	60.5	1588	45.38	35	£200,000	£494,000	£22,415,250	200	2,153	£863		£200,000	£6,178,047			£360,000			£3,000,000	8	205	7%	3.50%	18%		Motorway Junc - £1,100,000	Education £2.3m
		Mix economic uses	25	B2/B8 - 50,000 sq m			£50,000	£123,500	£3,087,500	71	769	£440	£5,400,000											20% on letting 1.75% on sale				Railway Station - £1,240,000	POS to commercial - £1,250,000
				Offices - 19,000 sq m						156	1,682	£1,200																
				Local Centre - 1,000 sq m						168	1,813	£1,250																
	SRF 1 Land North of Formby Industrial Estate	Mix offices, R&D, light industrial compatable with office park environment	13.8	Trade Counter - 3,435 sq m			£50,000	£123,500	£1,704,300	100	1076	£725											6%	20% on letting 1.75% on sale	15% on cost		New junction to bypass - £150,000	
				Starter Offices - 5,386 sq m						163	1,749	£1,470																
				Starter Units - 4,458 sq m						75	807	£725																
				Industrial - 22,753 sq m						69	747	£661																

Analysis of Representations Received following the Sefton Stakeholder Consultation Event on 8 October 2014
[DRAFT]

Respondent	Date	Unit Mix	Unit Sizes	Tenures	Densities	Land Values	Revenues	Costs	Developers Profit	Sales Rates	Miscellaneous
Andrew Thompson Morris Homes	10/10/2014	A 150-200 unit scheme should be tested, at the expense of a 15 unit scheme. Infers proposed dwelling mix should be as follows:- 1 bed - 5% 2 bed - 30% 3 bed - 32% 4 bed - 29% 5 bed - 4%	Suggests 3 bed unit should be 900 sq.ft (currently included @ 925 sq.ft), and 4 bed unit should be 1,200 sq.ft (currently included @ 1,250 sq.ft).		Densities too high, and densities of 25-35 dph should be applied.	Land values are low, and Brownfield Values should be:- High Value Area - £600k pac Med Value Area - £450k pac Low Value Area - £250k pac Greenfield values higher as less upfront costs, less risk etc.		Contractors profit should be included. Does not form true residual land value calculation as a result. Build costs are too low, and do not reflect recent changes as a result of moving away from BCIS. No differences in build costs for different densities of 30 & 40 dph.	All schemes should be at 20% due to increased risk.	Sales rates are too high, and should be at a maximum of 2-2.5 dwellings per month. Large sites of over 300 units could attract sales of say 4 per month.	
Eric Wright Hitchcock Wright	14/10/2014										Concern over delivery of desirable uses such as employment sites, given viability issues concerning the delivery of such uses. Assume that concerned that X subsidisation may be constrained as a result of increased residential policy burdens. States that Council must have a strategy to deliver employment uses.
Simon Mair P Wilson & Co	19/10/2014					States that land values comprise opinions by KM. 'Premium over exisitng use' is both unrealistic, and contrary to RICS. States that land values not supported by market evidence.					
Steve Robinson Wainhomes	20/10/2014					States that KM should use actual land value sales as a starting point to derive the base land input.					Asks that a working group is used to discuss the issue of land value.
Anthony Ingham Network Rail	20/10/2014	Apartments should be tested on Brownfield and Greenfield Sites.				Residual land values too low. Suggests Council considering imposing greater planning burndens on Greenfield Sites. Infers such sites can have numerous hidden costs, including geotechnical, environmental, ecological and access costs.		Build costs appear low relative to industry standard BCIS. Contractors profit should be included, as even regional or national housebuilders often employ contractors to undertake the work. Little explanation as to treatment of abnormal costs. Suggests mechanism should be included in planning obligations to ensure difficult sites remain viable.		Sales rates appear over optimistic.	
Andrew Taylor David Wilson Homes	21/10/2014	6no categories considered excessive, and recommends revision down to 4. Only 6% being 4 bed appears low.	Units sizes appear to be on the large side. Provision of 3 bed apartments are rare in the market. Doesn't foresee many 50 unit schemes coming forward in the future.	Most RPs cannot purchase Social Rented. Recommend revision to Affordable Rent, and that units are used rather than bedspaces, which AT infers affects viability of lower density schemes.	Little point in testing both 30 & 40 dph across all areas. 30 dph in Formby and 40 dph in Bootle etc.		Awaiting information from Sales and Commercial Teams.	Not using BCIS leaves yourself open to criticism. Allowances for deep piling should be included - given the prevailent ground conditions in Sefton. Contractors profit should be accounted for. Awaiting info from Sales and Commercial Teams on appropriateness of the Build Costs assumed.		Quoted sales rates too high. 25-30 per annum (2 - 2.5 per month) for singe outlet. Two outlets only possible on Sites over 250 dwellings.	

Respondent	Date	Unit Mix	Unit Sizes	Tenures	Densities	Land Values	Revenues	Costs	Developers Profit	Sales Rates	Miscellaneous
Conor McGuigan Riverside Group	21/10/2014	Bias towards 3 bed properties at 50% and 2 bed properties at 35%. Emphasizes that due to Welfare Reform Act required to build higher proportions of 2 bed dwellings in order to meet demand.	States that unit sizes should be as follows (KM assumptions in brackets): 1 bed 2 person - 50 sq.m (56) 2 bed 3 person - 64 sq.m (65) 2 bed 4 person - 75 sq.m (65) 3 bed 5 person - 87 sq.m (86)								
Collette D'Arcy Property Collateral Ltd	21/10/2014										PCL infer that they would like to be kept updated of policy requirements, and are interested in providing feedback.
Andy Morgan Rowland Homes	22/10/2014	Suburban Mix: 1 bed - 5% 2 bed - 10% 3 bed - 30% 4 bed - 50% Urban Mix: 1 bed - 10% 2 bed - 20% 3 bed - 60% 4 bed - 10% Apt Mix: 1 bed - 30% 2 bed - 60% 3 bed - 10%	Fine for both apartments/houses.			Greenfield and Brownfield Values should be reveresed. Ie. Higher figures for Greenfield, lower for Brownfield.		Very few substructures are normal in Sefton. Include abnormal allowances.	Both large and small schemes carry similar risk. Developers profit should be 20%.	Should be 2-4 per month as a guide.	
Andrew Teage DTZ (On behalf of Taylor Wimpey)	22/10/2014	20% proportion of 3 Bed Apartments in 50 apartment scheme should be reduced.	5 bed dwelling should be 1,600 sq.ft. Currently in appraisals @ 1,700 sq.ft. Queries that 2 bed houses (700 sq.ft) smaller than 2 bed apartments (750 sq.ft). 3 bed apartments at 1,100 sq.ft is excessive. Consider reductions. Agrees with all other areas used.		Asks for review of 90% Gross to Net Ratio for sites of 0.4 - 2 ha to be considered.	DTZ state that differential values adopted for Greenfield and Brownfield Land is incorrect, stating that it is "inappropriate to apply different values to green and brown field site without reasoning and evidence which can be tested."	Asks for further evidence both in respect of residential and affordable revenues- citing that DTZ have observed a reduction in the appetite for RPs acquiring new stock.	Requests further information on 'WYG database' of costings used, which sit behind the cost calculations. Justification for deviation from BCIS required. Clarification on treatment of rainwater harvesting calculations - given inferred at presentation that allowances included on an average basis, which would not cover the costs of such provisions. Clarifcation on rates of professional fees adopted required, noting that they generally reduce through economies of scale as developments get bigger. Further information required on 'site opening up costs', which range from £17k to £23k in the Harmon Guidance. Detailed reasoning behing the decision to exclude contractors profit required. Build costs low - considering increases in build costs over the past 12 months.	Queries suitability of 15% requirement for smaller schemes, and infers that further explanation is required. Considered low and suggests 20% should be applied.	Sales rates up to 6 per month unrealistic for larger schemes. Sales currently at 2.5 - 2.75 per month for national housebuilders on average. Taylor Wimpey at between 2 and 3. Rates at 4/5 per month on 50 and 100 dwelling developments considered excessive.	Methodology - unclear as to how the 'baseline surplus' will be split (which it will be at this point in time) Finance - @ 6% for larger schemes is to the lower end of an acceptable range.
Andrew Teage DTZ (On behalf of Bellway)	22/10/2014	As per above.	High proportions of large 3 bed detached/4 bed dwellings - of c. 1,025 sq.m.		As per above.	As per above.	As per above.	As per above.	As per above.	As per above, although states Bellway's average sales rates for 2013/14 F/Y were at 2.6 per month.	As per above.

SL - 23/10/2014

Attendees at the Stakeholder Consultation Event on 8 October 2014

Brendan Gleeson - OVH
Andrew Taylor David - Wilson Homes
Andrew Thompson - Morris Homes
Jane Aspinall - Bellway Homes Limited
Hugh McAuley - Formby Play Sports
Andy Pepper - Persimmon Homes
Colette Malton - Property Collateral
Collette D'Arcy - Property Collateral
David Butler - Wirral MBC
Nigel Smith - Countryside Properties
Simon R Mair - P Wilson & Company
Cllr Patrick McKinley - Sefton Councillor
Conor McGuigan - Riverside
Sandra Cartlidge - Mersey Care NHS Trust
Cllr Lynn Gatherer - Sefton Councillor
Andrea Dimba - Sefton Council
Edward Landor - eLandor Associates
Philippa Bracken - eLandor Associates
Stephen Hinsley - Tetlow King
Christine Cunningham - Symphony Housing Group
Eric Wright - Hitchcock Wright & Partners
Rob Anderson - RAL architects
Richard Chamberlain - Wainhomes Developments Limited
Geoff Leece - Smiths Gore
Paul Roberts - Smiths Gore
Graham Coventry - Graham Coventry Consultants
Antony Ingham - Network Rail
John Francis - DPP
Stephen Smith - DTZ
Peter Brack - Hardie Brack
Cllr Fred Weavers - Sefton Councillor
Andrew Owen - Mason Owen
Robin Buckley - Redrow
Richard Heathcote - GL Hearn

Groups Invited who did not attend
Name Organisation
Vicinity Group
Adactus Group
Plus Dane Group
Your Housing Group
Regenda First Maritime
Crosby Housing Association
Rodney Housing
Muir Group
Knowsley Housing Trust
Keepmoat
Taylor Wimpey
Bill Fawley Construction
Hallam Land Management
West Lancs Council
Knowsley
Liverpool City Council
St Helens MBC
Halton Borough Council

Fitton & Co
CPM(UK) Ltd
Consilium Planning
The Venmore Partnership
Riverside
HBF
Environment Agency
Rowland Homes

APPENDIX 6 **Additional Housing Sites and Safeguarded Land**
Residential Assumptions

			Site Area/Capacity				Values					Construction Costs											Other Appraisal Variables			Miscellaneous		
Location	**Site Address**	**Status**	**Gross Site Area (ha)**	**Capacity**	**Net Site Area (ha)**	**Density (net site area)**	**Land Value (£/per acre)**	**Land Value (£/per hec)**	**Site Value**	**Ave. Sale Price (£/psf)**	**Ave. Sale Price (£/psm)**	**Base Construction**	**Gas Protection**	**Demo/clearance**	**Piling/add foundations**	**Dynamic Compaction**	**Capping**	**Ecology**	**Substations**	**Flood Resiliance/precautions**	**Sales Rate (per month)**	**Overall Programme (months)**	**Finance Cost**	**Marketing /Sales (% Market GDV)**	**Profit (%GDV)**	**CIL (£/m)**	**S278**	**Other**
Southport	MN2.3 Former Phillips Factory, Balmoral Drive, Churchtown	PDL	6	158	4.50	35	£250,000	£617,500	£2,778,750	200	2,153	£910.12		£810,203	£612,131				£60,000		4	46	7%	3.50%	20%			
Maghull	MN8.2 Land Adjacent to Ashworth Hospital, Maghull	Greenspace	18.53	379	11.12	34	£200,000	£494,000	£5,492,292	200	2,153	£908.55		£100,000	£75,000				£120,000		5	82	7%	3.50%	20%		£650,000	
	MN8.1 Land North of Lambshear Lane, Lydiate	Greenbelt	31.2	819	23.40	35	£200,000	£494,000	£11,559,600	200	2,153	£866.22							£180,000		8	108	7%	3.50%	20%		£250,000	
	MN2.28 Land North of Kenyons Lane, Lydiate	Greenbelt	9.8	295	7.35	40	£200,000	£494,000	£3,630,900	200	2,153	£887.53		£200,000					£100,000		5 (houses)	59	7%	3.50%	20%		£250,000	Extra care 3,000 sq m gross at £1,300 psm = £3,900,000

Strategic Sites Revised Allocations
Residential Assumptions

			Revised Site Area/Capacity				Values					Construction Costs											Other Appraisal Variables			Miscellaneous		
Location	**Site Address**	**Status**	**Gross Site Area (ha)**	**Capacity**	**Net Site Area (ha)**	**Density (net site area)**	**Land Value (£/per acre)**	**Land Value (£/per hec)**	**Site Value**	**Ave. Sale Price (£/psf)**	**Ave. Sale Price (£/psm)**	**Base Construction**	**Gas Protection**	**Demo/clearance**	**Piling/add foundations**	**Dynamic Compaction**	**Capping**	**Ecology**	**Substations**	**Flood Resiliance/precautions**	**Sales Rate (per month)**	**Overall Programme (months)**	**Finance Cost**	**Marketing /Sales (% Market GDV)**	**Profit (%GDV)**	**CIL (£/m)**	**S278**	**Other**
Southport	MN2.2 Land at Bankfield Lane – Churchtown North	Greenbelt	9	220	6.75	33	£150,000	£370,500	£2,500,875	200	2,153	£902.02			£856,249	£675,169		£100,000	£60,000		5	50	7%	3.50%	20%		£275,500	
	MN2.4 Land at Moss Lane – Churchtown South	Greenbelt	19.7	450	14.78	30	£150,000	£370,500	£5,474,138	200	2,153	£887.01			£1,749,612	£1,478,000			£180,000		6	81	7%	3.50%	20%		£500,000	
	MN2.5 Land at Crowland Street, Southport		25.8	678	19.35	35	£150,000	£370,500	£7,169,175	190	2,045	£869.68		£75,000	£2,712,000	£2,159,821	£1,447,438		£1,300,000		7	103	7%	3.50%	20%		£500,000	
	MN2.11 Land south of Moor Lane, Ainsdale	Greenbelt	2.4	75	2.16	35	£250,000	£617,500	£1,333,800	210	2,260	£926.62			£292,318	£218,182		£15,000	£50,000	£30,000	3.5	27	7%	3.50%	20%		£150,000	
Formby	MN2.12 Land north of Brackenway, Formby	Greenbelt	13.8	286	10.35	28	£250,000	£617,500	£6,391,125	220	2,368	£896.61						£150,000	£60,000	£715,000	6	54	7%	3.50%	20%		£497,000	
	MN2.16 Land at Liverpool Road, Formby	Greenbelt	14.2	319	10.65	30	£250,000	£617,500	£6,576,375	220	2,368	£888.41			£1,241,221				£100,000	£100,000	6	59	7%	3.50%	20%		£450,000	LEAP-£100,000
	MN2.19 Land at Andrews Close, Formby	Greenbelt	3.3	87	2.48	35	£250,000	£617,500	£1,528,313	220	2,368	£917.94		£10,000				£15,000			4	28	7%	3.50%	20%		£20,000	
Bootle	MN2.41 Former St Wilfrid's School, Bootle	Urban Greenspace	6.6	160	4.95	32	£200,000	£494,000	£2,445,300	170	1,830	£915.23		£50,000					£60,000		4	46	7%	3.50%	20%		£100,000	Remediation - £480,000

APPENDIX 6 **Mixed Use and Employment - Assumptions**

		Site Area/Capacity				Values					Construction Costs												Other Appraisal Variables			Miscellanous		
Site Address	**Status**	**Gross Site Area (ha)**	**Capacity**	**Net Site Area (ha)**	**Density (net site area)**	**Land Value (£/per acre)**	**Land Value (£/per hec)**	**Site Value**	**Ave. Sale Price (£/psf)**	**Ave. Sale Price (£/psm)**	**Base Construction**	**Commercial Abnormals**	**Demo/clearance**	**Piling**	**Dynamic Compaction**	**Capping**	**Substations**	**Additional drainage**	**Flood Resiliance/precautions**	**New Service supplies**	**Sales Rate (per month)**	**Overall Programme (months)**	**Finance Cost**	**Marketing /Sales (% Market GDV)**	**Profit (%GDV)**	**CIL (£/m)**	**S278**	**Other**
MN5 Land South of Formby Industrial Estate	Mixed Use	17.25	Industrial - 32,504			£50,000	£123,500	£2,130,375	£69	£747	£634												6%	20% letting 1.75% on sale	15%			
			Retail - 11,802 sq m						£250	£2,691	£1,122																	
			Public House - 735 sq m						£236	£2,536	£1,323																	
			Air Dome - 3,250 sq m						£30	£323	£300																	
MN3 Land east of Maghull*	Residential	60.5	1400	45.38	31	£200,000	£494,000	£22,415,250	200	2,153	£871		£200,000	£5,446,641			£360,000			£3,000,000	8	181	7%	3.50%	18%		Motorway Junc - £1,100,000	Education £2.3m
	Mix economic uses	25	B2/B8 - 50,000 sq m			£50,000	£123,500	£3,087,500	71	769	£440	£5,400,000												20% on letting 1.75% on sale			Railway Station - £1,240,000	POS to commercial - £1,250,000
			Offices - 19,000 sq m						156	1,682	£1,200																Bus Service - £360,000	
			Local Centre - 1,000 sq m						168	1,813	£1,250																	

SR4.02 **Land at Bankfield lane, Churchtown**

Site area	**9.00 ha**	
PoS %	**25.0%**	
Net Dev area	**67517 m2**	Density 33.1 dph
PoS Area	**16879 m2**	
Sales rate	**5 per month**	
Code		**24 November14**
Rainwater Harvesting		
No of dwellings	**220 Nr**	

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	11 Nr	56 m2	616 m2
2 bed	35.00%	77 Nr	65 m2	5005 m2
3 bed	50.00%	110 Nr	86 m2	9460 m2
4 bed	6.00%	13 Nr	116 m2	1508 m2
5 bed	4.00%	9 Nr	158 m2	1422 m2
		220 Nr		18011 m2

Substructures	£987,413	£4,488.24	£ 54.82 /m2
Superstructures	£10,396,351	£47,256.14	£ 577.22 /m2
External Works within curtilage costs	£1,053,666	£4,789.39	£ 58.50 /m2
External works beyond curtilage	£947,108	£4,305.04	£ 52.58 /m2
Drainage costs	£913,039	£4,150.18	£ 50.69 /m2
Inc Services costs	£726,281	£3,301.28	£ 40.32 /m2
Public Open Space	£210,951	£958.87	£ 11.71 /m2
Play area	£50,000	£227.27	£ 2.78 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 50 months	£961,538	£4,370.63	£ 53.39 /m2
SUBTOTAL	**£16,246,349**	**£73,847**	**£ 902.02 /m2**
Abnormals	£1,966,917	£8,940.53	£ 109.21 /m2
Fees 5.00%	£911,826	£4,144.67	£ 50.63 /m2
Contingencies 5.00%	£957,418	£4,351.90	£ 53.16 /m2
Total	**£20,082,510**	**£91,284**	**£ 1,115.01 /m2**

Abnormals

Piling	11417 m2	£ 75.00 /m2	£856,249
Adoption of Blundell Lane	290 m	£ 950 /m2	£275,500
Dynamic compaction	67517 m2	£ 10.00 /m2	£675,169
Allowance for work to wild life habitat			£100,000
Substations	1 Nr	£60,000	£60,000
Total of abnormals			**£1,966,917**

SR4.03 **Land at Moss Lane, Churchtown South**

Site area	**19.67 ha**	
PoS %	**25.0%**	
Net Dev area	**147800 m2**	Density 30.1 dph
PoS Area	**36950 m2**	
Sales rate	**6 per month**	
Code		**24 November14**
Rainwater Harvesting		
No of dwellings	**450 Nr**	

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	23 Nr	56 m2	1288 m2
2 bed	35.00%	158 Nr	65 m2	10270 m2
3 bed	50.00%	224 Nr	86 m2	19264 m2
4 bed	6.00%	27 Nr	116 m2	3132 m2
5 bed	4.00%	18 Nr	158 m2	2844 m2
		450 Nr		36798 m2

Substructures	£1,987,056	£4,415.68	£ 54.00 /m2
Superstructures	£20,920,435	£46,489.85	£ 568.52 /m2
External Works within curtilage costs	£2,195,886	£4,879.75	£ 59.67 /m2
External works beyond curtilage	£1,999,459	£4,443.24	£ 54.34 /m2
Drainage costs	£1,839,284	£4,087.30	£ 49.98 /m2
Inc Services costs	£1,463,067	£3,251.26	£ 39.76 /m2
Public Open Space	£454,793	£1,010.65	£ 12.36 /m2
Play area	£100,000	£222.22	£ 2.72 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 81 months	£1,680,193	£3,733.76	£ 45.66 /m2
SUBTOTAL	**£32,640,173**	**£72,534**	**£ 887.01 /m2**
Abnormals	£3,907,612	£8,683.58	£ 106.19 /m2
Fees 4.00%	£1,460,797	£3,246.22	£ 39.70 /m2
Contingencies 5.00%	£1,899,037	£4,220.08	£ 51.61 /m2
Total	**£39,907,620**	**£88,684**	**£ 1,084.51 /m2**

Abnormals

Piling	23328 m2	£ 75.00 /m2	£1,749,612
Section 278 works			£500,000
Dynamic compaction	147800 m2	£ 10.00 /m2	£1,478,000
Substations	3 Nr	£60,000	£180,000
Total of abnormals			**£3,907,612**

SR4.10 **Land South of Moor Lane, Ainsdale**

Site area	**2.40 ha**	
PoS %	**25.0%**	
Net Dev area	**21818 m2**	Density 34.1 dph
PoS Area	**5455 m2**	
Sales rate	**3.5 per month**	
Code		**24 November14**
Rainwater Harvesting		
No of dwellings	**75 Nr**	

Mix Data			**GFA/unit**	**Total GFA**
1 bed	5.00%	4 Nr	56 m2	224 m2
2 bed	35.00%	26 Nr	65 m2	1690 m2
3 bed	50.00%	37 Nr	86 m2	3182 m2
4 bed	6.00%	5 Nr	116 m2	580 m2
5 bed	4.00%	3 Nr	158 m2	474 m2
		75 Nr		6150 m2

Substructures	£340,296	£4,537.27	£ 55.33 /m2
Superstructures	£3,582,958	£47,772.78	£ 582.59 /m2
External Works within curtilage costs	£353,225	£4,709.66	£ 57.43 /m2
External works beyond curtilage	£314,343	£4,191.24	£ 51.11 /m2
Drainage costs	£314,408	£4,192.10	£ 51.12 /m2
Inc Services costs	£250,097	£3,334.63	£ 40.67 /m2
Public Open Space	£68,858	£918.10	£ 11.20 /m2
Play area	£0	£0.00	£ 0.00 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 27 months	£474,525	£6,327.00	£ 77.16 /m2
SUBTOTAL	**£5,698,709**	**£75,983**	**£ 926.62 /m2**
Abnormals	£755,499	£10,073.33	£ 122.85 /m2
Fees 6.00%	£389,472	£5,192.97	£ 63.33 /m2
Contingencies 5.00%	£344,034	£4,587.12	£ 55.94 /m2
Total	**£7,187,715**	**£95,836**	**£ 1,168.73 /m2**

Abnormals

Piling	3898 m2	£ 75.00 /m2	£292,318
Section 278 works			£100,000
Footpath to Moor lane	400 m	£ 125.00 /m	£50,000
Substations	1 Nr	£50,000	£50,000
Dynamic compaction	21818 m2	£ 10.00 /m2	£218,182
Assessment of impact on SPA			£15,000
Allowance for flood resilience (20%)	15 Nr	£2,000	£30,000
Total of abnormals			**£755,499**

SR4.11 **Land north of Brackenway, Formby**

Site area	**13.80 ha**	
PoS %	**25.0%**	
Net Dev area	**103526 m2**	Density 28.1 dph
PoS Area	**25881 m2**	
Sales rate	**6 per month**	
Code		**24 November14**
Rainwater Harvesting		
No of dwellings	**286 Nr**	

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	14 Nr	56 m2	801 m2
2 bed	35.00%	100 Nr	65 m2	6507 m2
3 bed	50.00%	143 Nr	86 m2	12298 m2
4 bed	6.00%	17 Nr	116 m2	1991 m2
5 bed	4.00%	11 Nr	158 m2	1808 m2
		286 Nr		23403 m2

Substructures	£1,263,651	£4,418.36	£ 53.99 /m2
Superstructures	£13,304,769	£46,520.17	£ 568.50 /m2
External Works within curtilage costs	£1,465,159	£5,122.93	£ 62.60 /m2
External works beyond curtilage	£1,361,386	£4,760.09	£ 58.17 /m2
Drainage costs	£1,168,967	£4,087.30	£ 49.95 /m2
Inc Services costs	£929,860	£3,251.26	£ 39.73 /m2
Public Open Space	£318,558	£1,113.84	£ 13.61 /m2
Play area	£100,000	£349.65	£ 4.27 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 54 months	£1,071,428	£3,746.25	£ 45.78 /m2
SUBTOTAL	**£20,983,777**	**£73,370**	**£ 896.61 /m2**
Abnormals	£1,422,000	£4,972.03	£ 60.76 /m2
Fees 4.00%	£895,117	£3,129.78	£ 38.25 /m2
Contingencies 5.00%	£1,163,652	£4,068.71	£ 49.72 /m2
Total	**£24,464,546**	**£85,540**	**£ 1,045.34 /m2**

Abnormals

Section 278 works to Deansgate and Paradise Lanes			£250,000
Flood precautions (zone 2)	286 Nr	£2,500	£715,000
Allowance for work for Wild Life			**£150,000**
Substations	1 Nr	£60,000	£60,000
Upgrade of bridleway adjacent to sit	550 m	£ 40.00 /m	£22,000
Allowance for signal controlled junction			**£125,000**
Allowance for connection to cycle and footpath network			£100,000
Total of abnormals			**£1,422,000**

SR4.14 **Land at Liverpool Road, Formby**

Site area	**14.16 ha**	
PoS %	**25.0%**	
Net Dev area	**106527 m2**	Density 30.1 dph
PoS Area	**26632 m2**	
Sales rate	**6 per month**	
Code		**24 November14**
Rainwater Harvesting		
No of dwellings	**319 Nr**	

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	16 Nr	56 m2	896 m2
2 bed	35.00%	112 Nr	65 m2	7280 m2
3 bed	50.00%	159 Nr	86 m2	13674 m2
4 bed	6.00%	19 Nr	116 m2	2204 m2
5 bed	4.00%	13 Nr	158 m2	2054 m2
		319 Nr		26108 m2

Substructures	£1,409,655	£4,418.98	£ 53.99 /m2
Superstructures	£14,841,757	£46,525.88	£ 568.48 /m2
External Works within curtilage costs	£1,569,555	£4,920.24	£ 60.12 /m2
External works beyond curtilage	£1,434,142	£4,495.74	£ 54.93 /m2
Drainage costs	£1,303,848	£4,087.30	£ 49.94 /m2
Inc Services costs	£1,037,152	£3,251.26	£ 39.73 /m2
Public Open Space	£327,791	£1,027.56	£ 12.56 /m2
Play area	£100,000	£313.48	£ 3.83 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 59 months	£1,170,634	£3,669.70	£ 44.84 /m2
SUBTOTAL	**£23,194,534**	**£72,710**	**£ 888.41 /m2**
Abnormals	£1,991,221	£6,242.07	£ 76.27 /m2
Fees 4.00%	£1,006,316	£3,154.60	£ 38.54 /m2
Contingencies 5.00%	£1,308,211	£4,100.98	£ 50.11 /m2
Total	**£27,500,282**	**£86,208**	**£ 1,053.33 /m2**

Abnormals

Piling	16550 m2	£ 75.00 /m2	£1,241,221
Section 278 works			£450,000
Substations	2 Nr	£50,000	£100,000
LEAP			£100,000
Allowance for flood resilience	319 Nr	£1,500	£100,000
Total of abnormals			**£1,991,221**

SR4.16 **Land at Andrews Close, Formby**

Site area	**3.30 ha**	
PoS %	**25.0%**	
Net Dev area	**24756 m2**	Density 35.1 dph
PoS Area	**6189 m2**	
Sales rate	**4 per month**	
Code		**24 November14**
Rainwater Harvesting		
No of dwellings	**87 Nr**	

	Mix Data			**GFA/unit**	**Total GFA**
1 bed	5.00%	4 Nr	56 m2	244 m2	
2 bed	35.00%	30 Nr	65 m2	1979 m2	
3 bed	50.00%	44 Nr	86 m2	3741 m2	
4 bed	6.00%	5 Nr	116 m2	606 m2	
5 bed	4.00%	3 Nr	158 m2	550 m2	
		87 Nr		7119 m2	

Substructures		£394,254	£4,531.65	£ 55.38 /m2
Superstructures		£4,151,031	£47,713.00	£ 583.07 /m2
External Works within curtilage costs		£405,298	£4,658.59	£ 56.93 /m2
External works beyond curtilage		£359,345	£4,130.40	£ 50.48 /m2
Drainage costs		£364,713	£4,192.10	£ 51.23 /m2
Inc Services costs		£290,112	£3,334.63	£ 40.75 /m2
Public Open Space		£78,130	£898.05	£ 10.97 /m2
Play area		£0	£0.00	£ 0.00 /m2
Code for Sustainable Homes level 3		£0	£0.00	£ 0.00 /m2
Rainwater Harvesting		£0	£0.00	£ 0.00 /m2
Preliminaries for 28 months		£492,100	£5,656.32	£ 69.12 /m2
SUBTOTAL		**£6,534,982**	**£75,115**	**£ 917.94 /m2**
Abnormals		£45,000	£517.24	£ 6.32 /m2
Fees	6.00%	£397,019	£4,563.44	£ 55.77 /m2
Contingencies	5.00%	£350,700	£4,031.04	£ 49.26 /m2
Total		**£7,327,701**	**£84,226**	**£ 1,029.29 /m2**

Abnormals

Demolition of single house	£10,000
Assessment of impact on SPA	£15,000
Access Road over house plot	£20,000
Total of abnormals	**£45,000**

R4.40 **Former St Wilfrids School, Bootle**

Site area	**6.60 ha**
PoS %	**25.0%**
Net Dev area	**49512 m2**
PoS Area	**12378 m2**
Sales rate	**4 per month**
Code	**24 November14**
Rainwater Harvesting	
No of dwellings	**160 Nr**

Mix Data			**GFA/unit**	**Total GFA**
1 bed	5.00%	8 Nr	56 m2	448 m2
2 bed	35.00%	56 Nr	65 m2	3640 m2
3 bed	50.00%	80 Nr	86 m2	6880 m2
4 bed	6.00%	10 Nr	116 m2	1160 m2
5 bed	4.00%	6 Nr	158 m2	948 m2
		160 Nr		13076 m2

Substructures	£716,974	£4,481.09	£ 54.83 /m2
Superstructures	£7,548,817	£47,180.11	£ 577.30 /m2
External Works within curtilage costs	£769,637	£4,810.23	£ 58.86 /m2
External works beyond curtilage	£692,694	£4,329.34	£ 52.97 /m2
Drainage costs	£664,029	£4,150.18	£ 50.78 /m2
Inc Services costs	£528,205	£3,301.28	£ 40.39 /m2
Public Open Space	£154,698	£966.86	£ 11.83 /m2
Play area	£50,000	£312.50	£ 3.82 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 46 months	£842,490	£5,265.56	£ 64.43 /m2
SUBTOTAL	**£11,967,542**	**£74,797**	**£ 915.23 /m2**
Abnormals	£690,000	£4,312.50	£ 52.77 /m2
Fees 5.00%	£632,209	£3,951.30	£ 48.35 /m2
Contingencies 5.00%	£663,819	£4,148.87	£ 50.77 /m2
Total	**£13,953,570**	**£87,210**	**£ 1,067.11 /m2**

Abnormals

Allowance for removal of school foundations			£50,000
Substations	1 Nr	£60,000	£60,000
Junction to Hawthorn Road			£100,000
Remediation	160 Nr	£3,000	£480,000
Total of abnormals			**£690,000**

SR4.48 **Kenyons Lane, Lydiate**
(Revised POS percentage 25% > 33%)

Site area	**9.82 ha**
PoS %	**33.3%**
Net Dev area	**73650 m2**
PoS Area	**24525 m2** (see note below)
Sales rate	**5 per month**
Code	
Rainwater Harvesting	
No of dwellings	**265 Nr (36 dph)**

30 October 14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	13 Nr	56 m2	742 m2
2 bed	35.00%	93 Nr	65 m2	6029 m2
3 bed	50.00%	133 Nr	86 m2	11395 m2
4 bed	6.00%	16 Nr	116 m2	1844 m2
5 bed	4.00%	11 Nr	158 m2	1675 m2
		265 Nr		21685 m2

Substructures	£1,170,865	£4,418.36	£ 53.99 /m2
Superstructures	£12,327,845	£46,520.17	£ 568.50 /m2
External Works within curtilage costs	£1,189,561	£4,488.91	£ 54.86 /m2
External works beyond curtilage	£1,050,425	£3,963.87	£ 48.44 /m2
Drainage costs	£1,083,134	£4,087.30	£ 49.95 /m2
Inc Services costs	£861,584	£3,251.26	£ 39.73 /m2
Public Open Space	£301,868	£1,139.12	£ 13.92 /m2
Play area	£90,188	£340.33	£ 4.16 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 59 months	£1,170,634	£4,417.49	£ 53.98 /m2
SUBTOTAL	**£19,246,103**	**£72,627**	**£ 887.53 /m2**
Abnormals	£450,000	£1,698.11	£ 20.75 /m2
Fees 4.00%	£787,844	£2,973.00	£ 36.33 /m2
Contingencies 5.00%	£1,024,197	£3,864.90	£ 47.23 /m2
Total	**£21,508,144**	**£81,163**	**£ 991.85 /m2**
Other development functions	£3,900,000		
Overall Total	**£25,408,144**		

Abnormals

Substations	2 Nr £50,000	£100,000	
Demolitions of Mortons Dairies		£200,000	
Allowance for Section 278 works; £300,000 split 50/50 with Lambshear Lane)		£150,000	
Total of abnormals		**£450,000**	

Other uses

Extracare development; 30 flats at 100m2/flat gross Priced as stand-alone development inc fees etc.	3000 m2 £ 1,300 /m2	£3,900,000	
This will need a site of say 3,000m2. This will have to be found from the POS unless Housing density increases significantly; it is already slightly higher than average			
Total of other uses		**£3,900,000**	

AS01 **Balmoral Drive, Churchtown**

Site area	**6.00 ha**
PoS %	**25.0%**
Net Dev area	**45011 m2**
PoS Area	**11253 m2**
Sales rate	**4 per month**
Code	**11 November14**
Rainwater Harvesting	
No of dwellings	**158 Nr (35 dph)**

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	8 Nr	56 m2	442 m2
2 bed	35.00%	55 Nr	65 m2	3595 m2
3 bed	50.00%	79 Nr	86 m2	6794 m2
4 bed	6.00%	9 Nr	116 m2	1044 m2
5 bed	4.00%	6 Nr	158 m2	999 m2
		158 Nr		12873 m2

Substructures	£706,057	£4,468.72	£ 54.85 /m2
Superstructures	£7,433,699	£47,048.73	£ 577.44 /m2
External Works within curtilage costs	£728,030	£4,607.78	£ 56.55 /m2
External works beyond curtilage	£645,902	£4,087.99	£ 50.17 /m2
Drainage costs	£653,736	£4,137.57	£ 50.78 /m2
Inc Services costs	£520,017	£3,291.25	£ 40.39 /m2
Public Open Space	£140,634	£890.09	£ 10.92 /m2
Play area	£45,788	£289.79	£ 3.56 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 46 months	£842,490	£5,332.22	£ 65.44 /m2
SUBTOTAL	**£11,716,354**	**£74,154**	**£ 910.12 /m2**
Abnormals	£1,594,902	£10,125.08	£ 123.89 /m2
Fees 5.00%	£665,563	£4,212.42	£ 51.70 /m2
Contingencies 5.00%	£698,841	£4,423.04	£ 54.29 /m2
Total	**£14,675,659**	**£92,915**	**£ 1,139.99 /m2**

Abnormals

Substations	1 Nr	£60,000	£60,000
Allowance for Section 278 works		£0	£0
Piling	8162 m2	£ 75.00 /m2	£612,131
Demolitions and removal of hard surfaces (av rate acroos the site)	45011 m2	£ 18.00 /m2	£810,203
Total of abnormals			**£1,594,902**

SR4.47 **Lambshear lane,Lydiate**

Site area	**31.20 ha**
PoS %	**25.0%**
Net Dev area	**234059 m2**
PoS Area	**58515 m2**
Sales rate	**8 per month**
Code	**1 November 14**
Rainwater Harvesting	
No of dwellings	**819 Nr (35 dph)**

Mix Data			**GFA/unit**	**Total GFA**
1 bed	5.00%	41 Nr	56 m2	2293 m2
2 bed	35.00%	287 Nr	65 m2	18632 m2
3 bed	50.00%	410 Nr	86 m2	35217 m2
4 bed	6.00%	48 Nr	116 m2	5584 m2
5 bed	4.00%	33 Nr	158 m2	5176 m2
		818 Nr		66903 m2

Substructures	£3,595,799	£4,390.48	£ 53.75 /m2
Superstructures	£37,859,042	£46,225.94	£ 565.88 /m2
External Works within curtilage costs	£3,708,154	£4,527.66	£ 55.43 /m2
External works beyond curtilage	£3,290,789	£4,018.06	£ 49.19 /m2
Drainage costs	£3,327,561	£4,062.96	£ 49.74 /m2
Inc Services costs	£2,646,924	£3,231.90	£ 39.56 /m2
Public Open Space	£716,804	£875.22	£ 10.71 /m2
Play area	£179,520	£219.19	£ 2.68 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 108 months	£2,627,620	£3,208.33	£ 39.28 /m2
SUBTOTAL	**£57,952,213**	**£70,760**	**£ 866.22 /m2**
Abnormals	£430,000	£525.67	£ 6.43 /m2
Fees 3.00%	£1,732,443	£2,115.32	£ 25.89 /m2
Contingencies 5.00%	£2,974,028	£3,631.29	£ 43.62 /m2
Total	**£63,088,685**	**£77,032**	**£ 942.16 /m2**

Abnormals

Substations	3 Nr	£60,000	£180,000
Allowance for Section 278 works £500,000 split 50/50 with Lambshear Lane)			£250,000
Total of abnormals			**£430,000**

AS24 **Land adj Ashworth**

Site area	**18.53 ha**
PoS %	**33.3%**
Net Dev area	**139010 m2**
PoS Area	**46290 m2**
Sales rate	**5 per month**
Code	
Rainwater Harvesting	
No of dwellings	**379 Nr (27 dph)**

24 October14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	19 Nr	56 m2	1061 m2
2 bed	35.00%	133 Nr	65 m2	8622 m2
3 bed	50.00%	190 Nr	86 m2	16297 m2
4 bed	6.00%	22 Nr	116 m2	2552 m2
5 bed	4.00%	15 Nr	158 m2	2395 m2
		379 Nr		30928 m2

Substructures	£1,670,332	£4,407.21	£ 54.01 /m2
Superstructures	£17,586,251	£46,401.72	£ 568.62 /m2
External Works within curtilage costs	£1,952,555	£5,151.86	£ 63.13 /m2
External works beyond curtilage	£1,820,122	£4,802.43	£ 58.85 /m2
Drainage costs	£1,550,148	£4,090.10	£ 50.12 /m2
Inc Services costs	£1,233,073	£3,253.49	£ 39.87 /m2
Public Open Space	£569,756	£1,503.31	£ 18.42 /m2
Play area	£90,188	£237.96	£ 2.92 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 82 months	£1,626,983	£4,292.83	£ 52.61 /m2
SUBTOTAL	**£28,099,408**	**£74,141**	**£ 908.55 /m2**
Abnormals	£945,000	£2,491.69	£ 30.56 /m2
Fees 4.00%	£1,161,776	£3,065.37	£ 37.56 /m2
Contingencies 5.00%	£1,510,309	£3,984.98	£ 48.83 /m2
Total	**£31,716,494**	**£83,683**	**#########**

Abnormals

Substations	2 Nr	£60,000	£120,000
Allowance for Section 278 works			£150,000
Demolitons (c 2000m2 modern buildings assumed)			£100,000
Allowance for Section 278 works (M58 junction contribution)			£500,000
Allowance for extra foundations under demolished buildings			£75,000
Total of abnormals			**£945,000**

SR4.04 **Crowland Street, Churchtown - Option 4 All residential**

Site area	**25.80 ha**	
PoS %	**33.0%**	
Net Dev area	**193500 m2**	Density 35.1 dph
PoS Area	**63855 m2**	
Sales rate	**7 per month**	
Code		**24 November 14**
Rainwater Harvesting		
No of dwellings	**678 Nr (35 dph)**	

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	34 Nr	56 m2	1904 m2
2 bed	35.00%	237 Nr	65 m2	15405 m2
3 bed	50.00%	339 Nr	86 m2	29154 m2
4 bed	6.00%	41 Nr	116 m2	4756 m2
5 bed	4.00%	27 Nr	158 m2	4266 m2
		678 Nr		55485 m2

Substructures	£2,981,554	£4,397.57	£ 53.74 /m2
Superstructures	£31,392,438	£46,301.53	£ 565.78 /m2
External Works within curtilage costs	£3,069,527	£4,527.33	£ 55.32 /m2
External works beyond curtilage	£2,722,858	£4,016.01	£ 49.07 /m2
Drainage costs	£2,758,052	£4,067.92	£ 49.71 /m2
Inc Services costs	£2,193,905	£3,235.85	£ 39.54 /m2
Public Open Space	£782,223	£1,153.72	£ 14.10 /m2
Play area	£134,640	£198.58	£ 2.43 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 103 months	£2,218,867	£3,272.67	£ 39.99 /m2
SUBTOTAL	**£48,254,064**	**£71,171**	**£ 869.68 /m2**
Abnormals	£8,194,259	£12,085.93	£ 147.68 /m2
Fees 3.00%	£1,693,450	£2,497.71	£ 30.52 /m2
Contingencies 5.00%	£2,907,089	£4,287.74	£ 52.39 /m2
Total	**£61,048,862**	**£90,043**	**£ 1,100.28 /m2**
Other development functions	£0		
Overall Total	**£61,048,862**		

Abnormals

Primary sub-station			£1,200,000
Secondary sub-station	2 Nr	£50,000	£100,000
Piling	678 Nr	£4,000	£2,712,000
Car parking- additional 225mm capping layer	15864 m2	£ 25.00 /m2	£396,600
500mm Extra capping layer under roads	30024 m2	£ 35.00 /m2	£1,050,838
Section 278 works			£500,000
Dynamic compaction/ ground improv	107991 m2	£ 20.00 /m2	£2,159,821
Minor demolitions			£75,000
Total of abnormals			**£8,194,259**

SR4.27 **Land East of Maghull** **Option 2 - B8**

Site area	**60.50 ha**
PoS %	**25.0%**
Net Dev area	**453863 m2**
PoS Area	**113466 m2**
Sales rate	**8 per month**
Code	
Rainwater Harvesting	
No of dwellings	**1400 Nr**

24 November14

	Mix Data		**GFA/unit**	**Total GFA**
1 bed	5.00%	70 Nr	56 m2	3920 m2
2 bed	35.00%	490 Nr	65 m2	31850 m2
3 bed	50.00%	700 Nr	86 m2	60200 m2
4 bed	6.00%	84 Nr	116 m2	9744 m2
5 bed	4.00%	56 Nr	158 m2	8848 m2
		1400 Nr		114562 m2

Substructures	£6,140,693	£4,386.21	£ 53.60 /m2
Superstructures	£64,654,333	£46,181.67	£ 564.36 /m2
External Works within curtilage costs	£6,738,018	£4,812.87	£ 58.82 /m2
External works beyond curtilage	£6,120,216	£4,371.58	£ 53.42 /m2
Drainage costs	£5,680,579	£4,057.56	£ 49.59 /m2
Inc Services costs	£4,518,642	£3,227.60	£ 39.44 /m2
Public Open Space	£1,386,414	£990.30	£ 12.10 /m2
Play area	£300,000	£214.29	£ 2.62 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 181 months	£4,213,341	£3,009.53	£ 36.78 /m2
SUBTOTAL	**£99,752,236**	**£71,252**	**£ 870.73 /m2**
Abnormals	£11,346,641	£8,104.74	£ 99.04 /m2
Fees 2.75%	£3,048,939	£2,177.81	£ 26.61 /m2
Contingencies 5.00%	£5,695,972	£4,068.55	£ 49.72 /m2
Total	**£119,843,787**	**£85,603**	**£ 1,046.10 /m2**
Other development functions	£68,326,650		
Overall Total	**£188,170,437**		

Abnormals

Demolitions				£200,000
Piling		72622 m2	£ 75.00 /m2	£5,446,641
Motorway junction	20%	£5,500,000		£1,100,000
Railway Station	20%	£6,200,000		£1,240,000
Allowance for new service supplies to site				£3,000,000
Substations		6 Nr	£60,000	£360,000

Total of abnormals **£11,346,641**

Other uses

Industrial	50000 m2	£ 440 /m2	£22,000,000
Offices (2 floor)	19000 m2	£ 1,200 /m2	£22,800,000
Local Centre	1000 m2	£ 1,250 /m2	£1,250,000
External works to above	140000 m2	£ 50 /m2	£7,000,000
Abnormals to above	60000 m2	£ 90 /m2	£5,400,000
Public open space (extra)	50000 m2	£ 25 /m2	£1,250,000
Fees		9.00%	£5,373,000
Contingencies		5.00%	£3,253,650
Total of abnormals			**£68,326,650**

Site Balance

Net residential area	45.4 ha
Residential Pos	11.3 ha
Non residential	
Industrial footprint	5.0 ha
Office footprint	1.0 ha
Local centre	0.1 ha
External areas	14.0 ha
PoS	5.0 ha
TOTAL	**81.8 ha**

SEFTON COUNCIL **LOCAL PLAN**

Employment allocation site - Formby Industrial Estate South 15/11/2014

LAND USAGE

Use	No	Floor area		Total floor area		Ext floor area	Total site area
		m2	ft2	m2	ft2		m2
Commercial (1 floors)	9 No	1,311 m2	14,121 ft2	11,802 m2	127,086 ft2	12,392 m2	12,392 m2
Public House (1 floor)	1 No	735 m2	7,914 ft2	735 m2	7,914 ft2	772 m2	772 m2
B2 - B8 (1 floor)	1 No	32,504 m2	350,000 ft2	32,504 m2	350,000 ft2	34,129 m2	34,129 m2
Air dome sports area	1 No	3,250 m2	35,000 ft2	3,250 m2	35,000 ft2	3,413 m2	3,413 m2
Circulation area							25,000 m2
Landscaped area							69,294 m2
TOTAL LAND AREA							**145,000 m2**

COSTS

Use	No	Area	Cost/m2	Cost			Total cost
Commercial	9 No	1,311 m2	£ 1,122 /m2	£1,470,336			£13,233,025
Public House	1 No	735 m2	£ 1,323 /m2	£972,405			£972,405
B2 - B8	1 No	32,504 m2	£ 634 /m2	£20,607,536			£20,607,536
Air dome sports area	1 No	3,250 m2	£ 300 /m2	£975,000			£975,000
Circulation area		25,000 m2	Included in above costs				£0
Landscaped area		69,294 m2	£ 14 /m2				£970,116
Fees					5.00%		£1,837,904
Contingencies					3.00%		£1,157,880
Total							£39,753,866
Reduction in construction costs due to overlapping preliminaries and greater scale					-6.0%		-£2,385,232
OVERALL TOTAL CONSTRUCTION COST							**£37,368,634**

SEFTON COUNCIL **LOCAL PLAN**

Employment allocation site - Formby Industrial Estate South 15/11/2014

NOTES

1 Accommodation and floor areas from MOP Appraisal; there are no drawings of the site or buildings propsoed.
2 The site area of 15.4ha is as provided.
2 The circulation area is an allowance for the parking, roads and footpaths within the site, to serve each element of the development.
3 Landscape area is the area allocated within the site to grass and/or planting or trees. The cost assumes that on site-topsoil can be used.
4 This is the residual area calulated from the total site area of 15.5ha less building and cirulation areas
5 Rates per m2 for the buildings are from the Local Plan Cost Summary (copy attached) using the most appropriate rates per m2 include fees and contingencies
6 The reduction shown reflects the fact that the Local Plan Cost Summary considers each element in isolation and preliminaries will 'overlap' and also that there will be economies of scale arising from all elements being in a single construction operation for a single development.
7 Costs are current at November 2014
8 Costs exclude ground abnormals
9 Air dome: area has been assumed based on 33.5 x 96m2 area (say 3200m2) - six tennis courts - with allowance for foundations, interna sport facilities (no built structures, only surfaces etc.), drainage, power supplies, prelimianries and 6% profit for a main contractor