For: Purbeck District Council

Updated Viability Study to Support Purbeck District Council's Draft Local Plan and Revised Community Infrastructure Levy

Final Report

October 2018

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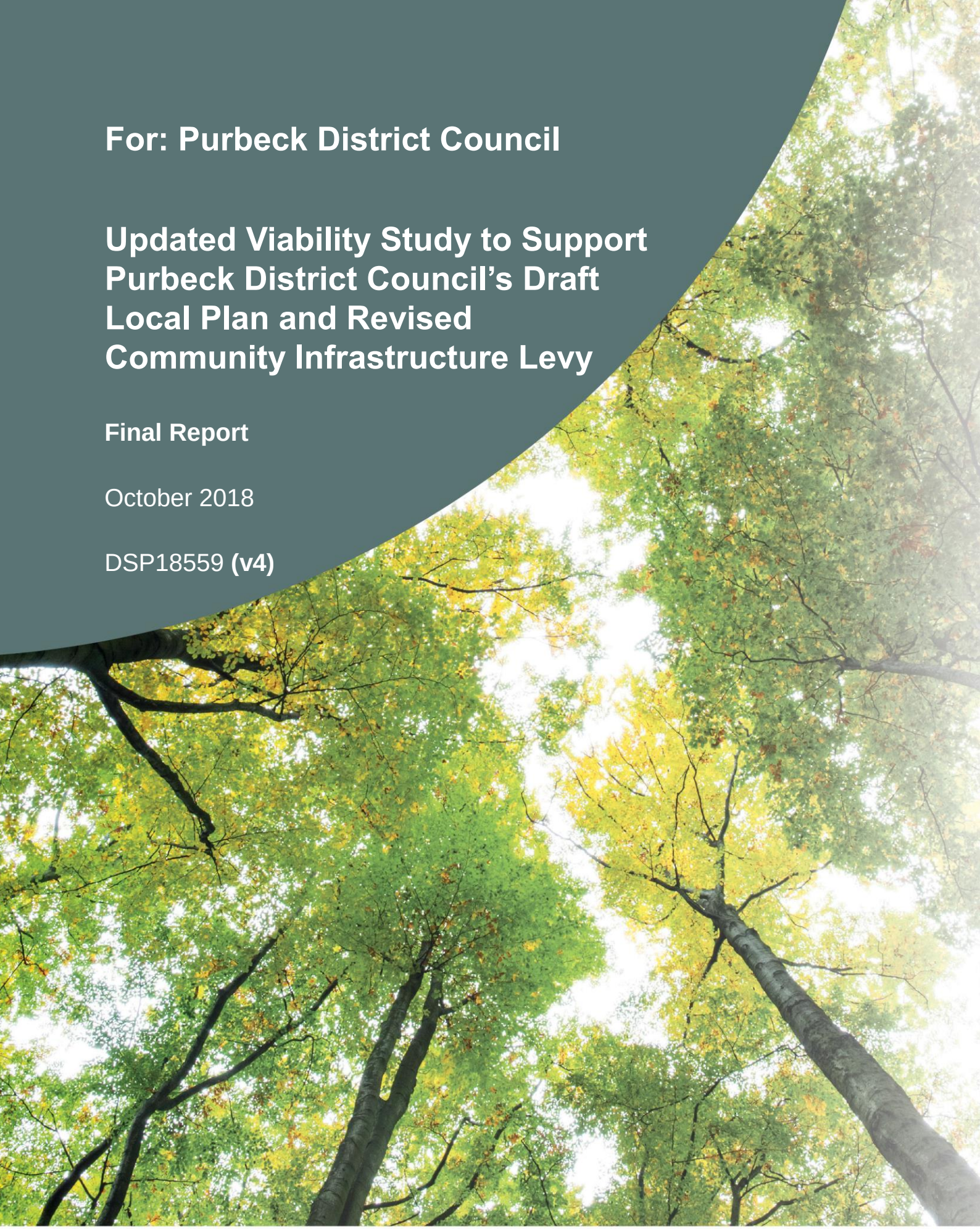

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DixonSearle Partnership

Final Report

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Executive Summary

1. The additional review undertaken for and findings of this updated viability assessment work builds on the 2016 (base work) and 2017 (Sensitivity Testing Addendum) studies undertaken by Dixon Searle Partnership (DSP) for Purbeck District Council.

2. Alongside the Council's wider building information, this has further informed and supports the Purbeck Local Plan (PLP) 2018-2034 Pre-Submission Draft. In accordance with the NPPF (National Planning Policy Framework) 2018, this is with a view to ensuring that the plan '*sets out the contributions expected from development'* and that: *'Such policies should not undermine the deliverability of the plan.'* (*NPPF para. 34*).

3. Along with the publication of the new NPPF, in July 2018 the national Planning Practice Guidance on Viability was also updated. The previously established principles and good practice were addressed through the earlier work, and consistent also with the new guidance, have continued to be reflected appropriately.

4. 'Viability' in this context continues to refer to the financial health of development, which is again viewed through considering the varying strength of the relationship between development values and costs – across a range of potential scheme types. This is looked at using the residual valuation approach that underpins all such assessments. The development costs (build costs, fees, finance, costs of sale etc.) and PLP policy costs as impact viability are considered together, to assess whether a sufficient level of land value as well as development profit can also be supported alongside those.

5. Overall, the updating and supplementing here, using representative development typologies and current stage review of the larger sites (allocations), finds that PDC is continuing to plan for a range of development and sites that can be expected to continue to have reasonable prospects of viability while supporting a mix of development contributions - including affordable housing (AH) and in support of infrastructure provision.

6. The work notes that, by and large, the policies, with some suggested adjustments, are capable of informing and supporting a suitable balance between the acknowledged

drivers of development (commercial side - i.e. land value and profit for risk reward), development quality and the residents' and wider community needs (through a re-set CIL charging schedule and continued use of s.106).

7. Adjustments and considerations that have been put forward for PDC's review, however, include the following suggestions (some headlines here – the report provides further information):

    i. Removal of the 50% AH policy layer, leaving a revised headline/ maximum AH% to be sought at 40% - on sites of 10 or more dwellings (on greenfield land).

    ii. A different approach – reduced proportion of AH - sought from developments on previously developed i.e. brownfield land (PDL) – at 30% AH, district wide.

    iii. Subject to PDC's decision on this component of policy, a "flat" approach also to continuing to seek AH from the smaller sites – by way of a 20% AH equivalent financial contribution (so suggested removal of the 30% AH policy layer that had been proposed beneath the 50% headline).

    iv. To consider and keep under review the potential cumulative impact and rigidity of expectations related to some other policy costs and obligations (for example, the relatively high envisaged level of education contributions) alongside the AH policies and bearing in mind, as part of this, the influence of habitats/environmental constraints in the district.

    v. Assumptions representative of the PDC CIL review proposals have been used. This confirms in our view that the Council is moving towards an appropriate approach and balance between infrastructure needs and viability in effectively re-setting its CIL Charging Schedule as proposed, and including nil (£0/sq. m) rates for the largest two of the allocated sites (i.e. at Moreton/Redbridge and Wool).

1. Introduction

1.1 Background to the Viability Update

1.1.1 Purbeck District Council (PDC) is undertaking a full local plan review and is currently in the process of producing the Purbeck Local Plan 2018-2034 Pre-Submission Draft version to enable the Council to submit the local plan for Examination with Hearings expected to take place in the summer of 2019.

1.1.2 Once adopted, the Purbeck Local Plan 2018-2034 (PLP) will supersede the policies currently contained in the Purbeck Local Plan Part 1 (PLP1) adopted in 2012 and then will, together with the Swanage Local Plan (and any made Neighbourhood Plans), comprise the Development Plan covering the Purbeck area. Adoption is anticipated to take place in late 2019.

1.1.3 Purbeck District Council adopted the Purbeck Local Plan Part 1 (PLP1) in November 2012. The plan provides for 2,520 dwellings (120 per annum) between 2006 and 2027. This number is being met through infill development and settlement extensions to Bere Regis, Lytchett Matravers, Swanage, Upton and Wareham. The PLP1 allocates settlement extensions at Lytchett Matravers, Upton and Wareham. Swanage Local Plan (2017-2027) allocates settlement extensions, as will the Bere Regis Neighbourhood Plan (Policy North-West from PLP1).

1.1.4 An objectively assessed need (OAN) update incorporating a less buoyant employment scenario in 2017 roughly agreed with the central government's draft Local Housing Need methodology, giving a requirement of 170 dwellings per year. The Eastern Dorset SHMA from June 2016 indicates a similar level of housing is required from 2016. It identifies the local housing need in the District at 168 homes per annum. This is equivalent to 2,688 homes over the plan period of 2018-2034.

1.1.5 In seeking to meet in full its OAN the Council is proposing the following spatial strategy within the local plan review:

a. Allocated sites:

Moreton Station / Redbridge Pit – 490 new homes

Wool – 470[1] new homes
Lytchett Matravers – 150 new homes
Upton – 90 new homes;

b. Neighbourhood plan sites at:
Wareham – 300 new homes
Bere Regis – 105 new homes;

c. safeguarding strategic employment sites and other identified employment sites;

d. towns and villages with small sites and windfall housing development of a scale proportionate to the size and character of the settlement.

1.1.6 PDC originally commissioned a viability study by Dixon Searle Partnership[2] in order to inform previous Regulation 18 local plan consultations on what was, at the time, a partial review of the 2012 adopted Purbeck Local Plan (PLP1) and a revised Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule (PDCS). This work was further supplemented in November 2017 by a viability addendum[3] providing further analysis of affordable housing options for the Council.

1.1.7 Since the publication of that evidence, the Council has decided to undertake a full review of the local plan. PDC also consulted on a revised PDCS in 2016.

1.1.8 In order to inform the Pre-Submission Draft PLP and revised CIL Draft Charging Schedule, the Council is seeking to update the previous viability study work through a hybrid of reviewing the previous work (in particular to ensure that the assumptions underpinning the viability work are robust) and adding further viability testing specifically related to the largest proposed sites (allocations) to be included within the emerging draft local plan. Given the timing of this update, this work reflects the Government's revised National Planning Policy Framework (NPPF) and Planning Practice Guidance on developer contributions and viability in plan making.

1.1.9 It is in the interests of the Council, local communities, developers and all other stakeholders to ensure that the proposed policies, sites and the scale of development

[1] Note: at the time of carrying out the development appraisals for this study, the Plan number was for 466 units and as such this is the figure modelled for the purposes of this report. The difference is minimal and in no way affects the conclusions of this study.

[2] DSP – Purbeck District Council - Partial Review of Purbeck Local Plan Part 1 and revised Community Infrastructure Levy Economic Viability Assessment (April 2016)

[3] DSP – Purbeck District Council – Viability Update & Sensitivity Testing Addendum (November 2017)

identified in the plan are viable - to ensure a sound plan through the examination process. In light of the above, the Council has therefore commissioned this viability assessment update which will assess policies in the draft PLP that have cost implications; provide a viability appraisal of the key sites included in the draft PLP and provide a report detailing the outcome of the appraisal modelling to ensure '*that the total cumulative cost of all relevant policies will not undermine deliverability of the plan'*[4].

1.1.10 This study alongside previous work undertaken by DSP on behalf of the Council (and work undertaken by others where applicable) form a suite of documents providing the viability evidence to support the emerging Development Plan of the Council.

1.1.11 This update assessment will form part of the evidence base to inform the Pre-submission Draft Purbeck Local Plan and CIL Draft Charging Schedule and will be published alongside the publication of the plan and PDCS.

1.2 Policy & Guidance (including changes to policy)

1.2.1 During the course of preparing this assessment a revised NPPF (July 2018) was published alongside updated Planning Practice Guidance (in particular in relation to viability both at plan making and decision taking stage of the planning process).

1.2.2 As we understand it, as the publication of the PLP will post-date the introduction of the new NPPF, the PLP will be examined against the criteria set out in the new NPPF 2018.

1.2.3 Previously the NPPF (2012) set out the overall approach to the preparation of Development Plans. It provided specific guidance on ensuring viability and deliverability. In particular, paragraphs 173-174 stated:

'*Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of*

[4] https://www.gov.uk/guidance/viability#viability-and-plan-making : Paragraph: 002 Reference ID: 10-002-20180724 Revision date: 24 07 2018

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 landowner and willing developer to enable the development to be deliverable.

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'.

1.2.4 Paragraph 34 of the new NPPF states: '*Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan'*[5]

1.2.5 The new Planning Practice Guidance (PPG) on viability reiterates the above and continues:

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types of site or types of development…Viability assessment should not compromise sustainable development but should be used to ensure that policies are

[5] MHCLG – National Planning Policy Framework (NPPF) – July 2018

realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan'.

1.2.6 In addition, relevant information is also contained in the publication 'Viability Testing Local Plans – Advice for Planning Practitioners' published in June 2012 by the Local Housing Delivery Group chaired by Sir John Harman (known as the 'Harman' report). It provides useful practical advice on viability in plan-making and sets out a five stepped approach as to how best to build viability and deliverability into the plan preparation process. It also offers guidance on how to assess the cumulative impact of policies within a Development Plan, requirements of SPDs and national policy.

1.2.7 The established approach to testing the viability of development plans at a strategic level by Dixon Searle Partnership (DSP) already takes into account much of the guidance provided through the new PPG on viability. It is our view that the approach taken to strategic level viability testing in this document in terms of its methodology remains robust and appropriate. There is, in our view, no fundamental change to the purpose of or the expectations and requirements of such an assessment. The methodology section below will draw out any particular areas that, under the updated PPG on viability, have been considered as part of this work – for example in reflecting latest context on the aspects of land value and development profit (replacing the NPPF 2012 former principles of a 'willing land owner' and 'willing developer') as well as development industry engagement in the process.

1.3 Aims & Outputs

1.3.1 DSP has been commissioned to provide further robust, fully evidenced viability overview information that will provide an independent assessment of the viability of the PDC PLP. It will help to ensure that the plan's vision and policies are realistic and provide high level assurance that the plan is viable – i.e. deliverable in development viability terms, when viewed overall.

1.3.2 The aim of this report is to provide an update on the viability evidence through sensitivity tests on selective typologies, using the national policy and guidance (NPPF/PPG) and revised proposed draft local plan policies to further inform and support the local plan review and further inform the review of the Community Infrastructure Levy; and site specific assessments for key sites.

1.3.3 In addition to the viability update on the policies contained within the PLP, there are a number of proposed site allocations identified in the PLP that will be brought forward partly or wholly within the lifetime of the new plan. It has been requested by the Council that high level viability testing (as appropriate at this stage of the process) be carried out aligned to these locations and scales of development in order to provide the Council with information on the potential deliverability of residential development at those sites (in a viability sense) and the potential level of affordable housing and other s106 that could be secured in each location. The potential locations and scales of development (scenarios) to be tested are set out in Appendix I and described in more detail within this report.

1.3.4 This update assesses the (financial) capacity of residential development schemes in the District to deliver proposed local and national policies without viability being unduly affected. This report is part of a series of reports commissioned by the Council to investigate the viability of emerging local plan policies. This further review uses the same principles as set out in the previous viability work for the Council and as such this report does not repeat the detail set out in those earlier reports. This report should therefore be read in the context of all those studies referenced.

1.3.5 It is important that the Council's policies do not deter development through unduly reducing the supply of land brought forward for residential development more widely. Any policy must balance delivery of affordable housing, planning obligations and other planning policies with maintaining sufficient incentive (reasonable land value levels) for landowners to release land – allowing developers to promote and bring forward schemes.

1.3.6 This viability update reviews the relative impact of changes in local and national policy, market conditions and development costs between the date of the original studies and the timing of this current update. This is carried out by running a series of development appraisals on a variety of development scenarios or site typologies that reflect the nature of development coming forward across the District. These scenarios reflect those tested within the earlier viability reports for the Council, with added sensitivities where necessary. This enables us to test the impact of changes in policy whilst also looking in more detail at the specific allocated sites.

1.3.7 This further work uses the same methodology and development assumptions as used for the previous viability work except where updated (more detail is provided in Chapter 2 below and at Appendix I).

2 Methodology & Updated Assumptions

2.1 Approach

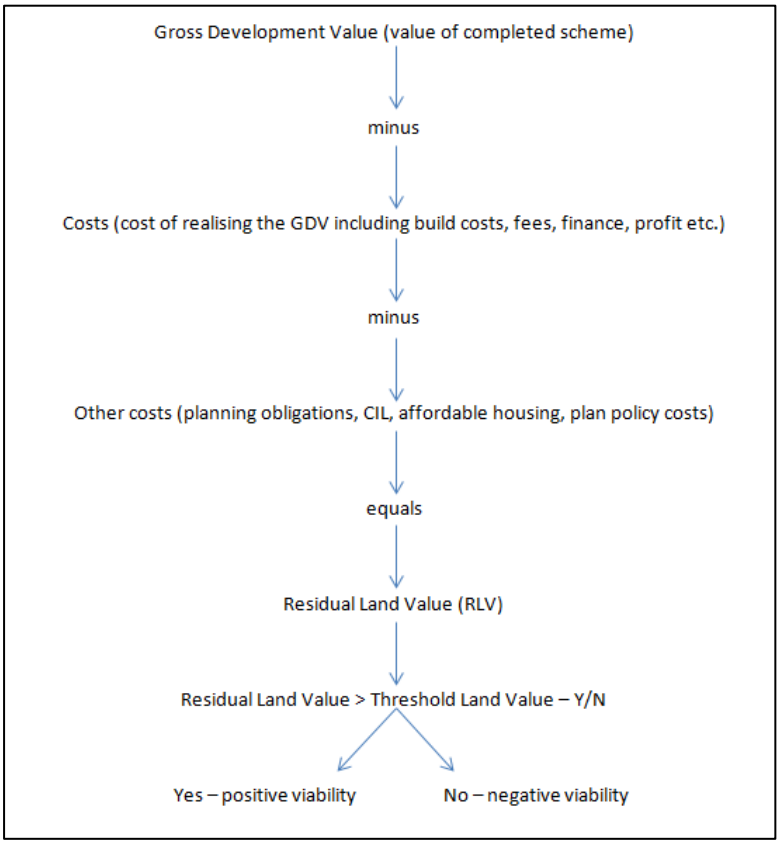
2.1.1 This assessment has been carried out in the context of the new NPPF (July 2018) and the updated PPG viability guidance. The NPPF is very high level in regard to viability directly, but retains the well-established principle on 'development contributions' that: *'Such policies should not undermine the deliverability of the plan.'* The PPG provides useful guidance on plan preparation in regard to viability and contributions. Although this guidance is new, DSP considers that its approach to and experience of LP and other strategic viability assessments remains appropriate – this project has been approached consistently with this new guidance, aided by checking and continually considering the detail and new developments / any other guidance or emerging decisions etc. as work has progressed.

2.1.2 This viability update applies the same principles, methodology and many of the same assumptions as used for the Council's earlier viability work. This further report therefore does not repeat the methodology and assumptions again here in full and this viability update should be read alongside and in the context of the previous evidence base as listed above.

2.1.3 Put simply, the residual land value (RLV) produced by the potential development under review is calculated by subtracting the costs of achieving that development from the revenue generated by the completed scheme (again, the GDV). The application of these principles is consistent with the approach that underpins the wider viability assessment work and with the established approach used in most similar viability studies as well as for more detailed site-specific assessments; an area of work that DSP is also engaged in on a daily basis.

2.1.4 The diagram below (Figure 1: Residual land Value) illustrates the principal by showing the basic relationship between the main appraisal areas (the strength of the relationship between development values and costs that is being explored in all such viability work):

Figure 1: Residual Land Value



2.1.5 In broad terms, the residual valuation approach involves assessing the value of the completed development (the revenue it will bring in - usually referred to as Gross Development Value – GDV) and deducting all costs (build costs, fees, surveys, finance, acquisition, marketing, policy specific costs etc.) that need to be expended to create that value along with a level of developer's profit (risk reward and often related to securing finance). The gross development value of a scheme is determined by the revenue generated by the completed residential units.

2.1.6 Having allowed for the costs of development (including, importantly, policy related costs), finance, land purchase costs and profit, the resulting figure shows what is potentially left over to pay for land - hence the term Residual Land Value (RLV).

2.1.7 In order to guide on a range of likely viability outcomes the assessment process also requires a benchmark against which to compare the resulting residual value. The RICS[6] and Harman[7] report differ on the approach to a Benchmark Land Value. Our latest

[6] RICS: Financial Viability in Planning (2012)
[7] Local Housing Delivery Group – "Viability Testing Local Plans" (June 2012)

work (both on strategic projects and DM stage viability) has for some time reflected the move towards a clearer "EUV plus" (existing use value) based approach (as discussed above) to the all-important consideration of land values – for the assessment 'benchmark land values'.

2.1.8 As noted above, this now fits with the new NPPF and PPG on viability with the NPPF no longer containing any reference to competitive returns to a willing land owner and willing developer. The emphasis has moved away from a market value approach that may have been used in the past. The latest PPG on viability makes it clear this benchmark land value (BLV) should be based on Existing Use Value and states:

'A benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus (EUV+)'.

2.1.9 The new NPPF and associated PPG on viability indicate that a balance will be required between the role of strategic level viability work such as this assessment and the application decision making stage (development management). The national requirements appear to be moving more towards a greater level of detail in strategic (local plan) assessments, leaving less to be explored / debated at DM stage. However it appears that there is still a significant recognition that planning application stage / site-specific viability reviews will unavoidably or at least realistically still play a key role.

2.1.10 The range of assumptions that go into the RLV appraisals process is set out in more detail in this chapter. Further information is also available at Appendices I and III. They reflect the local markets through research on local values, costs and types of provision with assumptions on site typologies, dwelling mixes, affordable housing tenure and proportion and other key assumptions provided by and agreed with PDC. The process is informed as far as practically possible by the review of appropriate and available evidence and making an overview from that. This approach reflects the expectations of the guidance.

2.1.11 The ability of a scheme to produce a residual land value in excess of some form of comparative land value (existing use value plus a premium to incentivise release of land for development depending on the circumstances) is a key factor in determining development viability. If insufficient value is created by a development proposal then land will not come forward for development, ultimately putting at risk the Council's housing targets (for both open market and affordable) if this becomes too regular an occurrence. The appraisals are formulated such that the results can be compared against benchmark land values (BLV). Where the result of an appraisal reaches a higher value than the BLV then we have a positive viability scenario. If all planning obligations and policy costs are already included within the appraisal then the surplus acts as an additional buffer. Where we are carrying out sensitivity testing on policy costs or CIL testing, the surplus indicates the maximum amount potentially available to meet those requirements.

2.2 Scheme Development Scenarios / Typologies

2.2.1 The development typologies to be sensitivity tested for this update were discussed and settled with PDC and are summarised below and shown again in Appendix I.

Figure 2: Site Typologies

Typology	Reason
5 houses PDL	To represent small infill, with equivalent AH contribution
5 houses greenfield	To represent small infill, with equivalent AH contribution
10 houses PDL	To represent infill at threshold of AH on-site
10 flats PDL	To represent infill at threshold of AH on-site
10 houses green field	To represent small sites, at threshold of AH on-site requirement
Rural exception site of 10 dwellings with 70% affordable	To inform Rural Exception Site mix
20 houses green field	To represent larger infill
25 flats former commercial	To represent larger infill
100 dwellings mixed, green field	To represent small settlement extension, with habitats regulations and on-site affordable housing requirements

2.2.2 The site typologies modelled as part of this assessment reflect a range of different types of development that are thought likely to be brought forward through the planning process across the District. This enables viability to be tested with reference to the potential housing supply characteristics based on experience of development to date.

2.2.3 Each of the above main scheme typologies was also tested over a range of value levels (VLs) representing varying residential values as seen currently across the District by scheme location / type whilst also allowing us to consider the impact on development viability of changing market conditions over time (i.e. as could be seen through falling or rising values dependent on market conditions) and by scale of development.

2.2.4 In addition to the above, high level testing of the Council's allocated sites has also been undertaken:

Figure 3: Site Allocations Tested

490 dwellings	Mixed (Moreton Station / Redbridge Pit)
466 dwellings	Mixed (Wool)*
90 dwellings	Mixed (Upton)
150 dwellings	Mixed (Lytchett Matravers)*

*made up of multiple sites

2.2.5 The scheme mixes are by their nature hypothetical – many other types and variations may be seen, including larger or smaller dwelling types in different combinations according to particular site characteristics.

2.2.6 The Affordable Housing numbers (content) assumed within each scheme scenario can be also be seen at Appendix I.

2.2.7 The dwelling sizes assumed for the purposes of this assessment are as follows (see figure 4 below):

Figure 4: Residential Unit Sizes

Dwelling type	Dwelling size assumption (sq. m)	
	Affordable	Private (market)
Studio Flat (SF)	n/a	39
1-bed flat	50	50
2-bed flat	70	70
2-bed house	79	79
3-bed house	93	100
4-bed house	112	130

2.2.8 As with many other assumptions there will be a variety of dwelling sizes coming forward in practice, varying by scheme and location. If dwelling space standards (aligned to the Nationally Described Space Standard) are to be introduced by a local authority, that can only happen where there is a proven need to do so and also on the basis that viability considerations are taken into account. We have, however, assumed unit sizes that relate to the nationally described space standard.

2.2.9 Since there is a relationship between dwelling size, value and build costs, it is the levels of those that are most important for the purposes of this study (i.e. expressed in £ sq. m terms), rather than the specific dwelling sizes to which those levels of costs and values are applied in each case. With this approach, the indicative 'Value Levels' ('VL's) used in the study can then be applied to varying (alternative) dwelling sizes, as can other assumptions. The approach to focus on values and costs per sq. m also fits with the way developers tend to assess, compare and price schemes. It provides a more relevant context for considering the potential viability scope.

2.2.10 The dwelling sizes indicated are expressed in terms of gross internal floor areas (GIAs) for houses; net internal areas for flats (for the latter we have assumed an 85% net:gross ratio). They are reasonably representative of the type of units coming forward within the scheme types likely to be seen most frequently providing on-site integrated affordable housing. All will vary, and from scheme to scheme. However, our research suggests that the values (£ sales values) applicable to larger house types would generally exceed those produced by our dwelling size assumptions but usually would be similarly priced in terms of the relevant analysis – i.e. looking at the range of £ per sq. m 'Value levels' basis. In summary on this point, it is always necessary to

consider the size of new build accommodation in looking at its price; rather than its price alone. We do not differentiate between the value per sq. m for flats and houses although in reality there tends to be an inverse relationship between the size of the property and it value when expressed in terms of a rate per unit area. The range of prices expressed in £s per square metre is therefore the key measure used in considering the research, working up the range of value levels for testing, and in reviewing the results.

2.3 Gross Development Value (Scheme Value)

Market housing (sale) values

2.3.1 Comprehensive property data reporting and analysis are contained within Appendix III to this document and so will not be repeated in detail here.

2.3.2 The original 2016 DSP Local Plan Stage 1 viability study identified a range of typical residential market values in the Purbeck District, covering the range Value Levels (1-11) from £2,450/m2 to £4,950/m2 at £250/m2 intervals. In running this current viability update study, we have carried out an extensive review of a number of information sources that, in summary, indicate property prices have increased over the intervening period since 2016, notably at the mid-upper values range. As a starting point, the Land Registry House Price Index (HPI) indicates that overall, house prices have risen by approximately 13% in the Purbeck District.

2.3.3 Rather than simply applying the above HPI percentage increase directly to the 2016 values range, and also to provide a robust picture of value patterns in the District, we carried out further research and analysis into both sold prices and asking prices for new build and re-sale property. To effectively collect and analyse this data, keeping consistency with previous studies in mind, we adopted the same framework for reviewing property values as per the 2016 study. On this basis, the data was initially collected by settlement and then aggregated into the existing sub-market areas and zones (6 no. total) that make up the existing CIL Charging Schedule. This enabled us to consider the complete picture, whilst also providing the capability for further analysis if needed.

2.3.4 Overall, the research indicated that values varied depending on whether in the North or Southern areas of the District, as expected. Essentially since 2016, values at the lower end of the range (VLs1-3) have remained fairly static and values in the mid-range

have increased by approximately one value level and are now also grouped more closely, whereas the upper-end values have increased by the equivalent of approximately 3 value levels. For the purposes of this review, we have adopted a values range of £2,500/m2 to £5,900/m2 which broadly corresponds with the uplift in house prices as reported by the Land Registry HPI. Within that range, we have identified typical new build values to broadly represent VLs4-7 at £3,600/m2 to £4,500/m2. Appendix I illustrates fully this values range and the relationship between the VLs and geographical sub-market areas of the District.

Affordable Housing

2.3.5 Importantly, in addition to the market housing, the development appraisals also assume a requirement for Affordable Housing (AH). This study seeks to test the viability of the potential affordable housing as now set out within the pre-submission PLP.

2.3.6 Following discussions with officers, for the affordable housing we have been asked to re-test a range of affordable housing proportions across the development typologies appraised as part of this update. We have therefore tested 20% - 50% affordable housing. We have also assumed that as part of the affordable housing offer on each site, that approximately 65% is affordable rented tenure, 10% is social rented tenure and 25% is affordable home ownership, (specifically shared ownership in this case) – again as requested by the Council.

2.3.7 In reality tenure will normally be decided based on an up to date needs assessment, ensuring that properties meet local needs at the time of the application. In practice many tenure mix variations could be possible as well as many differing rent levels derived from the affordable rented (AR) or social rented tenure approach as affected by local markets and by affordability. The same applies to the affordable home ownership (currently assumed as shared ownership) affordable housing element in that the setting of the initial purchase share percentage, the rental level charged on the Registered Provider's (RP's - i.e. Housing Association or similar) or other affordable housing provider's retained equity, and the interaction of these two would usually be scheme specific considerations. Other forms of affordable home ownership may also be considered including discounted market sale products but in our view these would be no less viable than the shared ownership model used here.

2.3.8 For the on-site affordable housing, the revenue that is assumed to be received by a developer is based only on the capitalised value of the net rental stream (social and

affordable rent) or capitalised net rental stream and capital value of retained equity (in the case of shared ownership tenure). Currently Homes England (formerly the Homes and Communities Agency - HCA) expects affordable rented and shared ownership housing of either tenure on s.106 sites to be delivered with nil grant or equivalent subsidy input. At the very least this should be the starting assumption pending any review of viability and later funding support for specific scenarios / programmes. We have therefore made no allowance for grant or other public subsidy / equivalent. This does not rule out the possibility that, working with Homes England or other agencies, or through using secured financial contributions / any available Council funding, additional monies over and above the required developers' subsidy might be drawn in to support AH provision, its tenure mix and affordability.

2.3.9 The value of the affordable housing (level of revenue received for it by the developer) is variable by its very nature. This may be described as the 'payment to developer', 'RP payment price', 'transfer payment' or similar. The revenue assumptions used for this assessment were based on information provided by a mixture of PDC supplied information and our own assumptions which were in turn based on discussions with Registered Providers active locally and our own experience. Appendix I provides the detail.

2.3.10 For sites of fewer than 10 dwellings affordable housing is sought via a financial contribution equivalent to 20% on-site provision and the modelling undertaken for this update utilised the Council's methodology.

2.3.11 In practice, as above, the affordable housing revenues generated would be dependent on property size and other factors including the provider's (e.g. RP's) own development strategies, and therefore could well vary significantly from case to case when looking at site specifics. The RP may have access to other sources of funding, such as related to its own business plan, external funding resources, cross-subsidy from sales / other tenure forms, recycled capital grant from stair-casing receipts, for example, but such additional funding cannot be regarded as the norm for the purposes of setting viability study assumptions – it is highly scheme dependent and variable and so has not been factored in here.

2.4 Development Costs – General

2.4.1 Total development costs can vary significantly from one site or scheme to another. For these strategic overview purposes, however, assumptions have to be fixed to enable the comparison of results and outcomes in a way which is not unduly affected by how variable site-specific cases can be. As with the scheme scenario building, an overview of the various available data sources is required.

2.4.2 Each area of the development cost assumptions is informed by data from sources such as the RICS Building Cost Information Service (BCIS), any locally available soundings and scheme examples, professional experience and other research.

2.4.3 For this overview, we have not allowed for abnormal costs that may be associated with particular sites (except where known in relation to the specific site allocation appraisals) - these are highly specific and can distort comparisons at this level of review. Contingency allowances have however been made for all appraisals. This is another factor that should be kept in mind in reviewing development viability more widely and ensuring that any review of CIL is not set to the 'limits' of viability. In some circumstances and over time, overall costs could rise from current / assumed levels. The interaction between values and costs is important and whilst any costs rise may be accompanied by increased values from assumed levels, this cannot be relied upon.

2.5 Development Costs – Build Costs

2.5.1 As with sales values, over the same period, build costs have also increased across the area (between the date of the 2016 study and this update). Again, Appendices I and III provide the detail but in summary the RICS Building Cost Information Service data (BCIS) indicates that build costs have increased by approximately 18% on average.

2.5.2 The base build cost levels shown below are taken from the BCIS. In each case the figure has been rebased using the appropriate location factor for Purbeck (an adjustment of the base figure indexed specifically for the District). Costs assumed for each development type are provided in Appendix I. Figure 5 below summarises these:

Figure 5: Build Cost Data (BCIS Median, location factor relevant at time of research)

Build Costs	Rate/m²	Notes
Build Costs Mixed Developments - generally (£/sq. m)[1]	£1,210	
Build Costs Estate Housing - generally (£/sq. m)[2]	£1,349	1 - 10 units only. Increased by 14% based on FSB report[8].
Build Costs Estate Housing - generally (£/sq. m)[1]	£1,183	>11 units
Build Costs Estate Housing - generally (£/sq. m)[1] - single storey (Bungalows)	£1,492	1 - 10 units only. Increased by 14% based on FSB report.
Build Costs Estate Housing - generally (£/sq. m)[1] - single storey (Bungalows)	£1,309	>11 units
Build Costs Flats - generally (£/sq. m)[2]	£1,312	1 - 10 units only. Reduced by - 5% based on FSB report.
Build Costs Flats - generally (£/sq. m)[1]	£1,378	>11 units

*excludes external works and contingencies (these are added to the above base build costs)

2.5.3 The above build cost levels do not include external works / site costs, contingencies or professional fees (added separately). An allowance for plot externals has been allowed for at 10 – 15% of the base build cost (varying between flats and houses) with a further £300,000/ha allowance for site wide works. These are based on a range of information sources and cost models and generally pitched at a level above standard levels in order to ensure sufficient allowance for the potentially variable nature of site works. Different assumptions have been used in relation to the site allocations as discussed later in this report.

2.5.4 For this broad test of viability, it is not possible to test all potential variations to additional costs. There will always be a range of data and opinions on, and methods of describing, build costs. In our view, we have made reasonable assumptions which lie within the range of figures we generally see for typical new build schemes (rather than high specification or particularly complex schemes which might require particular construction techniques or materials). As with many aspects there is no single appropriate figure in reality, so judgements on these assumptions (as with others) are necessary - in practice this will be highly site specific. In the same way that we have mentioned the potential to see increased costs in some cases, it is just as likely that we could also see cases where base costs, externals costs or other elements will be lower than those assumed. Once again, in accordance with considering balance and the

[8] BCIS report for the Federation of Small Businesses - Housing development: the economics of small sites - the effect of project size on the cost of housing construction (August 2015)

prospect of scheme specifics varying in practice, we aim to pitch assumptions which are appropriate and realistic through not looking as favourably as possible (for viability) at all assumptions areas.

2.5.5 An allowance of 5% of build cost has also been added in all cases, to cover contingencies (i.e. unforeseen variations in build costs compared with appraisal or initial stage estimates). This is a relatively standard assumption in our recent experience. We have seen variations, again, either side of this level in practice. In this context it is important to bear in mind that the base build cost levels may vary over time.

2.5.6 At the time of reporting the latest available BCIS briefing (September 2018) stated on build cost trends:

- *Over the next five years (to 2Q 2023) tender prices are expected to rise 22%. They are forecast to rise just under 2% in the first year and between 4% and 5% in the next two years, before rising to around 6% in the last two years.*

- *Building costs are forecast to rise by 20% over the forecast period, by 4% over the first year of the forecast period, by 3% over the following year, then rising by 4% in the year to 2nd quarter 2021, 5% in the year to 2nd quarter 2022, and 4% in the final year of the forecast period.*

- *Over the forecast period, construction materials prices are expected to rise by between 3% and 4% per annum.*

- *Average wage awards are expected to be agreed at around 3% over the first two years, and then 5% per annum over the final three years of the forecast period.*

- *The lack of clarity over the Brexit negotiations continues to cause great uncertainty in both the construction industry and the wider economy. This uncertainty is expected to affect the private commercial sector in particular, as has been seen in the retail sub-sector by several high street names either reducing their portfolio significantly or disappearing completely. New office construction is also expected to suffer from the uncertainty.*

- *Output in the private commercial sector is already falling, and is expected to continue to fall over the next two years. However, increases in other sectors mean that total new work output will fall by just 1% in 2018. Over the following year, new work output is expected to recover modestly, with stronger growth in 2020. New work output is forecast to grow more sharply in 2021 and 2022. Over the five years 2018 to 2022, new work output is expected to rise nearly 12%*

Scenarios

- *There is still a great deal of uncertainty over the terms that will be agreed when the UK leaves the European Union.*

- *While almost any outcome is still possible, we will continue to produce forecasts based on three scenarios; these reflect the different outcomes from the exit negotiations from the EU and are equally likely. The uncertainty of the results of the Brexit negotiations will undoubtedly lead to BCIS revising its assumptions again as more is known.*

- *In all scenarios, it is assumed that there will be no change of UK government over the forecast period, and that there is political stability in the rest of the world. A gradual rise in interest rates puts pressure on consumer spending. The scenarios are outlined in Appendix A.*

- *Although a 'no deal' is currently being discussed as an option, this may encompass a raft of specific deals and has therefore increased the range of possible outcomes. A specific forecast for this option has not been carried out. However, the likelihood is that a 'no deal' would tend towards our Downside scenario*[9].

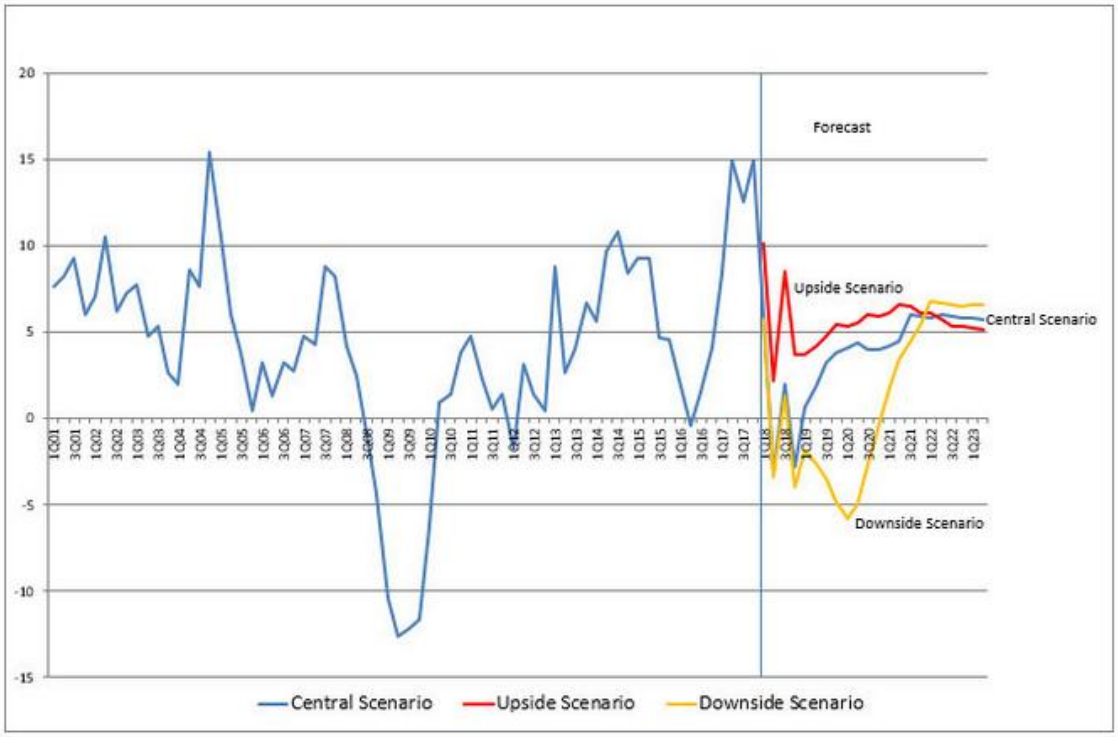
[9] BCIS Quarterly Briefing - Five Year Forecast of Building Costs and Tender Prices (September 2018)

BCIS All-in TPI – Annual Percentage Change

Summary of scenarios

	Percentage change				
	2Q18 to 2Q19	2Q19 to 2Q20	2Q20 to 2Q21	2Q21 to 2Q22	2Q22 to 2Q23
'Central' scenario					
TPI	+1.9	+4.4	+4.5	+6.0	+5.7
GBCI	+3.5	+3.3	+3.5	+4.7	+4.2
New work output*	-0.5	+0.8	+2.1	+4.4	+4.5
'Upside' scenario					
TPI	+4.2	+5.5	+6.6	+5.7	+5.1
GBCI	+3.4	+3.1	+3.2	+3.7	+3.3
New work output*	+1.4	+6.7	+6.5	+5.5	+5.3
'Downside' scenario					
TPI	-2.6	-4.9	+3.4	+6.7	+6.6
GBCI	+3.8	+4.7	+5.1	+5.1	+5.1
New work output*	-2.8	-9.0	-4.0	+8.3	+8.5

*Year on year (2Q18 to 2Q19 = 2017 to 2018), constant prices 2016



Source: BCIS

2.5.7 Therefore, at the point of reporting we cannot be sure how the European scenario or other external influences will play out either short or longer term on the economics potentially affecting development viability. It is still too early to tell. The influences on the property market from a values and rates of sales point of view seems likely to be at least as great as that on construction and build costs. At the current time, in general, the overall reasonably positive housing market conditions were seen to continue

through into the early part of 2018 albeit seemingly now, based on very latest indications, with flattening prices or reduced growth; and in some instances, with lower prices meaning a relatively neutral picture on house price movement at present.

2.6 Key Policies Costs (Impact on Viability)

Energy & Water

2.6.1 The previous government's reform of the planning system placed significant limitations on the ability of planning authorities to set locally-specific standard and policy requirements. Following consultation on the Housing Standards Review (August 2013), on 27th March 2015 in a written Ministerial Statement (WMS) the Government formally announced a new approach to the setting of technical housing standards in England. This was accompanied by a new set of streamlined standards. At the time the DCLG statement said:

'From the date the Deregulation Bill 2015 is given Royal Assent, local planning authorities and qualifying bodies preparing neighbourhood plans should not set in their emerging Local Plans, neighbourhood plans, or supplementary planning documents, any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings. This includes any policy requiring any level of the Code for Sustainable Homes to be achieved by new development; the government has now withdrawn the code… For the specific issue of energy performance, local planning authorities will continue to be able to set and apply policies in their Local Plans which require compliance with energy performance standards that exceed the energy requirements of Building Regulations until commencement of amendments to the Planning and Energy Act 2008 in the Deregulation Bill 2015. This is expected to happen alongside the introduction of zero carbon homes policy in late 2016. The government has stated that, from then, the energy performance requirements in Building Regulations will be set at a level equivalent to the (outgoing) Code for Sustainable Homes Level 4. Until the amendment is commenced, we would expect local planning authorities to take this statement of the government's intention into account in applying existing policies and not set conditions with requirements above a Code level 4 equivalent'.

2.6.2 As a result of the Housing Standards Review, local authorities will need to ensure that any specific policy with regard to water consumption is set at no more than 110

litres/person/day. As Purbeck is not part of a water stress area there is no evidence that would justify optional technical standards in respect of water efficiency as such no allowance has been made.

2.6.3 The same allowance as used in previous studies for the Council for sustainable design and construction measures, equivalent to meeting the previous Code for Sustainable Homes Level 4 energy requirements, has been included again for this update. Appendix I provides the detail.

Nationally Described Space Standard

2.6.4 The Government's Technical Housing Standards have introduced national space standards for housing which can be used in a Local plan policy if there is sufficient evidence of need and viability.

2.6.5 Dwelling sizes assumed compliant with the national space standards have been included in the modelling for this viability assessment as a standard assumption throughout although we note that the Council does not intend at this stage to implement such measures.

Access to and use of Buildings

2.6.6 The Government's Housing Standards Review has also resulted in changes being made with reference to Lifetime Homes and the Wheelchair Housing Design Standard. Accessibility is now incorporated into Part M of Building Regulations, applied by Local Planning Authorities as conditions and checked for implementation through the Building Control process.

2.6.7 The 2015 edition of Approved Document M – Access to and use of buildings: Volume 1 – Dwellings introduces three categories of dwellings (see table below):

Category 1	Visitable dwellings	M4(1)	This is mandatory for all new dwellings and is not optional. This means that reasonable provision should be made for people to gain access to and use the dwelling and its facilities. This should include most people, including wheelchair users.
Category 2	Accessible and adaptable dwellings	M4(2)	This optional standard is broadly equivalent to Lifetime Homes standards. This requires that provision is made within new dwellings to meet the needs of occupants with differing needs including some older and disabled people and allowance made for the adaptation of the dwelling to meet changing needs of occupants over time. This means that features are provided to enable common adaptations to be carried out in the future to increase the accessibility and functionality of the building.
Category 3	Wheelchair user dwellings	M4(3)	An optional standard with two sub-categories: M4(3)(2)(a): wheelchair adaptable: a dwelling constructed with the potential to be adapted for occupation by a wheelchair user e.g. providing space for the future installation of a lift; or M4(3)(2)(b): wheelchair accessible: a dwelling constructed to be suitable for immediate occupation by a wheelchair user e.g. by installing a lift.

2.6.8 Again, as with the use of the water efficiency and residential space standards, there needs to be evidence of both need and viability.

2.6.9 The Council's draft PLP states that 10% of the new homes proposed must meet the Building Regulation optional requirement M4(2): 'Category 2 - accessible and adaptable dwellings'. We have therefore made allowances for this within our viability modelling.

2.6.10 We set out below the likely additional costs for including policies that meet the optional Category 2 requirements of Part M4 of the Building Regulations.

2.6.11 As part of the Government's Housing Standards Review consultation, cost analysis was produced by EC Harris (and subsequently updated) relating to areas that included access. Within the 2014 update to that review document, approximate costs of complying with the optional Category 2 requirements of Part M4 were included. This indicates various costs for different types of dwelling and on different forms of development. For the purposes of this report, the average extra over access cost per dwelling is approximately £2,447 for houses and £1,646 for flats for meeting Part M4 (2) standards. This is based on an average extra over access cost per dwelling (£682/dwelling) alongside the average access related space cost per dwelling but without allowing for cost recovery (£1,444/ dwelling).

Custom & Self-Build

2.6.12 From DSP's experience of considering custom / self-build to date (albeit limited to early stages exploratory work on viability) we consider that the provision of plots for custom-build has the potential to be a sufficiently profitable activity so as not to prove a significant drag on overall site viability. Broadly, from review work undertaken so far, we would expect it to be at least neutral in viability terms, with the exact outcomes dependent on site-specific details, as with other aspects of the development process.

2.7 Development Costs – Fees, Finance & Profit

2.7.1 The following costs have been assumed for the purposes of this study alongside those noted above and vary slightly depending on the scale and type of development. Other key development cost allowances for residential scenarios are as follows - *for the purposes of this assessment only* (Note: Appendix I also provides a summary):

Professional fees:	*Total of 10% of build cost*
Site Acquisition Fees:	*1.5% agent's fees* *0.75% legal fees* *Standard rate (HMRC scale) for Stamp Duty Land Tax (SDLT)*
Finance:	6.5% p.a. interest rate *(assumes scheme is debt funded)*

Marketing costs:	*3.0% sales and marketing fees* *£750 per unit legal fees*
Developer Profit:	*Open Market Housing – 20% GDV* *Affordable Housing – 6% of GDV (Affordable Housing revenue).*

2.8 Build Period

2.8.1 The build period assumed for each development scenario has been based on BCIS data (using its Construction Duration Calculator by entering the specific scheme types modelled in this study) alongside professional experience and informed by examples where available. The build periods are for the build only; lead-in and extended sales periods have also been allowed for on a variable basis according to scheme type and size, having the effect of increasing the periods over which finance costs are applied. Appendix I provides the detail.

2.9 Community Infrastructure Levy & Other Planning Obligations

Community Infrastructure Levy

2.9.1 Recommendations were previously made to the Council regarding revisions to the Community Infrastructure Levy and based upon those recommendations the Council consulted on a Preliminary Draft Charging Schedule in 2016 with the following CIL rates:

Development	Class	Charge
Convenience based supermarkets[3] and superstores and retail warehousing[4] (net retail selling space of over 280 sq metres)	A1	£100
Research & Development	B1 (b)	Nil
Offices	B1(a)	Nil
Light Industrial	B1 (c)	Nil
General Industrial	B2	Nil
Storage & Distribution	B8	Nil
Hotels and guesthouses	C1	Nil
Residential Institutions & Care Homes	C2	Nil
Non strategic residential Swanage & the Coast (<200)	C3/4	£180
Non-strategic residential Wareham & Purbeck Rural Fringe (<200)	C3/4	£100
Non-strategic residential Purbeck Rural Centre and Upton (<200)	C3/4	£50
Strategic residential Swanage & the Coast (200+)	C3/4	£30
Strategic residential Wareham & Purbeck Rural Fringe (200+)	C3/4	£20
Strategic residential Purbeck Rural Centre and Upton (200+)	C3/4	£10
Non Residential Institutions	D1	Nil
Assembly & Leisure	D2	Nil

2.9.2 The rates set out above were used within the modelling for this update and where necessary adjustments recommended.

S106

2.9.3 In addition to CIL and as set out in draft policy I1 of the PLP, an allowance of £6,161 has been made for education contributions towards the capital costs of servicing an increasing pupil population. This is applied to properties of 2 or more bed spaces and is assumed to be secured via a s106 agreement. A sensitivity test has also been run applying £9,000 per dwelling education contribution; again, as requested by the Council.

2.9.4 Further contingency allowances have also been made (£3,000 per dwelling; all dwellings) for other s106 / s278 related costs on the 1-100 unit site typologies (non-site allocations).

Habitats Regulations – SANGS / Nitrogen Neutrality

2.9.5 All small sites are expected to contribute to Habitats Regulations impact mitigation via CIL and as such no additional allowance has been made in the 1-100 site typology appraisals.

2.9.6 For the site allocations the Council requires that those sites deliver an appropriately designed suitable alternative natural green space (SANG) to avoid / mitigate the adverse effects of from the new homes on European sites (in accordance with The Dorset Heathlands Planning Framework 2015-2020 Supplementary Planning Document, 2016) and provide details for phased implementation of development / access to the SANG to demonstrate that adverse effects can be avoided / mitigated.

2.9.7 For the purposes of this update testing we have made high level assumptions on the SANGS based on information provided by the developer of one of the site allocations in the District and pro-rated those figures for other sites. By their nature, provision of SANG for each of the site allocations will vary with no one size fits all approach but this is considered appropriate for this stage of viability testing.

2.9.8 Draft Policy E9 of the PLP states that '*Development proposals for any net increase in homes, tourist accommodation or a tourist attraction, will provide mitigation in accordance with the advice set out in The Nitrogen Reduction in Poole Harbour SPD, if the sewerage drains into the Poole Harbour catchment'.* For the purposes of this study an allowance of just over £600 per dwelling has been included for the site allocations. This is based on feedback from developer consultation and then pro-rated across each of the site allocation sites.

Electric Vehicle Charging Points

2.9.9 Policy I2 of the draft PLP requires, where appropriate, provision for electric vehicle charging points. For the purposes of this assessment we have made a contingency allowance of £500 per dwelling but recognising that various solutions may exist to meet the policy requirements; the allowance is considered appropriate based on our experience.

2.10 Site Allocations

2.10.1 As part of this viability update, DSP were asked to also consider the viability, at a high level, of sites allocated in the plan coming forward across the life of the emerging PLP as part of informing the Council's thinking on infrastructure provision.

2.10.2 Appraisals were carried out representing site allocations set out in draft policies H4 – H7. The site details are set out in the Council's pre-submission PLP but in summary include:

- Moreton Station / Redbridge Pit – 490 new homes (Policy H4)
- Wool – 470 new homes (Policy H5)
- Lytchett Matravers – 150 new homes (Policy H6)
- Upton – 90 new homes (Policy H7)

2.10.3 At this stage, and as agreed with the Council, the specific inputs for each scenario appraisal are based on a mixture of information provided by the development industry following feedback received to a site promoters / developers survey issued by DSP and; high-level assumptions reflecting published information and our experience of viability work on similar sites in a range of other locations – both for strategic level assessment and site-specific viability review / s.106 negotiation purposes.

2.10.4 Essentially any residual appraisal requires certain elements of the inputs (assumptions) to be fixed so that the result (residual) becomes the output, and changes to that can be reviewed as adjustments to a key variable are made. In this case we have run the site allocation appraisals on a residual land value model in much the same way as the smaller sites so that the residual land value becomes the result of the appraisal process. As with the smaller site typologies, this figure can then be compared to a benchmark land value (BLV) – i.e. existing use value plus a premium.

2.10.5 Alongside base build costs, we have also made an allowance for site enabling costs / infrastructure at £23,000 per unit; based on the upper end of the range £17,000 and £23,000 indicated as typical per plot strategic infrastructure costs within the Harman Report[10] which states "*Cost indices rarely provide data on the costs associated with providing serviced housing parcels, i.e. strategic infrastructure costs which are typically in the order of £17,000 - £23,000 per plot for larger scale schemes*". For the purposes

[10] Local Housing Delivery Group – "Viability Testing Local Plans" (June 2012)

of this study we have assumed site infrastructure to include site costs necessary to provide *'serviced plots for building construction from unoccupied, secured, and uncontaminated site'*[11]. Effectively the costs are related to all other physical works that are needed to ready a site for development so that in combination with the assumptions on BCIS based housebuilding costs (i.e. covering works within the serviced parcels) sufficient overall cost has been allowed to build the housing development. In each case we have also included estimated s106 costs as known at the point of running the appraisal process.

2.10.6 For each site allocation we have looked at multiple scenarios that include varying values (base and then percentage steps up and down in combination with changes to build costs) based on a combination of our own research and that provided as part of the consultation exercise (see Appendix III). We have also run scenarios that both include and exclude CIL and include and exclude care home provision.

2.10.7 We have assumed delivery rates based on our experience of dealing with large scale developments on a site specific basis across the country. In very general terms a faster rate of delivery is likely to have a positive impact on viability as the overall finance costs should reduce with reduced development period. However, with a delivery rate that is too high there is a risk that the delivery starts to impact on sales values as units flood the market.

2.10.8 For both the enabling infrastructure we have assumed for the purposes of this study that those will be spread across the first few months of development period. S106 and CIL costs are assumed to be required at the beginning of the development period. Details of when costs occur and payments are required can only really be known once a scheme is developed in detail so this reflects a logical approach in our opinion. The land payments are made at the beginning of development (residual appraisal). Again in reality, payment profiles will vary and be subject to individual delivery details – phasing and negotiation between interested parties.

2.11 Indicative land value comparisons and related discussion

2.11.1 Land value in any given situation should reflect the specifics on existing use, planning potential and status / risk, development potential (usually subject to planning) and constraints, site conditions and necessary works, costs and obligations. It follows that

[11] Homes & Communities Agency – Development Appraisal Tool (v4)

the planning policies and obligations, including any site specific s106 requirements, will also have a bearing on land value, as has been recognised by local plan and CIL Examiners as well as Planning Inspectors.

2.11.2 As discussed previously, in order to consider the likely viability of any development scheme relevant to the emerging PLP and its policies, the outturn results of the development appraisals (the RLVs viewed in £/ha terms) need to be somehow measured against a comparative level of land value. This is a key part of the context for reviewing the strength of the results as those change across the range of assumptions on sales values (GDVs) and crucially including the effect of affordable housing policy targets (%s).

2.11.3 This comparison process is, as with much of strategic level viability assessment, not an exact science. It involves judgements and the well-established acknowledgements that, as with other appraisal aspects, values associated with land will, in practice, vary from scheme to scheme. The levels of land values selected for this comparison context are often known as 'benchmark' land values. They are not fixed in terms of creating definite cut-offs or steps in viability but, in our experience, they serve well by adding a filter to the results to enable the review of those. They help to highlight the changing strength of relationship between the values (GDVs) and development costs as the appraisal inputs (assumptions) change, with the relevant assumptions (variables) in this case being the GDV level (value level – VL), affordable housing proportion and, to a lesser degree, the extent of other policy related costs and s.106 level included for scheme specific mitigation in addition to the CIL rate tested in each case.

2.11.4 Our practice is to compare the wide range of appraisal RLV results with a variety of potential existing use values (EUV) in this way. This allows us to consider a wide range of potential scenarios and outcomes and the viability trends across those.

2.11.5 The scale of the difference between the RLV and EUV (i.e. surplus after all costs (including policy costs), profit and likely land value expectations have been met) in any particular example, and as that changes between scenarios, allows us to judge the potential scope across the various development circumstances to meet other policy costs / requirements. It follows that, in the event of little or no surplus or a negative outcome (deficit), we can see a poor viability relationship and vice versa.

2.11.6 The land value comparison levels are not fixed or even guides for use on scheme specifics; they are purely for this assessment purpose. In our experience, sites will obviously come forward based on very site-specific circumstances, including in some cases beneath the levels assumed for this purpose.

2.11.7 As discussed above, the PPG on viability is very clear that benchmark land values should be based on the principle of existing use value plus a premium to incentivise the release of a site for development (EUV+).

2.11.8 The PPG states the following:

'To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+)…

Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
- *be informed by market evidence including current uses, costs and values wherever possible. Where recent market evidence is used to inform assessment of benchmark land value this evidence should be based on developments which are compliant with policies, including for affordable housing. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy

requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence…

The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment [sic] *the landowner premium should include market evidence and can include benchmark land values from other viability assessments. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).'*

2.11.9 In order to inform the BLVs for use here, we have reviewed existing evidence, previous viability studies, site-specific viability assessments and in particular have had regard to

published Government sources on land values for policy application [12] . The Government data provides industrial, office, residential and agricultural land value estimates for the local sub-region. This includes data for Purbeck in relation to residential land estimates and Dorset (Bournemouth and Poole), West of England (Bristol and Bath) and Heart of the South West (Exeter and Plymouth) for industrial land, office land and agricultural land. Not all areas are covered and obviously areas such as Purbeck may well have varying characteristics particularly in relation to industrial / office land than those wider areas. Therefore where data is insufficient we have made use of our own experience and judgement in order to utilise a 'best fit' from the available data. The benchmarks indicated within the appendices are therefore informed by this data and other source as described above. Further information is shown in Appendix III.

2.11.10 The residential land value estimates in particular require adjustment for the purposes of strategic viability testing due to the fact that a different assumptions basis is used in our study compared to the truncated valuation model used for the residential land value estimate. This (and other) viability assessments, assume all development costs are accounted for as inputs to the RLV appraisal, rather than those being reflected within a much higher, "serviced" i.e. "ready to develop" level of land value. The MHCLG truncated valuation model provides a much higher level of land value as it assumes all land and planning related costs are discharged, assumes that there is a nil affordable housing requirement (whereas in practice the affordable housing requirement can impact land value by around 50% on a 0.5 ha site with 40% AH) with no CIL or other planning obligations allowance. That level of land value would also assume that full planning consent is in place, whereas the risk associated with obtaining planning consent can equate to as much as a 75% deduction when adjusting a consented site value to an unconsented land value starting point. Lower quartile build costs and a 17% developer's profit (compared to the assumed median build costs and 20% developer's profit used in this study) are additional assumptions that lead to a view of land value well above that used for comparison (benchmark purposes) in viability assessments such as this. So, the assessment approach (as relates to all land values) assumes all deductions from the GDV are covered by the development costs assumptions applied within the appraisals. In our view this would lead to a significantly reduced residential land value benchmark when taking into account all of those factors.

[12] MHCLG: Land value estimates for policy appraisal 2017 (May 2018)

2.11.11 The figure that we consider representing the minimum land value likely to incentivise release for development under any circumstances in the local context is around £250,000/ha, based on gross site area. In our experience of dealing with site specific viability, greenfield land values tend to be assumed at minimum option agreement levels. These are typically around £100,000 and not exceeding £150,000 per gross acre (i.e. approx. £250,000 to maximum £370,000 per gross hectare). Land values at those levels are likely to be relevant to development on greenfield land (such as agricultural land or in cases of enhancement to amenity land value).

2.11.12 At this level, it could be relevant for consideration as the lowest base point for enhancement to greenfield land values (with agricultural land reported by the VOA and a range of other sources to be valued at circa £20,000 - £25,000/ha in existing use). The HCA issued a transparent assumptions document which referred to guide parameters of an uplift of 10 to 20 times agricultural land value. This sort of level of land value could also be relevant to a range of less attractive locations or land for improvement. This is not to say that land value expectations in such scenarios would not go beyond these levels either – they could well do in a range of circumstances.

2.11.13 The EUV+ BLVs used within the study therefore range between £250,000/ha for greenfield land (including a significant uplift from existing agricultural values) to approximately £1.5m for residential land in existing use. The appendices to this report set out the specific BLV used for each scenario.

2.11.14 Once again, it is important to note that all RLV results indicate the receipts available to landowners after allowing, within the appraisals, for all development costs. This is to ensure no potential overlapping / double counting of development costs that might flow from assuming land values at levels associated with serviced / ready for development land with planning permission, etc. The RLVs and the indicative comparison levels ('viability tests') represent a "raw material" view of land value, with all development costs falling to the prospective developer (usually the site purchaser).

2.11.15 Matters such as realistic site selection for the particular proposals, allied to realistic land owner expectations on site value, will continue to be vitally important. Even moving away from a 'market value' led approach, site value needs to be proportionate to realistic development scope and site constraints, ensuring that headroom for supporting necessary planning obligations is not overly squeezed beneath the levels that should be achieved.

3 Findings overview

3.1 Introduction

3.1.1 The results (residual land values – RLVs) from this latest viability assessment exercise are all shown within the Appendices:

- Appendix IIa (Tables 1a – 1g) – New appraisals using updated assumptions (as per Chapter 2 above, and summarised at Appendix I) – Typologies up to 100 dwellings on a typical mix of sites, including all base policy costs assumptions reflecting the PLP submission draft.

- Appendix IIb (Tables 2a, 2b and 2c) – New appraisals focussed on in-depth step-by step "loading" of costs as impacted by the draft policies, building to a cumulative picture of those and then also testing with potential future higher s.106 costs in total (primarily education related).

- Appendix IIc (Tables 3a and 3b) – New appraisals using information as far as available to provide a high-level current view of the potential viability of development at the proposed allocation locations of Moreton Station/Redbridge Pit (Policy H4), Wool (H5), Lychett Matravers (H6) and Upton (H7).

3.1.2 Overall, consistent with and further building on the previous viability assessment work undertaken for PDC, these provide a wide range of results reflecting the additional scenario testing that has been carried out to inform and ultimately support the PLP Regulation 19 stage – Pre-Submission Draft Purbeck Local Plan. Nevertheless, the scope of assumptions variations has narrowed somewhat to this update stage, as the Council has firmed up on policy positions following the earlier assessment work, developing wider evidence and consultation exercise.

3.1.3 These new results will not be discussed in detail here, except as far as necessary to draw out pointers to the trends and findings that have informed the Council's further policy developments and refinements in moving from the previous (Regulation 18) consultation stage (as well as earlier work towards the PDC review of its CIL) as has been informed by the viability assessment work to date.

3.1.4 The content of this work and the findings emerging from it while in progress have been discussed at length with PDC officers, and particularly during the course of September 2018. This involved DSP both providing information and refining and rerunning appraisals as more information became available and this 2-way process enabled the further draft policy development to be firmed up.

3.1.5 This process enabled the further consideration (alongside evidence of housing, affordable housing and infrastructure needs etc.) by PDC of its affordable housing policies (proportion(s) (%s) and tenure mix to be sought) and how those could come together in a suitable mix alongside other areas, with reasonable overall prospects for viability. The potential balances and alternatives / trade-offs likely to be involved have been further explored through additional tests including on (and all as per Chapter 2 and Appendix I):

- Enhanced accessibility standards (M4(2) – 10% of dwellings) – Policy H10;
- Wider s.106 and particularly in respect of the anticipated education provision related sums – considered in addition to CIL (see below) and the general s.106 contingency that continues to be allowed-for (I1);
- Electric vehicle points (EVP) provision (I2);

In conjunction with:

- Re-set CIL charging rates (as explained above);
- Environmental measures including provision for habitats and ecological mitigation (as have been considered throughout (E8, E9, H3 and related policies).

3.1.6 Carried out in this way, on its completion this combination of updating and added review now acts as a viability check on the Pre-Submission draft PLP policy proposals.

3.1.7 The most significant aspect has proven to be reviewing with PDC whether and, if so what, adjustments needed to be considered to the affordable housing (AH) policies given that overall the wider policy related costs (their impacts on development viability) i.e. the cumulative development costs have increased since the earlier viability assessment stages. The clearest example of a significantly increased cost is the education related s.106 allowance that PDC has required DSP to now reflect (re Policy I1, for which DSP has now added a base cost of £6,000 per relevant dwelling to the re-used base assumption of the £3,000/dwelling s.106 contingency (new total

£9,000/dwelling). The PLP draft wording acknowledges the relevance of viability. However, bearing in mind the Dorset CC education contribution sought could increase, further sensitivity tests at an additional £9,000/dwelling for education alone (i.e. £12,000/dwelling s.106 total) have also been run as well as the base s.106 £9,000/dwelling position.

3.2 Findings

Generally - context

3.2.1 The local characteristics (including the type and mix of sites and schemes, range of values seen and required local policy responses related to the PDC physical environment) mean that development here needs to address quite a range of issues to be sustainable and permissible.

3.2.2 We understand that a very significant proportion of the CIL receipts will need to continue to support the mitigation associated with local habitats and environmental constraints. This in turn leads to the need to secure fairly significant levels of infrastructure contributions through s.106, on top of the CIL.

3.2.3 At the same time, the high level of AH needs means the provision of affordable homes, including genuinely affordable homes for those in priority needs (i.e. an element of social rent, now assuming 10% of the AH provision), remains a key priority of PDC.

3.2.4 So whilst there are some strong local values, there are pressures on viability and there has been a need to consider how these multiple influences and their impacts can be blended to arrive at a suitable balance between the needs side and viability overall.

3.2.5 Contributing to this, although a great majority of the planned new development will be accommodated on low value existing use greenfield land (agricultural/amenity or similar), there will be continued development where available on PDL, and this will be encouraged although is of limited supply in the district. This means considering the reduced headroom above some higher existing use values (EUVs) and is shown through the results to typically mean reduced viability scope – fewer scenarios potentially viable unless with higher assumed sales values which occur mainly in areas to the south where the least development capacity and scope exists, generally.

3.2.6 The impact on viability of the cumulative development and policy costs on PDL sites (particularly at typically lower to mid values for the district), has warranted further review of the affordable housing target. This leads to potential consideration of a differentiation between greenfield and PDL sites across the district.

3.2.7 The new results tables at Appendices IIa and IIb (including comparison with previous) show how, with the latest view on PDC cumulative costs applied, the results (RLVs) have reduced from previous, despite a rise in house prices meaning more value available to support development viability in many cases.

3.2.8 In our view, PDC has recognised the viability influences and pressures that we have been reviewing and discussing, in further reviewing its policy positions. Accordingly, we consider that the Council is set to take a practical approach as a basis for delivery and starting point for more specific discussions.

3.2.9 This has been arrived at through a minimal application of development standards beyond national base level requirements (building regulations rather than significant use of optional enhanced standards), the proposed re-setting of the CIL charging rates and a re-look at the AH%s to be sought.

3.2.10 The following sections look further at this and confirm our recommendations to PDC, as have informed and now serve to check the PLP Pre-Submission draft (Reg. 19 stage) in terms of viability considerations.

3.2.11 We note that the Council does not have to follow exactly the viability evidence, but should use it to inform the balances and approach that it selects overall, also dependent on wider evidence.

Affordable housing and smaller sites – Further review of general typologies reflecting updated assumptions, including latest policy set (Policy H11 basis)

3.2.12 The results tables within Appendices IIa and IIb continue to show the influence on viability that comes from the value level (VL – sales receipts i.e. GDV), AH% (all based on latest PDC tenure mix or financial contribution sought) and CIL level.

3.2.13 As before and as expected, increasing VL supports improving RLVs that have the potential to overcome a wider range of land values (the viability tests or benchmark

land values (BLVS) based on EUV+ as above). On the other hand, increasing AH% is clearly seen to reduce the RLVs.

3.2.14 Those two variables (AH% and VL) remain the most significant.

3.2.15 As is seen throughout such assessments, including previously for PDC, the RLVs are highly sensitive to the VL assumed. The potential issue in that respect is the likely sensitivity of the indicated outcomes to values falling away from the mid-range for the district overall.

3.2.16 As noted above, Appendices IIa and IIb also show how the new results (RLVs) have reduced from previous levels when a lower level of cumulative costs were being considered.

3.2.17 Appendix IIb may be used to view the estimated influence of the various policy related costs, as those build (and, re: education, also potentially go beyond current base assumption levels). The red line bordered table row numbered 17 at tables 2a, 2b and 2c shows the PLP Pre-Submission draft related assumptions set- the RLVs produced by appraisal of those albeit in our experience also with some "buffering" from relatively cautious / prudent type assumptions including the s.106 contingency and continued use of a sustainable construction uplift although PDC proposes no enhancements to building regulations other than with the 10% dwellings to M4(2) (costs separately allowed for).

3.2.18 Overall in our view a headline policy involving the seeking of 40% AH remains appropriate.

3.2.19 However, in discussion with PDC, informed by this latest assessment some changes to the AH policy positions have been considered and in our opinion are appropriately to be carried through to the forthcoming publication version PLP.

3.2.20 Given the reduced results from previous, the above factors and the continued notable impact of high levels of AH as part of the wider requirements viewed collectively, the following are now considered suitable responses:

a. **A removal of the north-south AH policy variation – removal of the 50% AH policy layer (maximum AH% to be sought now 40% - on sites of 10 or more dwellings on greenfield land);**

b. **A different approach – reduced proportion of AH sought from developments on PDL – at 30% AH, district wide;**

c. **Subject to PDC's decision on this component of policy, a "flat" approach also to continuing to seek AH from the smallest sites that remain prevalent in the district – by way of a 20% AH equivalent financial contribution from any sites of fewer than 10 dwellings to remain "captured" by the policy scope;**

3.2.21 DSP also notes that some key policy requirements that add cost and impact viability therefore are to be applied on schemes involving 'major development' only – i.e. at 10+ dwellings. This is considered welcome and suitable in viability terms, easing the cumulative requirements on the smallest schemes, and complimentary to the Council's aim of continuing to secure contributions towards meeting AH needs from the widest possible range of sites.

Access to and use of buildings (Policy H10)

3.2.22 Following on from earlier exploratory work (which included a wide range of sensitivity testing) and now reassessed across all new appraisals, the PDC policy proposal of just 10% dwellings to M4(2) is considered appropriately judged and not excessive in viability terms – set with the wider policy costs in mind.

Developer contributions to deliver Purbeck's Infrastructure (Policy I1)

3.2.23 For sites of 10+ dwellings i.e. 'major development' (but not including dwellings with less than 2 bedrooms or dwellings restricted to older people) the most significant single aspect (as impacts viability) is likely to be the requirement for education contributions. As drafted this is at a level of £6,161/dwelling and is represented in all our base appraisals (Appendix IIa and relevant IIb tests, as shown) as a £6,000/dwelling cost that has been added since our previous assessment work; in addition to the £3,000/dwelling general s.106 allowance/contingency. So as a new base assumption, now in use is a £9,000/dwelling s.106 total allowance (in addition to the CIL).

3.2.24 This is a significant sum and in our view may contribute to viability pressures in a range of situations, particularly in the event that this is reviewed short term. The higher

sensitivity test levels at £9,000/dwelling for Education (£12,000/dwelling s.106 total) show how the resulting RLVs reduce further.

3.2.25 Whilst difficult to comment on and especially in respect of unknowns, our observations on this policy requirement are that although clarity is positive for the development process, PDC should consider final policy wording that means this is not too prescriptive (may be best dealt with more flexibly); and that the approach may be easier to describe and update (as to the specifics) if the details were not encapsulated within the PLP policy text as they are, but perhaps set out and updated subsequently in a developer contributions SPD etc.

3.2.26 The adjustment to AH policies and realistic, practical setting of other matters is certainly positive but nevertheless this requirement could well impact too significantly in some circumstances, along with other expectations, and priorities may need to be considered.

Housing Mix – Policy H9 – Including specialist purpose built housing for the elderly

3.2.27 This policy includes a range of aspirations including (on sites of 20+ dwellings) a 5% element of serviced self-build plots (policy section a) and 10% single storey dwellings (b).

3.2.28 With the benefit of limited experience to date, our view is that the activity of preparing and servicing to the boundaries of plots set aside for sale for self-build (subject to demand for plots of this type within new housing developments) should remain a profitable and viable activity, generally not having a significant effect on overall viability. It seems likely that the developer of a site may consider providing a custom-build type offer to interested purchasers, although this is a general comment only.

3.2.29 The Council's approach on mix also includes, for the identified housing allocations (H2), a requirement to provide 20% of both the market and affordable housing in the form of 'specialist purpose built housing for the elderly' (which by our understanding could be in various forms and has been included within the assumptions for the 'site allocations' appraisals (Appendix IIc and see below). There is also potential for an overlap between H9 (b) and this element.

3.2.30 DSP's consistent assessment findings, are that housing-led development (including sheltered / retirement housing for independent living) should not be differentiated for in comparison with the approach to C3 dwellings in general. This forms part of the wide spectrum of market housing provision, within which there is inevitably great variety. These may or may not include an element of accommodation available for or supporting "assisted living" or similar, but in our view should be no less viable than market housing where they are commercial developments offering apartments or similar for market sale as the primary driver. In those cases the apartments would very often command premium level values as new-builds and they from part of the wide-ranging provision within the spectrum of market housing. Our previous work in this regard has been updated in this review and the results of the sheltered housing appraisals are shown in Appendix II.

3.2.31 The viability picture on this is however quite different to that relating to accommodation for care provision – typically C2 use where typically the viability may be more marginal. The particular nature of a specialist housing scheme would be reviewed when considering any planning application.

3.2.32 To our knowledge there is no real experience to date of how the inclusion of such a mix works within sites other than the larger allocated sites of a few hundred homes or more. We suspect that viability and workability in a wider sense would be highly dependent on a range of factors starting with local demand/need for a particular type of specialist housing and/or care related provision and this may come down to a combination of practical matters rather than viability alone. Without knowing how this might work out we have been able only to make some high level assumptions within our current site allocation high-level appraisals (again, see Chapter 2 above and Appendix IIc). Those involved assumptions on a sheltered housing content within the overall mixes.

3.2.33 Having said this, the Council's Policy H9 wording includes a recognition of potential viability factors and in outline how, when necessary, those matters would be considered.

3.3 Site allocations – Policies H4-H7 and context policies H2, H3 and others

3.3.1 The current stage testing results for the site allocations appraisals now added to the overall viability assessment scope are shown within the Table 3a and 3b summaries at the beginning of Appendix IIc.

3.3.2 The first of these, Set 1 – Table 3a, have been regarded as the base set, using what we consider to be a fairly cautious view of sales values (hence 'lower'), considered now. The Table 3b (Set 2 results) assume values 10% higher than Set 1 and this shows what a large difference that assumption makes to the RLVs i.e. viability indications.

3.3.3 These tables show, to the right-side, the monetary (£) surplus indicated once the EUV is deducted from the scheme appraisal RLV – i.e. how much of an uplift the RLV represents from EUV (in % terms) based on greenfield land in agricultural use. Although currently different of course in land use/condition terms, the Moreton/Redbridge Pit scenarios assume the same on land value on the basis that in such circumstances the "restoring" of the land to an equivalent nature, to more readily accommodate housing development and associated works, is necessarily a landowner responsibility and cost borne by or passed onto them.

3.3.4 A series of iterations have been run – with and without a sheltered housing element as per Policy H9 (and see above) and in both cases at trial developer's profit levels of both 17.5% and 20% GDV on the market housing (6% on the affordable homes).

3.3.5 The results showing varying levels of RLVs suggest that viability including the full range of PDC requirements i.e. including 40% AH and other elements as above could be quite challenging on the 2 larger developments particularly (H4 and H5, and perhaps more so the former) using the base (potentially cautious 'lower') view of sales values, viewed now.

3.3.6 With, not unusually, a range of unknowns at this stage it is not possible to say exactly what level and detailed make up of planning requirements and obligations packages will ultimately be supported at these locations.

3.3.7 However, looking over the likely development timescale of such proposals and the PLP, so over varying market cycles etc., in our view we can see reasonable prospects for the viability of these. In our view, they have the potential to support the policy

requirements and in any event a substantial range of measures and infrastructure provision as well as affordable housing.

3.3.8 We consider that the 40% AH headline applicable may be challenging, but necessarily so based on the level of need and the degree of opportunity that these sites represent, particularly in the PDC context. We consider that it will be appropriate to maintain this, with the results being mixed but all showing scope to support strong levels of uplift to the likely appropriate EUVs. As above, the 10% higher values shift the results positively - very significantly. Overall, there appears to be potential for a balance to be found between the acknowledged commercial drivers (land owner and developer returns) and the community/infrastructure side. A reasonable prospect of a suitable land value (EUV) uplift appears achievable, looking at the wide range of outcomes. Aside from any continued general market movement in sales values, we could also reasonably expect a "place making" type impact with high quality attractive development and new amenities supporting stronger values than may now be apparent from looking at nearby resale property. However, only through time (likely varying economic backdrop and market circumstances) will it be seen how this plays out. The outcomes could vary considerably with timing, scheme details, further national policy developments and so on.

3.3.9 At this stage (and it must be stressed that this is a high level review of the site allocation typologies), we would expect that the allocated sites could support a reasonable level of affordable housing alongside other s106 requirements. The range of results indicates that the Council is planning development that is very likely to be viable, albeit (and as is always necessarily the case) with the achievable planning obligations packages needing detailed resolution in due course.

3.3.10 It follows that the Set 2 results provided here using the current sales values 'plus 10%' view should at this stage be considered as approximate maximums based on the values and other assumption used. Changes in assumptions, even if apparently small, e.g. owing to unidentified abnormal costs/potentially negative viability outcomes from other forms of development or any necessary land value flex – can have an impact on the overall results.

3.3.11 It is possible that where robust justification is provided by a developer, the Council may need to review viability in specific circumstances. This may involve working with the development industry to ensure optimum delivery in areas such as affordable

housing and its tenure mix, the degree to which additional sustainability measures (e.g. beyond building regulations requirements prevailing at any point) and/or other matters, etc., might be accommodated given detailed review at appropriate points.

3.3.12 At this stage, it has been possible for PDC and DSP to make contact with a range of the promoting development interests - to seek views and gather information, which as far as available has been used in the background to help inform assumptions.

3.3.13 PDC's continued liaison and working with these parties can be expected to contribute positively to further understanding viability and to progressing suitable schemes that maximise the opportunity for the affordable housing and other community/infrastructure provision.

3.4 Further background - Commercial / Non-Residential

3.4.1 The following is for general context only (as may be relevant to considering the PLP) although Purbeck is not an established commercial property location or development area; neighbouring and nearby areas provide this. The Council has evidence in relation to its CIL and, given recent experience together with latest market reporting (see below), we would not expect to see different results e.g. arriving at more positive recommendations in terms of CIL charging scope for commercial/non-residential development, for example.

3.4.2 At the national level, prior to the Brexit decision the commercial sector remained generally positive but the lead up to the Brexit vote led to some uncertainty in the market. Whilst the future direction of the commercial market following the Brexit scenario is uncertain, the Quarter 2 2018 RICS UK Commercial Property Market Survey headlines were:

- '*Tenant demand and investment enquiries fall sharply across retail*
- *70% of contributors expect investors to scale back exposure to the retail sector given rising CVA usage*
- *Industrials remain solid albeit the pace of rental and capital value growth is projected to ease slightly'*

The survey (extract quoted here only) noted: *'Set against the steep decline in demand, availability of retail space rose sharply over the quarter. In fact, 46% more respondents*

noted an increase, representing the broadest pick-up reported going back to 2009. Given this, the value of inducement packages on offer to prospective tenants was also pushed higher.

By way of contrast, availability of leasable space in the industrial sector fell once again, prompting landlords to further trim incentive packages.
Availability in the office sector was more or less unchanged for the seventh quarter in a row, albeit inducement packages have picked-up consistently over this period. In terms of the all-property average, near term rental expectations eased, posting a net balance of -2% (+3% previously) and pointing to virtually no change in headline rents over the coming months.

Again, this average reading is being depressed by negativity in the retail sector, where the net balance came in at -52%.

Rental growth projections remain elevated for industrial space (net balance +35%), but rather flat for offices (net balance +5%). Over the next twelve months, rental growth projections remain strongest in the prime industrial sector, albeit these have eased somewhat over the past two quarters. Secondary industrials and prime offices display solid expectations, although the latest readings also suggest respondents are less bullish on the outlook than previously.

Alongside this, projections for secondary office rents slipped slightly into negative territory, compared with a flat reading in Q1.

Both prime and secondary retail expectations are now firmly negative for the year ahead, with respondents downgrading their forecasts noticeably relative to last quarter.'[13]

3.4.3 The current nature of the economic backdrop suggests a further period of uncertainty to follow.

3.4.4 The generally poor viability results from the scenarios[14] other than those representing any further large format retail (supermarkets, superstores, retail warehousing), and especially those for the B (business/employment) use class types, are not unusual in

[13] RICS Commercial Property Survey – Q2 2018
[14] Including offices, industrial and a range of other development uses – see previous assessments and information for more detail.

DSP's wide experience of undertaking viability assessment and review work. They do not necessarily mean that development will not be delivered but rather, the outcomes being based on necessarily cautious assumptions and approach necessary for the assessment at that time.

3.4.5 Overall therefore we are of the opinion that previous commentary and recommendations set out in the 'Purbeck District Partial Review of Purbeck Local Plan Part 1 and revised Community Infrastructure Levy Economic Viability Assessment' (Final Report April 2016) remain valid currently. Sections 3.12 to 3.14 in particular noted our findings and suggestions in regard to CIL, and that report also included wider information on that. We stated that in respect of commercial / employment development creation, some challenges must be acknowledged in most local authority areas but that broadly large format retail and to a lesser extent; smaller format retail should continue to be viable forms of development across the district. In addition to seeking to ensure that the approach to planning obligations (including any future CIL) does not add further uncertainty to potential investment, the Council could consider the following types of areas and initiatives (outside the formal scope of the brief for this assessment, but put forward again here purely as practical indications):

- Consideration of market cycles – plan delivery is usually about longer term growth as well as short term promotion and management of growth opportunities that will contribute to the bigger picture;
- Work with the market – be responsive etc. as suitable opportunities are identified;
- Regenerate / improve and protect key existing employment areas;
- Provide land where assessed to be most needed;
- A choice of sites and opportunities – working with the development industry to facilitate appropriate development and employment / economic improvement generating activity when the timing and market conditions are right;
- Consideration of how location is likely to influence market attractiveness and therefore the values available to support development viability. Alignment of growth planning with existing transport links and infrastructure, together with planned improvements to those. Considering higher value locations for particular development use types;

- Specific sites / locations and opportunities – for example in relation to the plan proposals and what each are most suitable for. Focus on the most accessible, best and most valuable locations for particular uses;

- Mixed-use development with potential for cross-subsidy for example from residential / retail to help support the viability of employment (business) or other development – balance the element in deficit or with reduced viability;

- Scenarios for particular / specialist uses – e.g. that may be non-viable as developments but are business-plan / economic activity led;

- Explore any local specialisms or particular industries / sectors from which economic advantage and stimulation of other activity can be made;

- As with residential, consideration of the planning obligations packages again including their timing (triggers) as well as their extent.

- A likely acceptance that business development overall is unlikely to be a significant regular contributor to general community infrastructure provision in the short-term at least.

- Seek other investment and consider incentive schemes.

3.5 Additional Commentary

3.5.1 We consider that the above identifies scope to find the appropriate balance between affordable housing needs, other planning policy objectives and scheme viability, in accordance with our wide experience of successful local plan and Affordable Housing DPD evidence and EiP outcomes, as well as the detail of affordable housing and other planning policies and viability factors in operation in practice. In our view, at a "Whole Plan" level, we consider the range of development scenarios likely to be supporting the plan to be capable of meeting the requirements of the NPPF (both former, and as revised July 2018), the cumulative impact of which, operated as proposed, are unlikely to undermine viability to the extent of prejudicing the plan delivery overall.

3.5.2 Wherever pitched, the policies will need to continue to be accompanied and explained by appropriate wording and guidance that sets out the strategic context and nature of the expectations but also recognises the role of viability in implementation.

3.5.3 This viability evidence will need to be considered in conjunction with wider evidence on housing needs and the shape of site supply (type, location and size of sites coming forward).

3.5.4 It will be also be essential to monitor, review and keep up to date evidence associated with the policies as part of creating a sound overall approach.

3.6 Notes and Limitations

3.6.1 *The purpose of the assessment reported in this document is to update parameters and options set out for the Council in previous reporting*[15] *to inform policy development from a viability perspective whilst taking into account national policies that may impact on development viability.*

3.6.2 *This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership (DSP) Ltd; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.*

3.6.3 *To the extent that the document is based on information supplied by others, Dixon Searle Partnership Ltd accepts no liability for any loss or damage suffered by the client or others who choose to rely on it.*

3.6.4 *In no way does this assessment provide formal valuation advice; it provides an overview not intended for other purposes nor to over-ride particular site considerations as Purbeck District Council's policies continue to be applied practically from case to case.*

3.6.5 *It should be noted that every scheme is different and no review of this nature can reflect the variances seen in site specific cases. Specific assumptions and values applied for our test scenarios are unlikely to be appropriate for all developments. A degree of professional judgement is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and further informing the Council's policy development.*

3.6.6 *Small changes in assumptions can have a significant individual or cumulative effect on the residual land value (RLV) or other surplus / deficit output generated, therefore the indicative surpluses (or other outcomes) generated by the development appraisals for this review will not necessarily reflect site specific circumstances.*

3.6.7 *Accordingly, this assessment (as with similar studies of its type) is not intended to prescribe land values or other assumptions or otherwise substitute for the usual considerations and discussions that will continue to be needed as individual*

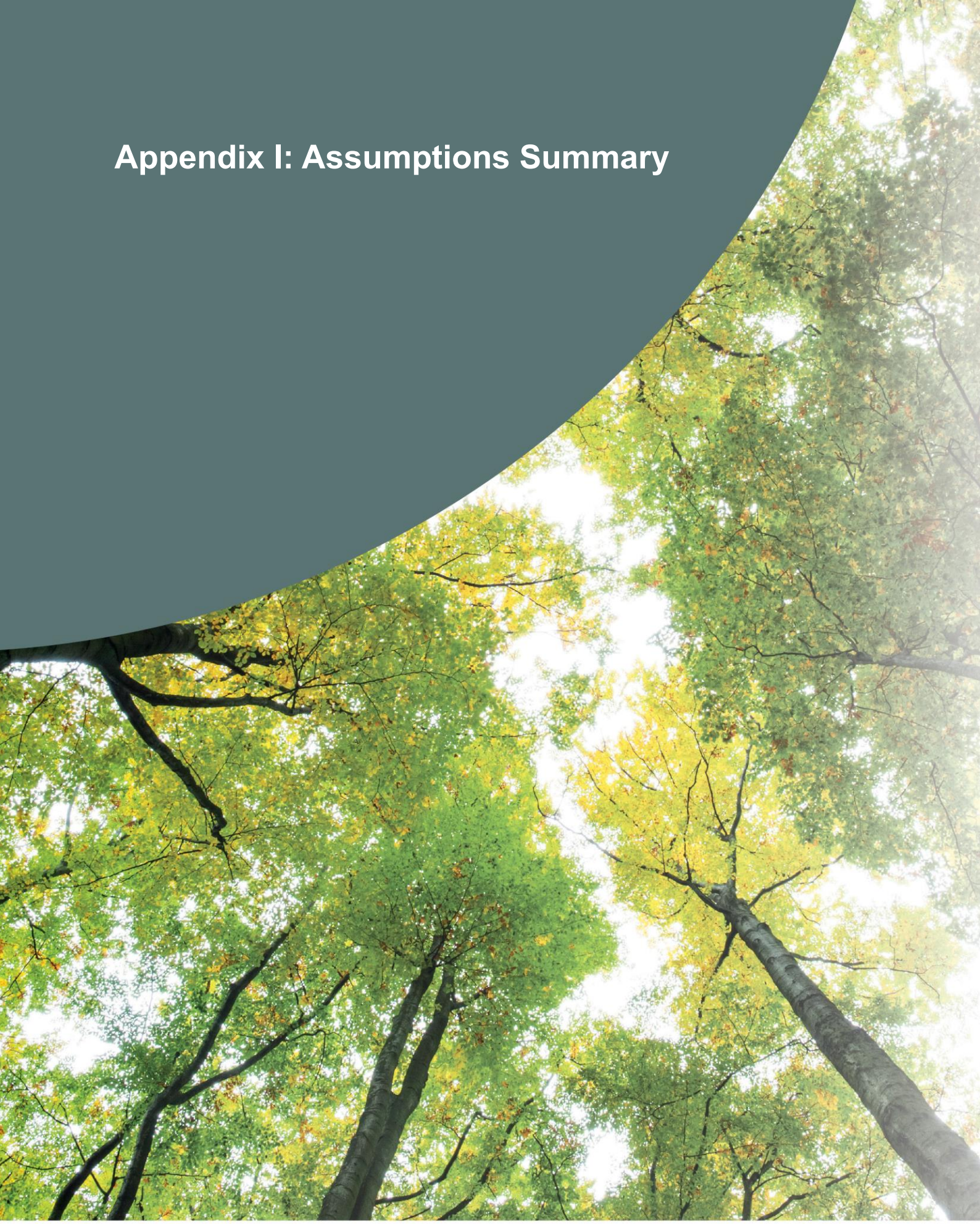
[15]DSP – Purbeck District Council - Partial Review of Purbeck Local Plan Part 1 and revised Community Infrastructure Levy Economic Viability Assessment (April 2016); DSP – Purbeck District Council – Viability Update & Sensitivity Testing Addendum (November 2017)

developments with varying characteristics come forward. This is also true in respect of the long timescales in joint sub-regional or local plan development and implementation over which the economy and development climate (national and more local influences and impacts) are very likely to vary. Nevertheless, the assumptions used within this study reflect the policy and strategy direction of Purbeck District Council as far as known at the time of carrying out this assessment and therefore take into account the cumulative cost effects of policies where those are relevant.

(v4) Final Report ends

October 2018

Appendix I: Assumptions Summary



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Purbeck DC - Final Appendix I - Local Plan and CIL Viability Assessment Update - Residential Assumptions (Sheet 1 of 2)

Scheme Size Appraised	Type	Site type	Density	Net Land Area (ha)	Build Period (Months)
5	Houses	PDL / Greenfield	35	0.14 / 0.16	6
5	Flats	PDL	75	0.1	6
10	Houses	PDL / Greenfield	35	0.25 / 0.28	9
10	Flats	PDL	100	0.1	9
10	Houses (Rural Exception Site)	Greenfield	35	0.3	9
20	Houses	Greenfield	35	0.6	18
25	Flats	PDL	100	0.3	18
100	Mixed	Greenfield	55	1.8	24
Strategic Sites					
490	Mixed (Moreton Station / Redbridge Pit)	PDL	40	12.3	48
466	Mixed (Wool)*	Greenfield	40	11.7	48
90	Mixed (Upton)	Greenfield	40	2.3	24
150	Mixed (Lytchett Matravers)*	Greenfield	40	3.8	24

**made up of multiple sites*

Notes:
The above Scenarios have been tested at 20%, 30% AH (financial contribution - North / South Purbeck), 40% (North Purbeck) and 50% (South Purbeck) on-site AH on sites of 10+ units. Assumes fully applied policy position - actual percentage will vary due to policy requirement. In addition, the above on-site AH provision will include an allowance of 10% to be Affordable Home Ownership (AHO) . Sites of 20+ dwellings require 5% to be provided as self-build plots, 10% to be single storey dwellings and 20% to be specialist accommodation for the elderly. The rural exception site has only been tested at 70% as per Policy H12.

Affordable Housing tenure split assumed as 10% Social Rent, 65% Affordable Rented and 25% Intermediate (including 10% AHO where possible) in North Purbeck and 10% Social Rent, 67% Affordable Rented and 23% Intermediate (including 10% AHO where possible) in South Purbeck, based on the SHMA (2018) and advice from PDC.

Land Area Adjustment - 15% added (excluding Town Centres). Children / Play Space requirements are assumed to be included within the overall allowance for Site Works (see below).

Unit Sizes (sq. m)*	Affordable	Private
1-bed flat	50	50
2-bed flat	70	70
2-bed house / Bungalow	79	79
3-bed house	93	100
4-bed house	112	130

175 (2 Houses)

**based on nationally described space standards*

Dwelling mix principles - for building up assumptions *based on the SHMA (August 2018)*
Market Housing: 0-5% 1-beds, 30-35% 2-beds, 40-45% 3-beds, 20-25% 4-beds
Affordable Rented*: 20-25% 1-beds, 40-45% 2-beds, 25-30% 3-beds, 5-10% 4-beds
Intermediate - 15-20% 1-beds, 45-50% 2-beds, 25-30% 3-beds, 5-10% 4-beds**
**assumes 10% Social Rented*
***includes 10% AHO*
Note: All subject to 'best fit scenario'. Intermediate mix adjusted across 1 and 2-beds only

Value Levels - Purbeck DC

Market Value (MV) - Private units	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10	VL11+
Relevance of VLs (TBC)	<< Lowest end re-sale values		Lower end new builds values	Typical new build values range				Upper-end new build values			>>Highest-end new build values/ bespoke design / high-end re-sale values
	Sub-market Areas										
	Purbeck Rural Centre										
			Purbeck Rural Fringe								
				The Coast							
				Swanage							
				Wareham							
		Upton									
1-bed flat	£125,000	£150,000	£165,000	£180,000	£195,000	£210,000	£225,000	£240,000	£255,000	£270,000	£295,000
2-bed flat	£175,000	£210,000	£231,000	£252,000	£273,000	£294,000	£315,000	£336,000	£357,000	£378,000	£413,000
2-bed house	£197,500	£237,000	£260,700	£284,400	£308,100	£331,800	£355,500	£379,200	£402,900	£426,600	£466,100
3-bed house	£250,000	£300,000	£330,000	£360,000	£390,000	£420,000	£450,000	£480,000	£510,000	£540,000	£590,000
4-bed house	£325,000	£390,000	£429,000	£468,000	£507,000	£546,000	£585,000	£624,000	£663,000	£702,000	£767,000
MV (£ / m²)	£2,500	£3,000	£3,300	£3,600	£3,900	£4,200	£4,500	£4,800	£5,100	£5,400	£5,900

Affordable Housing Revenue Assumptions

Unit	Bournemouth LHA Cap	Social Rents*
1BF	£123.58	£123.58
2BF	£153.02	£153.02
2BH	£153.02	£153.02
3BH	£188.79	£188.79
4BH	£253.15	£253.15

**based on information provided by PDC*

Unit	Market Size	Average AH Transfer Price Affordable Rent (LHA Cap)	Average AH Transfer Price Social Rent (LHA Cap)
1BF	50	£90,006	£61,793
2BF	70	£111,449	£78,086
2BH	79	£111,449	£78,086
3BH	100	£137,506	£82,004
4BH	130	£184,382	£88,501

Dixon Searle Partnership (2018)

Purbeck DC - Final Appendix I - Local Plan and CIL Viability Assessment Update - Residential Assumptions (Sheet 2 of 2)

Development / Policy Costs	2015 Study	2017 Study	2018 Update	Notes / variances *(relating to 2018 assumptions only)*
RESIDENTIAL BUILDING, MARKETING & S106 COSTS				
Build Costs Mixed Developments - generally (£/sq. m)[1]	£1,030	£1,049	£1,210	
Build Costs Estate Housing - generally (£/sq. m)[2]	£1,138	£1,166	£1,349	1 - 10 units only. Increased by 14% based on FSB report.
Build Costs Estate Housing - generally (£/sq. m)[1]	£998	£1,023	£1,183	>11 units
Build Costs Estate Housing - generally (£/sq. m)[1] - single storey (Bungalows)	£1,088	£1,130	£1,309	>11 units
Build Costs Estate Housing - generally (£/sq. m)[1] - single storey (Bungalows)	£1,088	£1,130	£1,492	1 - 10 units only. Increased by 14% based on FSB report.
Build Costs Flats - generally (£/sq. m)[1]	£1,186	£1,195	£1,378	>11 units
Build Costs Flats - generally (£/sq. m)[2]	£1,130	£1,138	£1,312	1 - 10 units only. Reduced by -5% based on FSB report.
External Works	10%	10%	10% (Flats) 15% (Houses)	added to build costs
Site Works	£4,500 / dwelling	£4,500 / dwelling	£300,000/net developable ha (sites 1-100 units)	£23,000/ unit for site allocations
Contingencies (% of build cost)	5%	5%	5%	
Professional & Other Fees (% of build cost)	10%	10%	10%	
Sustainable Design / Construction Standards (% of build cost)[3]	2%	2%	2%	Latest data suggests allowances in the range of 1% to 1.5% to meet building regulations
Potential Building Regs M4 (2) Compliance (£ per unit)[4]	£1,646 (Flats) £2,447 (Houses)	£1,646 (Flats) £2,447 (Houses)	£1,646 (Flats) £2,447 (Houses)	per unit (applicable units only) - tested on 10% of units on schemes of 10+ dwellings. Base cost assumption included in all appraisal sets.
Potential Building Regs M4 (3) Compliance (£ per unit)[4]	£15,691 (Flats) £26,816 (Houses)	£15,691 (Flats) £26,816 (Houses)	£15,691 (Flats) £26,816 (Houses)	per unit (applicable units only) - potential sensitivity test.
Potential CIL trial rates testing (£m2)	at £25/m2 intervals up to £200/m2	As per PDCS at the time of the study:- Swanage & Coast: £180/m2; Wareham & Purbeck Rural Fringe: £100/m2; Upton & Purbeck Rural Centre: £50/m2. 200 dwellings or more - Swanage & Coast: £30/m2; Wareham & Purbeck Rural Fringe: £20/m2; Upton & Purbeck Rural Centre: £10/m2	Swanage / The Coast = £180/m2 Wareham / Purbeck Rural Fringe = £100/m2 Purbeck Rural Centre = £50/m2 Upton = £50/m2	CIL rates based on draft PDCS following DSP 2017 Update.
Water Efficiency Standards	125itres per person per day	125itres per person per day	125itres per person per day	based on the Housing Standards Review
Electric Vehicle Charging Points (Policy H3 and I2)	n/a	n/a	£500	per unit cost (major scale development only e.g. 10+)
Residual s.106 /non-CIL costs (£ per unit) - small scale PDL / Greenfield sites (including allowance for Education Provision	£3,000	£3,000	£9,000	Includes allowance for Education Provision as confirmed by PDC
Residual s.106 /non-CIL costs (£ per unit) - large scale strategic greenfield sites	n/a	n/a	n/a	specific s106 costs included where known.
SANG Mitigation	£900 per unit	£900 per unit	n/a	included through CIL for smaller sites. Specific assumptions made where applicable for strategic sites.
SAMM Contribution (£ per unit)	£355 (Houses) £242 (Flats)	£355 (Houses) £242 (Flats)	n/a	included as part of CIL
Nitrogen Mitigation (Policy E9)	n/a	n/a	n/a	Requirement for land space mitigation, specific assumptions to be made where applicable for strategic sites only.
Marketing & Sales Costs (%of GDV)	3%	3%	3%	
Legal Fees on sale (£ per unit)	£750	£750	£750	
DEVELOPER'S RETURN FOR RISK AND PROFIT				
Open Market Housing Profit (% of GDV)	20%	20%	20%	
Affordable Housing Profit (% of GDV)	6%	6%	6%	
FINANCE & ACQUISITION COSTS				
Agents Fees (% of site value)	1.50%	1.50%	1.50%	
Legal Fees (% of site value)	0.75%	0.75%	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	0% to 5%	0% to 5%	HMRC scale
Finance Rate - Build (%)	6.5%	6.5%	6.5%	
Finance Rate - Land (%)	6.5%	6.5%	6.5%	

Notes: *(relate exclusively to the 2018 assumptions basis)*

[1] Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - e.g. flats ; houses storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The BCIS figure for Purbeck has been used and averaged across both areas. Includes allowance for uplift to build costs based on BCIS / FSB research for sites of 10 or fewer dwellings. Externals added at 10% (Flats) 15% (Houses). Site works added separately.

[2] BCIS report for the Federation of Small Businesses - Housing development: the economics of small sites - the effect of project size on the cost of housing construction (August 2015)

[3] The above costs are based on the DCLG Housing Standards Review Impact Assessment costings assuming equivalent CfSH L4 energy costs only base. Appraisals assume cost uplift in line with figures above assuming average cost uplift from each unit type (£1,932 per unit average, equating to the 2% assumed above).

[4] Sensitivity tested allowance to meet Building Regs M4 Category 2 and Category 3 (adaptable) acknowledged within report as potential variable cost issue (depending on design etc.). EC Harris DCLG Housing Standards Review Cost Impact indicate average extra over cost to be £1,646 (Cat.2) and £15,691 (additional space cost (Cat. 3)) for flats and £2,447 (Cat.2) and £26,816 (additional space cost (Cat.3 adaptable)) for houses.

Dixon Searle Partnership (2018)

Scheme Typology		0% AH																				Total Check	AH Total Check	SR 10% Check	AR 65% Check	SO 25% Check	Overall AH % Check
		1-BF				2-BF				3-BF				2-BH				3-BH				4-BH							
		Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO					
5	Houses													2				2				1				5	0	0.00%	0.00%	0.00%	0.00%
5	Flats	2				3																				5	0	0.00%	0.00%	0.00%	0.00%
10	Houses													4				4				2				10	0	0.00%	0.00%	0.00%	0.00%
10	Flats	3				7																				10	0	0.00%	0.00%	0.00%	0.00%
20	Houses*													10				7				3				20	0	0.00%	0.00%	0.00%	0.00%
25	Flats	9				16																				25	0	0.00%	0.00%	0.00%	0.00%
100	Mixed**	5				17								18				40				20				100	0	0.00%	0.00%	0.00%	0.00%

includes 2x 2-bed bungalow (market only)
includes 4x 2-bed bungalows, 4x 3-bed bungalows and 2 x 4-bed bungalows (market only)

Note: dwelling mix for the Rural Exception at 70% AH site comprises 4x 2BH, 2x 3BH, 1x 4BH (Affordable Rent) and 2x 3BH, 1x 4BH (market dwellings)

DSP 2018

Scheme Typology		20%AH (North Purbeck)																						Total Check	AH Total Check	SR 10% Check	AR 65% Check	SO 25% Check	Overall AH % Check
		1-BF				2-BF				3-BF				2-BH				3-BH				4-BH								
		Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO					
5	Houses													2	FC	FC	FC	2	FC	FC	FC	1	FC	FC	FC	5	0	0.00%	0.00%	0.00%	0.00%
5	Flats	2	FC	FC	FC	3	FC	FC	FC																	5	0	0.00%	0.00%	0.00%	0.00%
10	Houses																									0	0	0.00%	0.00%	0.00%	0.00%
10	Flats																									0	0	0.00%	0.00%	0.00%	0.00%
20	Houses*																									0	0	0.00%	0.00%	0.00%	0.00%
25	Flats																									0	0	0.00%	0.00%	0.00%	0.00%
100	Mixed**																									0	0	0.00%	0.00%	0.00%	0.00%

***includes 2x 2-bed bungalow* (market only)
***includes 4x 2-bed bungalows, 4x 3-bed bungalows and 2 x 4-bed bungalows* (market only)

Note: dwelling mix for the Rural Exception at 70% AH site comprises 4x 2BH, 2x 3BH, 1x 4BH (Affordable Rent) and 2x 3BH, 1x 4BH (market dwellings)

DSP 2018

Scheme Typology		30%AH (South Purbeck)																						Total Check	AH Total Check	SR 10% Check	AR 65% Check	SO 25% Check	Overall AH % Check
		1-BF				2-BF				3-BF				2-BH				3-BH				4-BH								
		Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO					
5	Houses													2	FC	FC	FC	2	FC	FC	FC	1	FC	FC	FC	5	0	0.00%	0.00%	0.00%	0.00%
5	Flats	2	FC	FC	FC	3	FC	FC	FC																	5	0	0.00%	0.00%	0.00%	0.00%
10	Houses																									0	0	0.00%	0.00%	0.00%	0.00%
10	Flats	2		1	0	5		2																		10	3	0.00%	30.00%	0.00%	30.00%
20	Houses*													5	1	2	2	6		1		3		0		20	6	5.00%	15.00%	10.00%	30.00%
25	Flats	6	1	2	0	11		4	1																	25	8	4.00%	24.00%	4.00%	32.00%
100	Mixed**																									0	0	0.00%	0.00%	0.00%	0.00%

**includes 2x 2-bed bungalow* (market only)
***includes 4x 2-bed bungalows, 4x 3-bed bungalows and 2 x 4-bed bungalows* (market only)

Note: dwelling mix for the Rural Exception at 70% AH site comprises 4x 2BH, 2x 3BH, 1x 4BH (Affordable Rent) and 2x 3BH, 1x 4BH (market dwellings)

DSP 2018

Scheme Typology		40%AH (North Purbeck)																								Total Check	AH Total Check	SR 10% Check	AR 65% Check	SO 25% Check	Overall AH % Check
		1-BF				2-BF				3-BF				2-BH				3-BH				4-BH									
		Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO						
5	Houses																									0	0	0.00%	0.00%	0.00%	0.00%
5	Flats																									0	0	0.00%	0.00%	0.00%	0.00%
10	Houses													1		2	1	3		1		2			0	10	4	0.00%	75.00%	25.00%	40.00%
10	Flats	1		1	1	5		2																		10	4	0.00%	75.00%	25.00%	40.00%
20	Houses*													4	1	3	2	6		1		2		1		20	8	12.50%	62.50%	25.00%	40.00%
25	Flats	5	1	2	1	10		4	2																	25	10	10.00%	60.00%	30.00%	40.00%
100	Mixed**	0	1	3	1	7	1	5	4					5	2	6	5	30		10		18		2		100	40	10.00%	65.00%	25.00%	40.00%

**includes 2x 2-bed bungalow* (market only)
***includes 4x 2-bed bungalows, 4x 3-bed bungalows and 2 x 4-bed bungalows* (market only)

Note: dwelling mix for the Rural Exception at 70% AH site comprises 4x 2BH, 2x 3BH, 1x 4BH (Affordable Rent) and 2x 3BH, 1x 4BH (market dwellings)

DSP 2018

Scheme Typology		50%AH (South Purbeck)																						Total Check	AH Total Check	SR 10% Check	AR 65% Check	SO 25% Check	Overall AH % Check
		1-BF				2-BF				3-BF				2-BH				3-BH				4-BH								
		Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO	Market	SR	AR	SO					
5	Houses																									0	0	0.00%	0.00%	0.00%	0.00%
5	Flats																									0	0	0.00%	0.00%	0.00%	0.00%
10	Houses													1	1	1	1	2		2		2			0	10	5	20.00%	60.00%	20.00%	50.00%
10	Flats	1		1	1	4	1	2																		10	5	20.00%	60.00%	20.00%	50.00%
20	Houses*													3	1	3	3	5		2		2		1		20	10	10.00%	60.00%	30.00%	50.00%
25	Flats	4	1	3	1	8		5	3																	25	13	7.69%	61.54%	30.77%	52.00%
100	Mixed**	0		2	3	6	2	5	4					5	1	6	6	25	2	13		14		6		100	50	10.00%	64.00%	26.00%	50.00%

**includes 2x 2-bed bungalow* (market only)
***includes 4x 2-bed bungalows, 4x 3-bed bungalows and 2 x 4-bed bungalows* (market only)

Note: dwelling mix for the Rural Exception at 70% AH site comprises 4x 2BH, 2x 3BH, 1x 4BH (Affordable Rent) and 2x 3BH, 1x 4BH (market dwellings)

DSP 2018

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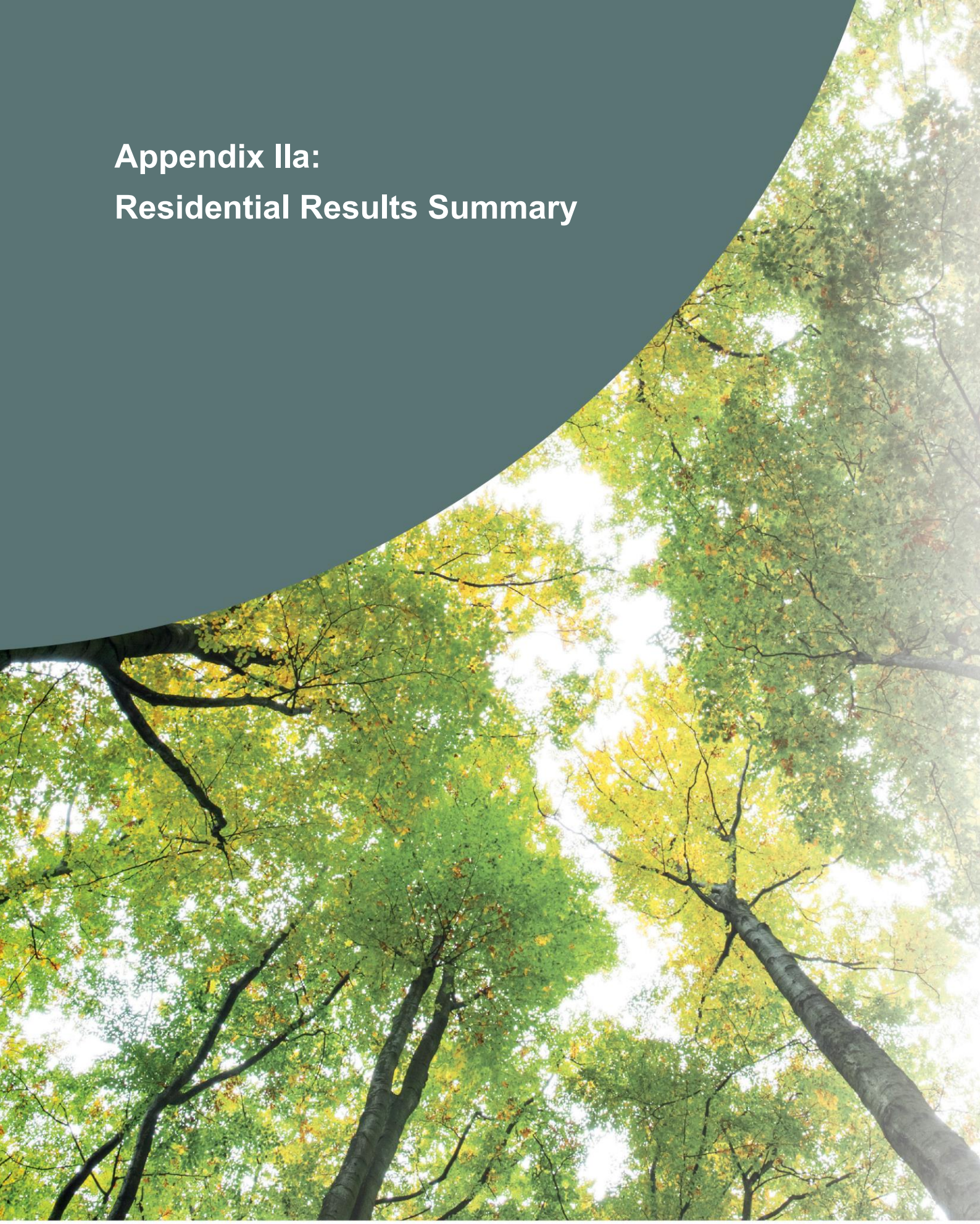
Purbeck DC - Final Appendix I - LP & CIL Viability Assessment Update - Policy Analysis based on the Draft Local Plan (Presubmission Version)

Policy No. / Name	Cost / Other Impact for Viability Testing Purposes? Yes/No Yes Yes (minor) No	Type of Development Applicable	Addressed where applicable through specific study approach / assumptions - associated commentary	Cost / specific allowance within assumptions?
V1 - Spatial strategy for sustainable communities	Yes	All Development	A variety of residential and commercial (non-residential) scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in different areas of the District, all in accordance with the Draft Plan. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions).	Reflected in selection of scheme scenarios, assumptions and interpretation of appraisal results - influence on recommendations. Range of specific allowances made for affordable housing.
V2 - Green belt	Yes	All Development	Although more of a planning and land use implication, some scenarios particularly those relating to strategic sites will be specifically tested as sites within the Green belt and as such specific cost assumptions apply e.g. SANGs.	Reflected in selection of scheme scenarios, assumptions and interpretation of appraisal results - influence on recommendations. Range of specific allowances made for affordable housing.
E1 - Landscape	No	All Development	N/A - more of a planning and land use implication than for viability consideration.	N/A
E2 - Historic environment	No	All Development	N/A - more of a planning and land use implication than for viability consideration.	N/A
E3 - Renewable energy	No	Commercial	N/A - more of a planning and land use implication than for viability consideration.	N/A
E4 - Assessing flood risk	(Yes (minor)	All Development	Allowed for within overall build costs and fees so far as normal works extent is concerned. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.	No particular additional assumptions that apply across the range of scheme types.
E5 - Sustainable drainage systems	(Yes (minor)	All Development	Allowed for within build costs and fees so far as normal works extent is concerned. However could have very site specific impacts and as such would need to be treated as abnormal costs in weighing-up the overall viability position on a particular site.	No particular additional assumptions that apply across the range of scheme types.
E6 - Coastal change management areas	No	All Development	N/A - more of a planning and land use implication than for viability consideration.	N/A
E7 - Conservation of protected sites	(Yes (minor)	All Development	Although more of a planning and land use implication than for viability consideration, an indirect cost implication may exist in relation to scale and form of development if permitted - more of a design, development management related consideration.	Reflected in assumptions - assumed development appropriate as would be permitted under the range of development management criteria.
E8 - Dorset heathlands	Yes	All Development	Although more of a planning/design/land use implication, the allowance for SANGs and SAMM applies and as such any specific cost assumptions or land take allowance will need to be taken into account.	Any likely associated costs included part of overall cost assumptions e.g. SAMM / SANGs - PDC assume SAMM 'top-sliced' from CIL
E9 - Poole Harbour	(Yes (minor)	Residential	More of a planning and land use implication than for viability consideration. However, any potential mitigation costs allowed for within the general build cost and fee assumptions	No particular additional assumptions that apply across the range of scheme types - some related mitigation e.g. SANGs / Nitrogen mitigation to be 'top-sliced' from CIL as above.
E10 - Biodiversity and geodiversity	(Yes (minor)	All Development	To the extent that the assessment assumptions consider regular design and layout characteristics. Scope of achievable planning obligations packages may be relevant to particular proposals - especially for larger/strategic scale developments where the surplus available to support a planning obligations package is likely to be considered. More of a general development management matter and does not inform particular viability assessment assumptions.	No particular additional assumptions that apply across the range of scheme types.
E11 - Development next to sewage treatment works and pumping stations	No	All Development	N/A - more of a planning and land use implication than for viability consideration.	N/A
E12 - Design	(Yes (minor)	All Development	Firstly in respect of the general nature and quality of development expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs ass	Reflected in assumptions - assumed development appropriate as would be permitted under the range of development management criteria. Additional sustainability requirements included as part of build cost assumptions.
H1 - Local housing requirement	Yes	Residential	A variety of residential scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in different areas of the District (including potential greenbelt release sites), all in accordance with the Draft Plan. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions).	Reflected in selection of scheme scenarios, assumptions and interpretation of appraisal results - influence on recommendations. Range of specific allowances made for affordable housing.
H2 - The housing land supply	Yes	Residential	As above - a range of residential scenarios is different locations in the District will be tested including strategic sites.	Reflected in selection of scheme scenarios, assumptions and interpretation of appraisal results - influence on recommendations. Range of specific allowances made for affordable housing.
H3 - New housing development requirements	Yes	Residential	Firstly in respect of the general nature and quality of development (design) expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs assumptions used for all appraisals. Secondly, additional cost allowances have been made in relation to electric vehicle charging points, sustainability to meet Part M of the Building Regulations as part of sensitivity testing etc. - see Appendix I Residential Assumptions for details	Reflected in assumptions - assumed development appropriate as would be permitted under the range of development management criteria. Additional sustainability requirements included as part of build cost assumptions. Mitigation from the effects of nitrogen is assumed to be top-sliced from CIL as per SANGS.
H4 - Moreton Station / Redbridge Pit	Yes	Residential	The site at Moreton Pit will be 'high-level' viability tested based on assumptions provided by PDC and also following consultation with the site promoters.	Reflected in specific assumptions set out in Appendix I - assumed development appropriate as would be permitted under the range of development management criteria.
H5 - Wool	Yes	Residential	Although not specifically tested as Moreton Pit following instruction from PDC, a range of residential scenarios will be modelled which will broadly represent the type and quantum of development to be delivered during the plan period.	Reflected in selection of scheme scenarios, assumptions and interpretation of appraisal results - influence on recommendations. Range of specific allowances made for affordable housing.
H6 - Lytchett Matravers	Yes	Residential	The site at Lytchett Matravers will be 'high-level' viability tested based on assumptions provided by PDC and also following consultation with the site promoters.	Reflected in specific assumptions set out in Appendix I - assumed development appropriate as would be permitted under the range of development management criteria.
H7 - Upton	Yes	Residential	Forms part of and linked to policy H6 above - this site will be 'high-level' viability tested based on assumptions provided by PDC and also following consultation with the site promoters.	Reflected in specific assumptions set out in Appendix I - assumed development appropriate as would be permitted under the range of development management criteria.
H8 - Small sites next to existing settlements	Yes	Residential	A variety of residential scenarios have been modelled (including small sites), also covering a range of values levels overall representing the variety relevant in different areas of the District (including potential greenbelt release sites), all in accordance with the Draft Plan. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions).	Reflected in selection of scheme scenarios, assumptions and interpretation of appraisal results - influence on recommendations. Range of specific allowances made for affordable housing.
H9 - Housing mix	Yes	Residential	A variety of residential scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in the different areas. The specific housing mix (flats/houses) will be informed by the latest SHMAA and agreed with PDC. Affordable housing has been tested at alternative trial levels as part of informing the Plan development. (See Appendix I - Development Assumptions).	Reflected in the dwelling mix adopted for both market and affordable housing across all residential scenarios tested. Cost allowances made for M4(2) (Access and Adaptable) and M4(3) (Wheelchair Users) to inform range of base testing as well as enhanced sensitivity testing.
H10 - Part M of the Building Regulations	Yes	Residential	Specific cost allowances have been made in relation to sustainability to meet Part M of the Building Regulations as part of sensitivity testing - see Appendix I Residential Assumptions. Different proportions of M4(2) and (3) sensitivity tested together with base level testing as included within main appraisal sets.	Reflected in the dwelling mix adopted for both market and affordable housing across all residential scenarios tested. Cost allowances made for M4(2) (Access and Adaptable) and M4(3) (Wheelchair Users) to inform range of base testing as well as enhanced sensitivity testing.
H11 - Affordable housing	Yes	Residential	Affordable housing tested at 20%, 30% (commuted sum), 40% and 50% (on-site), including testing for AH threshold <10 dwellings. Tenure split also tested as set out in the policy. Study investigates through matrix of testing against trial CIL levels and other policies level of AH potentially viable (i.e. tests range of proportions / thresholds of affordable housing. (See Appendix I - Residential Development Assumptions).	Reflected in the selection of scheme scenarios, range of AH % and tenure split %s tested together with the interpretation of appraisal results and their influence on recommendations
H12 - Rural exception sites	Yes	Residential	A residential scenario representing a rural exception site has been modelled and considered covering a range of values levels to test the optimum amount / proportion of market vs affordable dwellings.	Reflected in the selection of scheme scenarios, together with the interpretation of appraisal results and their influence on recommendations.
H13 - Rural workers homes in the countryside	No	Residential	More of a planning and land use implication than for viability consideration.	N/A
H14 - Second homes	No	Residential	More of a planning and land use implication than for viability consideration.	N/A
H15 - Gypsy, traveller and travelling showpeople	No	Residential	N/A - more of a planning and land use implication than for viability consideration.	N/A
EE1 - Employment land supply	Yes	Commercial	A variety of commercial development scenarios of various types have been considered at an appropriate high level for the study purpose, covering a range of values representing the variety relevant in different areas and across different scheme/site types. (See Appendix I - Commercial Assumptions)	Reflected in values and costs assumptions used within high level commercial appraisal scenarios.

Policy No. / Name	Cost / Other Impact for Viability Testing Purposes? Yes/No Yes Yes (minor) No	Type of Development Applicable	Addressed where applicable through specific study approach / assumptions - associated commentary	Cost / specific allowance within assumptions?
EE2 - Planning for employment	Yes	Commercial	As above - a variety of commercial development scenarios of various types have been modelled, covering a range of values representing the variety relevant in different areas and across different scheme/site types. (See Appendix I - Commercial Assumptions)	Reflected in values and costs assumptions used within high level commercial appraisal scenarios.
EE3 - Vibrant town and local centres	Yes	Commercial	As above - a variety of commercial development scenarios of various types have been modelled including convenience retail (See Appendix I - Commercial Assumptions)	Reflected in values and costs assumptions used within high level commercial appraisal scenarios.
EE4 - Supporting vibrant and attractive tourism	Yes	Commercial	As above - to include hotels covering a range of values representing different areas of the District. Other tourism development will be considered at a very high level within the main report text.	Reflected in values and costs assumptions used within high level commercial appraisal scenarios. Also see main report text for other tourism development.
I1 - Developer contributions to deliver Purbeck's infrastructure	Yes	All Development	Considered through range of s.106/other costs sensitivity testing including Electric Vehicle Charging Points. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.	DSP's view and experience is that say £tbc/dwelling forms an appropriate sum, effectively as a contingency, for such measures. It follows that for all tests at £tbc per dwelling, the immediate/essential highways mitigation/s.278 works are assumed to be specifically allowed for. CIL tested at a range of suitable rates based on those previously adopted. Specific assumption made for the cost of provision for electric vehicle charging points in new 'major' development (10+ dwellings).
I2 - Improving accessibility and transport	Yes	All Development	Study allows for appropriate development densities, design, build costs, external works costs and s.106 cost assumptions (as noted above) within the development scenarios modelled (including electric vehicle parking charging points).	Reflected in the scenario assumptions on a range of inputs; most directly relevant to the build cost assumptions including by means of additions for externals and other site works
I3 - Green infrastructure, trees and hedgerows	Yes	All Development	Generally within build costs and externals / Planning obligations cost assumption	No particular additional assumptions that apply across the range.
I4 - Recreation, sport and open space	Yes	Residential	Considered through range of s.106/other costs sensitivity testing together with general land take % assumption based on DSP experience. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.	DSP's view and experience is that say £3,000/dwelling forms an appropriate sum, effectively as a contingency, for such measures. It follows that for all tests at £3,000 per dwelling, the immediate/essential highways mitigation/s.278 works are assumed to be specifically allowed for. In addition, we have assumed a % allowance of Land take for POS.
I5 - Morden Park strategic suitable alternative natural green space and holiday park	No	Residential	More of a planning and land use implication than for viability consideration. However, an allowance for SANG has been made generally as part of all residential scenario testing.	Reflected in the scenario assumptions on a range of inputs; most directly relevant to the build cost assumptions including by means of additions for externals and other site works/infrastructure.
I6 - Wareham integrated health and social care	No	Specific Site	N/A - more of a planning and land use implication than for viability consideration.	N/A
I7 - Community facilities and services	Yes	Residential	Considered through the range of residential and commercial scenarios tested. Potentially only applicable to larger 'strategic' scale sites - also tested as part of the appraisal modelling.	Reflected in the scenario assumptions on a range of inputs; most directly relevant to additions for other site works / infrastructure. To be considered as part of the strategic site appraisal modelling e.g allowances made for primary school etc.
IM1 - Tools for delivery - the Purbeck Local Plan implementation strategy	No	All Development	N/A - related to PDC internal procedure / monitoring / implementation than for viability consideration.	N/A

Dixon Searle Partnership (2018)

Appendix IIa:
Residential Results Summary



DixonSearle Partnership

Table 1a: Residual Land Value Results by Value Level & Trial CIL Rate - 5 Unit Scheme - Houses

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
5 Houses 20% AH (Commuted Sum)	PDL/Greenfield	250	35	VL1	£2,500	£64,961	£45,598	£16,554	Negative RLV	Negative RLV			
				VL2	£3,000	£137,090	£118,167	£89,646	£50,920				
				VL3	£3,300	£208,480	£189,559	£161,174	£123,328	£59,510	£37,154	£14,798	Negative RLV
				VL4	£3,600	£277,320	£259,057	£231,662	£194,719	£131,219	£109,344	£86,988	£51,219
				VL5	£3,900	£346,161	£327,898	£300,503	£263,976	£229,194	£207,699	£185,883	£150,979
				VL6	£4,200	£415,002	£396,739	£369,344	£332,817	£307,747	£286,742	£265,738	£232,130
				VL7	£4,500	£483,843	£465,580	£438,185	£401,658	£402,389	£381,384	£360,380	£326,773
				VL8	£4,800	£552,684	£534,421	£507,026	£470,499	£470,207	£449,203	£428,198	£394,591
				VL9	£5,100	£621,525	£603,261	£575,866	£539,340	£564,849	£543,845	£522,840	£489,233
				VL10	£5,400	£690,366	£672,102	£644,707	£608,181	£648,765	£627,761	£606,756	£573,149
				VL11	£5,900	£759,206	£740,943	£713,548	£677,022	£805,321	£785,497	£764,493	£730,886
						Residual Land Value (£/Ha)							
				VL1	£2,500	£395,415	£277,554	£100,762	Negative RLV	Negative RLV			
				VL2	£3,000	£834,460	£719,277	£545,671	£309,949				
				VL3	£3,300	£1,269,006	£1,153,834	£981,059	£750,691	£362,233	£226,153	£90,074	Negative RLV
				VL4	£3,600	£1,688,037	£1,576,869	£1,410,117	£1,185,249	£798,723	£665,573	£529,493	£311,767
				VL5	£3,900	£2,107,068	£1,995,901	£1,829,149	£1,606,813	£1,395,094	£1,264,253	£1,131,464	£919,002
				VL6	£4,200	£2,526,100	£2,414,932	£2,248,180	£2,025,844	£1,873,242	£1,745,388	£1,617,534	£1,412,968
				VL7	£4,500	£2,945,131	£2,833,963	£2,667,212	£2,444,876	£2,449,324	£2,321,470	£2,193,616	£1,989,050
				VL8	£4,800	£3,364,163	£3,252,995	£3,086,243	£2,863,907	£2,862,131	£2,734,277	£2,606,423	£2,401,857
				VL9	£5,100	£3,783,194	£3,672,026	£3,505,274	£3,282,939	£3,438,213	£3,310,359	£3,182,505	£2,977,939
				VL10	£5,400	£4,202,225	£4,091,058	£3,924,306	£3,701,970	£3,949,006	£3,821,152	£3,693,298	£3,488,731
				VL11	£5,900	£4,621,257	£4,510,089	£4,343,337	£4,121,001	£4,901,954	£4,781,289	£4,653,435	£4,448,868

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
5 Houses 30% AH (Commuted Sum)	PDL/Greenfield	250	35	VL1	£2,500	£18,815	Negative RLV			Negative RLV			
				VL2	£3,000	£76,936	£56,544	£25,956	Negative RLV				
				VL3	£3,300	£134,144	£114,215	£84,077	£43,293	£8,132	Negative RLV		
				VL4	£3,600	£190,913	£170,984	£141,091	£101,233	£66,053	£43,697	£21,341	Negative RLV
				VL5	£3,900	£246,248	£227,014	£197,860	£158,003	£165,454	£143,639	£121,823	£86,302
				VL6	£4,200	£300,989	£281,755	£252,904	£214,436	£238,023	£216,868	£195,053	£160,149
				VL7	£4,500	£355,730	£336,496	£307,645	£269,177	£332,665	£311,660	£290,656	£257,049
				VL8	£4,800	£410,471	£391,237	£362,386	£323,918	£387,071	£366,067	£345,062	£311,455
				VL9	£5,100	£465,212	£445,978	£417,127	£378,659	£481,713	£460,709	£439,704	£406,097
				VL10	£5,400	£519,953	£500,719	£471,868	£433,400	£560,266	£539,262	£518,257	£484,650
				VL11	£5,900	£574,694	£555,460	£526,609	£488,141	£718,003	£696,998	£675,994	£642,387
						Residual Land Value (£/Ha)							
				VL1	£2,500	£114,524	Negative RLV			Negative RLV			
				VL2	£3,000	£468,307	£344,181	£157,993	Negative RLV				
				VL3	£3,300	£816,527	£695,221	£511,776	£263,525	£49,502	Negative RLV		
				VL4	£3,600	£1,162,079	£1,040,773	£858,814	£616,202	£402,059	£265,980	£129,901	Negative RLV
				VL5	£3,900	£1,498,903	£1,381,827	£1,204,366	£961,754	£1,007,110	£874,321	£741,532	£525,317
				VL6	£4,200	£1,832,109	£1,715,033	£1,539,418	£1,305,265	£1,448,835	£1,320,069	£1,187,280	£974,817
				VL7	£4,500	£2,165,315	£2,048,238	£1,872,624	£1,638,471	£2,024,917	£1,897,063	£1,769,209	£1,564,643
				VL8	£4,800	£2,498,521	£2,381,444	£2,205,830	£1,971,677	£2,356,086	£2,228,232	£2,100,378	£1,895,812
				VL9	£5,100	£2,831,726	£2,714,650	£2,539,035	£2,304,882	£2,932,168	£2,804,314	£2,676,460	£2,471,894
				VL10	£5,400	£3,164,932	£3,047,855	£2,872,241	£2,638,088	£3,410,316	£3,282,462	£3,154,608	£2,950,042
				VL11	£5,900	£3,498,138	£3,381,061	£3,205,447	£2,971,294	£4,370,453	£4,242,599	£4,114,745	£3,910,179

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

Source: Dixon Searle Partnership (2018)

Table 1b: Residual Land Value Results by Value Level & Trial CIL Rate - 5 Unit Scheme - Flats

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
5 Flats 20% AH (Commuted Sum)	PDL	310	75	VL1	£2,500	£43,134	£31,318	£13,594	Negative RLV	Negative RLV			
				VL2	£3,000	£88,927	£77,111	£59,387	£35,755				
				VL3	£3,300	£133,988	£122,440	£105,119	£81,547	£52,964	£37,954	£22,944	Negative RLV
				VL4	£3,600	£178,715	£167,167	£149,846	£126,751	£94,111	£79,101	£64,091	£40,075
				VL5	£3,900	£223,143	£211,895	£194,573	£171,478	£156,980	£142,333	£127,686	£104,064
				VL6	£4,200	£266,272	£255,127	£238,409	£216,120	£213,852	£199,205	£184,558	£161,123
				VL7	£4,500	£309,401	£298,256	£281,539	£259,249	£274,235	£260,132	£246,030	£223,465
				VL8	£4,800	£352,530	£341,385	£324,668	£302,378	£318,267	£304,164	£290,061	£267,497
				VL9	£5,100	£395,659	£384,515	£367,797	£345,507	£378,388	£364,285	£350,182	£327,618
				VL10	£5,400	£438,789	£427,644	£410,926	£388,637	£427,783	£413,680	£399,577	£377,013
				VL11	£5,900	£481,918	£470,773	£454,056	£431,766	£527,984	£513,882	£499,779	£477,215
						Residual Land Value (£/Ha)							
				VL1	£2,500	£562,615	£408,494	£177,312	Negative RLV	Negative RLV			
				VL2	£3,000	£1,159,911	£1,005,790	£774,608	£466,366				
				VL3	£3,300	£1,747,665	£1,597,045	£1,371,115	£1,063,662	£690,830	£495,049	£299,267	Negative RLV
				VL4	£3,600	£2,331,065	£2,180,445	£1,954,515	£1,653,274	£1,227,533	£1,031,752	£835,971	£522,721
				VL5	£3,900	£2,910,555	£2,763,844	£2,537,914	£2,236,674	£2,047,569	£1,856,521	£1,665,473	£1,357,356
				VL6	£4,200	£3,473,110	£3,327,742	£3,109,689	£2,818,952	£2,789,372	£2,598,324	£2,407,276	£2,101,600
				VL7	£4,500	£4,035,665	£3,890,297	£3,672,244	£3,381,507	£3,576,976	£3,393,029	£3,209,081	£2,914,766
				VL8	£4,800	£4,598,221	£4,452,852	£4,234,799	£3,944,062	£4,151,304	£3,967,357	£3,783,410	£3,489,094
				VL9	£5,100	£5,160,776	£5,015,407	£4,797,354	£4,506,617	£4,935,491	£4,751,544	£4,567,596	£4,273,280
				VL10	£5,400	£5,723,331	£5,577,962	£5,359,909	£5,069,172	£5,579,772	£5,395,825	£5,211,877	£4,917,562
				VL11	£5,900	£6,285,886	£6,140,517	£5,922,464	£5,631,727	£6,886,750	£6,702,803	£6,518,855	£6,224,539

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
5 Flats 30% AH (Commuted Sum)	PDL	310	75	VL1	£2,500	£5,844	Negative RLV			Negative RLV			
				VL2	£3,000	£39,308	£27,492	£9,768	Negative RLV				
				VL3	£3,300	£72,772	£60,956	£43,232	£19,600	£30,131	£15,121	£112	Negative RLV
				VL4	£3,600	£106,167	£94,420	£76,696	£53,064	£59,858	£44,848	£29,838	£5,822
				VL5	£3,900	£138,853	£127,305	£109,984	£86,528	£123,555	£108,837	£93,827	£69,811
				VL6	£4,200	£171,538	£159,990	£142,669	£119,574	£177,642	£162,995	£148,348	£124,913
				VL7	£4,500	£204,223	£192,676	£175,354	£152,259	£239,371	£225,268	£210,790	£187,354
				VL8	£4,800	£236,128	£224,983	£208,040	£184,945	£275,358	£261,255	£247,153	£224,588
				VL9	£5,100	£267,646	£256,501	£239,783	£217,493	£335,479	£321,376	£307,274	£284,709
				VL10	£5,400	£299,163	£288,018	£271,301	£249,011	£379,511	£365,408	£351,305	£328,741
				VL11	£5,900	£330,681	£319,536	£302,818	£280,528	£479,712	£465,610	£451,507	£428,943
						Residual Land Value (£/Ha)							
				VL1	£2,500	£76,227	Negative RLV			Negative RLV			
				VL2	£3,000	£512,713	£358,592	£127,410	Negative RLV				
				VL3	£3,300	£949,198	£795,077	£563,895	£255,653	£393,017	£197,236	£1,455	Negative RLV
				VL4	£3,600	£1,384,790	£1,231,563	£1,000,381	£692,139	£780,755	£584,974	£389,192	£75,942
				VL5	£3,900	£1,811,120	£1,660,500	£1,434,570	£1,128,624	£1,611,592	£1,419,609	£1,223,828	£910,578
				VL6	£4,200	£2,237,451	£2,086,830	£1,860,900	£1,559,660	£2,317,069	£2,126,021	£1,934,973	£1,629,297
				VL7	£4,500	£2,663,781	£2,513,161	£2,287,231	£1,985,991	£3,122,227	£2,938,279	£2,749,429	£2,443,753
				VL8	£4,800	£3,079,932	£2,934,563	£2,713,561	£2,412,321	£3,591,625	£3,407,678	£3,223,731	£2,929,415
				VL9	£5,100	£3,491,030	£3,345,661	£3,127,609	£2,836,871	£4,375,812	£4,191,865	£4,007,917	£3,713,601
				VL10	£5,400	£3,902,128	£3,756,759	£3,538,706	£3,247,969	£4,950,140	£4,766,193	£4,582,246	£4,287,930
				VL11	£5,900	£4,313,226	£4,167,857	£3,949,804	£3,659,067	£6,257,118	£6,073,171	£5,889,223	£5,594,908

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

Source: Dixon Searle Partnership (2018)

Table 1c: Residual Land Value Results by Value Level & Trial CIL Rate - 10 Unit Scheme - Houses

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
10 Houses 40% AH (North Purbeck)	PDL/Greenfield	639	35	VL1	£2,500	Negative RLV				Negative RLV			
				VL2	£3,000	£77,852	£42,663	Negative RLV					
				VL3	£3,300	£171,518	£137,155	£85,610	£15,453	£7,424	Negative RLV		
				VL4	£3,600	£262,327	£229,202	£179,254	£110,527	£138,658	£94,932	£50,541	Negative RLV
				VL5	£3,900	£352,508	£319,384	£269,697	£203,448	£265,641	£223,933	£180,732	£111,415
				VL6	£4,200	£442,690	£409,565	£359,878	£293,629	£389,568	£347,860	£306,152	£239,420
				VL7	£4,500	£532,871	£499,747	£450,060	£383,811	£513,495	£471,787	£430,079	£363,346
				VL8	£4,800	£623,053	£589,928	£540,241	£473,992	£637,421	£595,714	£554,006	£487,273
				VL9	£5,100	£713,234	£680,110	£630,423	£564,174	£761,348	£719,640	£677,933	£611,200
				VL10	£5,400	£800,560	£769,500	£720,604	£654,355	£879,026	£840,002	£800,977	£735,127
				VL11	£5,900	£884,971	£853,911	£807,321	£744,537	£1,072,284	£1,033,259	£994,234	£931,795
						Residual Land Value (£/Ha)							
				VL1	£2,500	Negative RLV				Negative RLV			
				VL2	£3,000	£236,940	£129,843	Negative RLV					
				VL3	£3,300	£522,013	£417,429	£260,553	£47,030	£22,594	Negative RLV		
				VL4	£3,600	£798,386	£697,572	£545,556	£336,388	£422,001	£288,923	£153,820	Negative RLV
				VL5	£3,900	£1,072,851	£972,037	£820,817	£619,189	£808,473	£681,536	£550,055	£339,088
				VL6	£4,200	£1,347,316	£1,246,503	£1,095,282	£893,655	£1,185,641	£1,058,704	£931,767	£728,668
				VL7	£4,500	£1,621,782	£1,520,968	£1,369,747	£1,168,120	£1,562,810	£1,435,873	£1,308,936	£1,105,837
				VL8	£4,800	£1,896,247	£1,795,433	£1,644,213	£1,442,585	£1,939,978	£1,813,041	£1,686,104	£1,483,005
				VL9	£5,100	£2,170,712	£2,069,899	£1,918,678	£1,717,050	£2,317,147	£2,190,210	£2,063,273	£1,860,174
				VL10	£5,400	£2,436,485	£2,341,955	£2,193,143	£1,991,516	£2,675,298	£2,556,527	£2,437,756	£2,237,342
				VL11	£5,900	£2,693,389	£2,598,858	£2,457,063	£2,265,981	£3,263,472	£3,144,701	£3,025,930	£2,835,897

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
10 Houses 50% AH (South Purbeck)	PDL/Greenfield	539	35	VL1	£2,500	Negative RLV				Negative RLV			
				VL2	£3,000	£9,436	Negative RLV						
				VL3	£3,300	£90,411	£55,730	£3,286	Negative RLV				
				VL4	£3,600	£169,713	£135,571	£84,358	£14,617	£48,310	£5,164	Negative RLV	
				VL5	£3,900	£246,785	£213,873	£163,660	£95,376	£165,555	£123,453	£80,595	£11,562
				VL6	£4,200	£323,154	£290,243	£240,876	£174,678	£279,022	£238,484	£197,060	£129,695
				VL7	£4,500	£399,524	£366,613	£317,246	£251,424	£390,432	£349,894	£309,356	£244,495
				VL8	£4,800	£475,894	£442,983	£393,616	£327,794	£501,842	£461,304	£420,766	£355,905
				VL9	£5,100	£552,264	£519,353	£469,986	£404,163	£613,252	£572,714	£532,176	£467,315
				VL10	£5,400	£628,634	£595,723	£546,356	£480,533	£724,662	£684,124	£643,586	£578,725
				VL11	£5,900	£705,004	£672,093	£622,726	£556,903	£902,484	£864,554	£826,624	£764,408
						Residual Land Value (£/Ha)							
				VL1	£2,500	Negative RLV				Negative RLV			
				VL2	£3,000	£28,717	Negative RLV						
				VL3	£3,300	£275,165	£169,612	£10,000	Negative RLV				
				VL4	£3,600	£516,519	£412,608	£256,742	£44,487	£147,031	£15,717	Negative RLV	
				VL5	£3,900	£751,084	£650,919	£498,096	£290,275	£503,865	£375,725	£245,290	£35,187
				VL6	£4,200	£983,514	£883,349	£733,102	£531,628	£849,199	£725,822	£599,748	£394,725
				VL7	£4,500	£1,215,944	£1,115,779	£965,532	£765,202	£1,188,272	£1,064,896	£941,519	£744,116
				VL8	£4,800	£1,448,374	£1,348,209	£1,197,962	£997,633	£1,527,346	£1,403,969	£1,280,592	£1,083,189
				VL9	£5,100	£1,680,804	£1,580,639	£1,430,392	£1,230,063	£1,866,420	£1,743,043	£1,619,666	£1,422,263
				VL10	£5,400	£1,913,234	£1,813,069	£1,662,822	£1,462,493	£2,205,494	£2,082,117	£1,958,740	£1,761,337
				VL11	£5,900	£2,145,664	£2,045,499	£1,895,252	£1,694,923	£2,746,690	£2,631,251	£2,515,811	£2,326,460

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

Source: Dixon Searle Partnership (2018)

Table 1d: Residual Land Value Results by Value Level & Trial CIL Rate - 10 Unit Scheme - Flats

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
10 Flats 30% AH	PDL	450	100	VL1	£2,500	Negative RLV			
				VL2	£3,000				
				VL3	£3,300	£51,535	£19,871	Negaitve RLV	
				VL4	£3,600	£143,633	£112,735	£81,095	£30,433
				VL5	£3,900	£233,777	£203,376	£172,478	£123,041
				VL6	£4,200	£321,050	£291,300	£261,550	£213,682
				VL7	£4,500	£408,322	£378,572	£348,823	£301,223
				VL8	£4,800	£495,594	£465,845	£436,095	£388,495
				VL9	£5,100	£582,867	£553,117	£523,367	£475,768
				VL10	£5,400	£670,139	£640,389	£610,640	£563,040
				VL11	£5,900	£813,827	£785,843	£756,094	£708,494
						Residual Land Value (£/Ha)			
				VL1	£2,500	Negative RLV			
				VL2	£3,000				
				VL3	£3,300	£448,129	£172,794		
				VL4	£3,600	£1,248,983	£980,305	£705,170	£264,633
				VL5	£3,900	£2,032,845	£1,768,488	£1,499,809	£1,069,923
				VL6	£4,200	£2,791,736	£2,533,042	£2,274,349	£1,858,106
				VL7	£4,500	£3,550,626	£3,291,933	£3,033,239	£2,619,330
				VL8	£4,800	£4,309,516	£4,050,823	£3,792,130	£3,378,221
				VL9	£5,100	£5,068,407	£4,809,714	£4,551,020	£4,137,111
				VL10	£5,400	£5,827,297	£5,568,604	£5,309,911	£4,896,001
				VL11	£5,900	£7,076,760	£6,833,421	£6,574,728	£6,160,819

Note: 10 Flats was not appraised as part of the original 2016 Study and therefore no comparison table has been included

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph) *	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
10 Flats 40% AH (North Purbeck)	PDL/Greenfield	400	100	VL1	£2,500	£3,009	Negative RLV			Negative RLV			
				VL2	£3,000	£68,706	£45,297	£10,183	Negative RLV				
				VL3	£3,300	£133,323	£110,464	£75,880	£29,062	£18,671	Negative RLV		
				VL4	£3,600	£197,440	£174,580	£140,290	£94,571	£108,557	£76,893	£18,677	Negative RLV
				VL5	£3,900	£259,251	£237,215	£204,162	£158,688	£196,347	£165,449	£134,551	£84,453
				VL6	£4,200	£320,997	£298,961	£265,908	£221,836	£281,712	£251,963	£222,213	£172,827
				VL7	£4,500	£382,743	£360,707	£327,654	£283,582	£366,165	£336,415	£306,665	£259,066
				VL8	£4,800	£444,488	£422,453	£389,399	£345,328	£450,617	£420,868	£391,118	£343,518
				VL9	£5,100	£506,234	£484,199	£451,145	£407,074	£535,070	£505,320	£475,570	£427,971
				VL10	£5,400	£567,980	£545,945	£512,891	£468,820	£619,522	£589,773	£560,023	£512,423
				VL11	£5,900	£629,726	£607,690	£574,637	£530,566	£760,276	£730,527	£700,777	£653,177
						Residual Land Value (£/Ha)				Residual Land Value (£/Ha)			
				VL1	£2,500	£19,623	Negative RLV			Negative RLV			
				VL2	£3,000	£448,080	£295,413	£66,411	Negative RLV				
				VL3	£3,300	£869,499	£720,415	£494,868	£189,533	£162,357	Negative RLV		
				VL4	£3,600	£1,287,650	£1,138,565	£914,938	£616,768	£943,970	£668,634	£162,409	Negative RLV
				VL5	£3,900	£1,690,767	£1,547,056	£1,331,490	£1,034,919	£1,707,368	£1,438,689	£1,170,011	£734,375
				VL6	£4,200	£2,093,457	£1,949,746	£1,734,180	£1,446,759	£2,449,673	£2,190,980	£1,932,286	£1,502,840
				VL7	£4,500	£2,496,147	£2,352,437	£2,136,871	£1,849,450	£3,184,042	£2,925,349	£2,666,656	£2,252,747
				VL8	£4,800	£2,898,838	£2,755,127	£2,539,561	£2,252,140	£3,918,412	£3,659,718	£3,401,025	£2,987,116
				VL9	£5,100	£3,301,528	£3,157,818	£2,942,252	£2,654,831	£4,652,781	£4,394,088	£4,135,395	£3,721,485
				VL10	£5,400	£3,704,219	£3,560,508	£3,344,942	£3,057,521	£5,387,150	£5,128,457	£4,869,764	£4,455,855
				VL11	£5,900	£4,106,909	£3,963,199	£3,747,633	£3,460,212	£6,611,099	£6,352,406	£6,093,713	£5,679,804

**2016 Study results assumed 75dph*

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph) *	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
10 Flats 50% AH (South Purbeck)	PDL/Greenfield	330	100	VL1	£2,500	Negative RLV				Negative RLV			
				VL2	£3,000	£41,570	£18,161	Negative RLV					
				VL3	£3,300	£98,405	£75,214	£40,100	Negative RLV				
				VL4	£3,600	£154,085	£131,225	£96,935	£50,335				
				VL5	£3,900	£209,375	£186,905	£152,615	£106,896	£59,662	£27,432	Negative RLV	
				VL6	£4,200	£262,996	£240,960	£207,907	£162,576	£134,535	£102,869	£70,639	£19,072
				VL7	£4,500	£316,617	£294,582	£261,528	£217,457	£208,148	£176,697	£145,247	£94,509
				VL8	£4,800	£370,239	£348,203	£315,150	£271,079	£279,498	£249,217	£218,860	£168,539
				VL9	£5,100	£423,860	£401,825	£368,771	£324,700	£350,375	£320,094	£289,812	£241,362
				VL10	£5,400	£477,482	£455,446	£422,393	£378,321	£421,252	£390,971	£360,689	£312,239
				VL11	£5,900	£531,103	£509,068	£476,014	£431,943	£539,380	£509,098	£478,817	£430,367
						Residual Land Value (£/Ha)							
				VL1	£2,500	Negative RLV				Negative RLV			
				VL2	£3,000	£271,111	£118,443	Negative RLV					
				VL3	£3,300	£641,769	£490,525	£261,523	Negative RLV				
				VL4	£3,600	£1,004,900	£855,815	£632,187	£328,269				
				VL5	£3,900	£1,365,487	£1,218,945	£995,318	£697,148	£518,798	£238,542	Negative RLV	
				VL6	£4,200	£1,715,192	£1,571,481	£1,355,915	£1,060,279	£1,169,870	£894,511	£614,254	£165,844
				VL7	£4,500	£2,064,897	£1,921,186	£1,705,620	£1,418,199	£1,809,979	£1,536,499	£1,263,018	£821,813
				VL8	£4,800	£2,414,602	£2,270,891	£2,055,325	£1,767,904	£2,430,421	£2,167,104	£1,903,127	£1,465,558
				VL9	£5,100	£2,764,306	£2,620,596	£2,405,030	£2,117,609	£3,046,741	£2,783,424	£2,520,107	£2,098,801
				VL10	£5,400	£3,114,011	£2,970,301	£2,754,735	£2,467,314	£3,663,061	£3,399,744	£3,136,427	£2,715,120
				VL11	£5,900	£3,463,716	£3,320,006	£3,104,440	£2,817,018	£4,690,260	£4,426,943	£4,163,627	£3,742,320

**2016 Study results assumed 75dph*

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

Source: Dixon Searle Partnership (2018)

Table 1e: Residual Land Value Results by Value Level & Trial CIL Rate - 20 Unit Scheme - Houses

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
20 Houses 30% AH	PDL	1385	35	VL1	£2,500	£393,037	£325,607	£224,460	£87,308	Negative RLV			
				VL2	£3,000	£622,982	£555,551	£454,405	£319,543	£255,571	£176,873	£95,883	Negative RLV
				VL3	£3,300	£843,707	£780,628	£684,349	£549,488	£527,588	£450,187	£372,785	£248,944
				VL4	£3,600	£1,058,404	£995,324	£900,705	£774,546	£795,351	£722,203	£644,802	£520,960
				VL5	£3,900	£1,269,836	£1,208,497	£1,115,402	£989,243	£1,047,865	£976,013	£904,162	£789,198
				VL6	£4,200	£1,478,433	£1,417,094	£1,325,086	£1,202,408	£1,296,072	£1,226,440	£1,156,676	£1,041,713
				VL7	£4,500	£1,687,031	£1,625,692	£1,533,683	£1,411,005	£1,540,786	£1,471,154	£1,401,522	£1,290,110
				VL8	£4,800	£1,895,628	£1,834,289	£1,742,281	£1,619,603	£1,785,501	£1,715,868	£1,646,236	£1,534,824
				VL9	£5,100	£2,104,226	£2,042,887	£1,950,878	£1,828,200	£2,030,215	£1,960,582	£1,890,950	£1,779,538
				VL10	£5,400	£2,312,823	£2,251,484	£2,159,476	£2,036,798	£2,274,929	£2,205,297	£2,135,664	£2,024,253
				VL11	£5,900	£2,521,421	£2,460,082	£2,368,073	£2,245,395	£2,682,786	£2,613,154	£2,543,521	£2,432,110
						Residual Land Value (£/Ha)				Residual Land Value (£/Ha)			
				VL1	£2,500	£598,100	£495,488	£341,570	Negative RLV	Negative RLV			
				VL2	£3,000	£948,016	£845,404	£691,486	£486,261	£388,912	£269,154	£145,909	Negative RLV
				VL3	£3,300	£1,283,902	£1,187,912	£1,041,401	£836,177	£802,851	£685,066	£567,282	£378,827
				VL4	£3,600	£1,610,614	£1,514,624	£1,370,638	£1,178,657	£1,210,316	£1,099,005	£981,221	£792,766
				VL5	£3,900	£1,932,359	£1,839,017	£1,697,350	£1,505,369	£1,594,578	£1,485,238	£1,375,898	£1,200,954
				VL6	£4,200	£2,249,790	£2,156,448	£2,016,435	£1,829,751	£1,972,284	£1,866,322	£1,760,160	£1,585,216
				VL7	£4,500	£2,567,221	£2,473,879	£2,333,866	£2,147,182	£2,344,675	£2,238,713	£2,132,751	£1,963,211
				VL8	£4,800	£2,884,652	£2,791,310	£2,651,297	£2,464,613	£2,717,066	£2,611,104	£2,505,142	£2,335,602
				VL9	£5,100	£3,202,082	£3,108,741	£2,968,728	£2,782,044	£3,089,457	£2,983,495	£2,877,533	£2,707,993
				VL10	£5,400	£3,519,513	£3,426,172	£3,286,159	£3,099,475	£3,461,848	£3,355,886	£3,249,924	£3,080,384
				VL11	£5,900	£3,836,944	£3,743,603	£3,603,590	£3,416,906	£4,082,500	£3,976,538	£3,870,576	£3,701,036

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
20 Houses 40% AH (North Purbeck)	PDL/Greenfield	1176	35	VL1	£2,500	£287,545	£220,571	£118,871	Negative RLV	Negative RLV			
				VL2	£3,000	£488,056	£421,082	£320,620	£186,672	£107,140	£25,030	Negative RLV	
				VL3	£3,300	£688,567	£621,593	£521,132	£387,183	£345,354	£268,697	£191,339	£62,252
				VL4	£3,600	£877,490	£814,838	£720,859	£587,694	£579,396	£502,738	£426,081	£303,429
				VL5	£3,900	£1,064,705	£1,002,053	£908,074	£782,769	£808,192	£736,780	£660,123	£537,471
				VL6	£4,200	£1,249,269	£1,188,346	£1,095,289	£969,985	£1,025,454	£954,292	£883,131	£769,273
				VL7	£4,500	£1,431,166	£1,370,242	£1,278,857	£1,157,010	£1,240,189	£1,171,226	£1,100,393	£986,535
				VL8	£4,800	£1,613,063	£1,552,139	£1,460,754	£1,338,906	£1,450,740	£1,381,777	£1,312,814	£1,202,473
				VL9	£5,100	£1,794,959	£1,734,036	£1,642,650	£1,520,803	£1,661,291	£1,592,327	£1,523,364	£1,413,023
				VL10	£5,400	£1,976,856	£1,915,932	£1,824,547	£1,702,700	£1,871,841	£1,802,878	£1,733,915	£1,623,574
				VL11	£5,900	£2,158,753	£2,097,829	£2,006,444	£1,884,596	£2,222,759	£2,153,796	£2,084,833	£1,974,492
						Residual Land Value (£/Ha)				Residual Land Value (£/Ha)			
				VL1	£2,500	£437,568	£335,651	£180,890	Negative RLV	Negative RLV			
				VL2	£3,000	£742,694	£640,777	£487,900	£284,066	£163,038	£38,088	Negative RLV	
				VL3	£3,300	£1,047,820	£945,902	£793,026	£589,191	£525,539	£408,886	£291,168	£94,732
				VL4	£3,600	£1,335,311	£1,239,970	£1,096,959	£894,317	£881,689	£765,037	£648,384	£461,740
				VL5	£3,900	£1,620,203	£1,524,863	£1,381,852	£1,191,171	£1,229,857	£1,121,187	£1,004,534	£817,891
				VL6	£4,200	£1,901,062	£1,808,352	£1,666,745	£1,476,063	£1,560,473	£1,452,184	£1,343,895	£1,170,632
				VL7	£4,500	£2,177,861	£2,085,151	£1,946,087	£1,760,667	£1,887,245	£1,782,301	£1,674,511	£1,501,249
				VL8	£4,800	£2,454,660	£2,361,951	£2,222,886	£2,037,466	£2,207,648	£2,102,704	£1,997,760	£1,829,850
				VL9	£5,100	£2,731,460	£2,638,750	£2,499,685	£2,314,266	£2,528,051	£2,423,107	£2,318,163	£2,150,253
				VL10	£5,400	£3,008,259	£2,915,549	£2,776,485	£2,591,065	£2,848,454	£2,743,510	£2,638,566	£2,470,656
				VL11	£5,900	£3,285,058	£3,192,349	£3,053,284	£2,867,864	£3,382,459	£3,277,515	£3,172,571	£3,004,661

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
20 Houses 50% AH (South Purbeck)	PDL/Greenfield	997	35	VL1	£2,500	£162,647	£95,400	Negative RLV		Negative RLV			
				VL2	£3,000	£326,565	£261,628	£164,222	£29,444				
				VL3	£3,300	£490,484	£425,547	£328,141	£198,266	£207,411	£127,758	£46,525	Negative RLV
				VL4	£3,600	£654,402	£589,465	£492,059	£362,185	£419,147	£342,779	£266,411	£141,465
				VL5	£3,900	£811,543	£750,796	£655,978	£526,103	£630,846	£554,478	£478,110	£355,921
				VL6	£4,200	£964,592	£903,845	£812,725	£690,022	£835,212	£764,320	£689,809	£567,620
				VL7	£4,500	£1,117,641	£1,056,894	£965,774	£844,280	£1,031,734	£960,841	£889,948	£776,519
				VL8	£4,800	£1,267,556	£1,208,486	£1,118,823	£997,329	£1,226,175	£1,157,362	£1,086,469	£973,041
				VL9	£5,100	£1,416,257	£1,357,187	£1,268,581	£1,150,378	£1,416,626	£1,347,923	£1,279,220	£1,169,295
				VL10	£5,400	£1,564,959	£1,505,888	£1,417,282	£1,299,141	£1,607,076	£1,538,373	£1,469,670	£1,359,746
				VL11	£5,900	£1,713,660	£1,654,589	£1,565,983	£1,447,842	£1,924,493	£1,855,790	£1,787,088	£1,677,163
						Residual Land Value (£/Ha)							
				VL1	£2,500	£247,506	£145,173	Negative RLV		Negative RLV			
				VL2	£3,000	£496,947	£398,130	£249,903	£44,806				
				VL3	£3,300	£746,389	£647,571	£499,344	£301,709	£315,625	£194,414	£70,799	Negative RLV
				VL4	£3,600	£995,830	£897,012	£748,786	£551,150	£637,833	£521,621	£405,408	£215,273
				VL5	£3,900	£1,234,957	£1,142,516	£998,227	£800,592	£959,983	£843,771	£727,559	£541,619
				VL6	£4,200	£1,467,857	£1,375,416	£1,236,755	£1,050,033	£1,270,975	£1,163,095	£1,049,709	£863,770
				VL7	£4,500	£1,700,758	£1,608,317	£1,469,656	£1,284,774	£1,570,030	£1,462,149	£1,354,269	£1,181,660
				VL8	£4,800	£1,928,890	£1,839,000	£1,702,556	£1,517,674	£1,865,919	£1,761,203	£1,653,323	£1,480,714
				VL9	£5,100	£2,155,174	£2,065,284	£1,930,449	£1,750,575	£2,155,735	£2,051,187	£1,946,639	£1,779,362
				VL10	£5,400	£2,381,459	£2,291,569	£2,156,733	£1,976,953	£2,445,550	£2,341,003	£2,236,455	£2,069,178
				VL11	£5,900	£2,607,743	£2,517,853	£2,383,018	£2,203,237	£2,928,577	£2,824,029	£2,719,481	£2,552,204

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

Source: Dixon Searle Partnership (2018)

Table 1f: Residual Land Value Results by Value Level & Trial CIL Rate - 25 Unit Scheme - Flats

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph) *	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
25 Flats 30% AH	PDL	1070	100	VL1	£2,500	Negative RLV							
				VL2	£3,000	£114,163	£59,078	Negative RLV		Negative RLV			
				VL3	£3,300	£288,539	£235,508	£155,960	£45,849				
				VL4	£3,600	£461,236	£408,204	£328,657	£222,594	£144,131	£69,408	Negative RLV	
				VL5	£3,900	£633,932	£580,900	£501,353	£395,290	£350,218	£279,504	£208,791	£90,396
				VL6	£4,200	£800,661	£751,052	£674,050	£567,986	£553,658	£482,945	£412,231	£299,089
				VL7	£4,500	£961,906	£912,297	£837,883	£738,664	£755,892	£686,385	£615,671	£502,529
				VL8	£4,800	£1,123,151	£1,073,542	£999,128	£899,909	£944,747	£879,103	£813,458	£705,969
				VL9	£5,100	£1,280,888	£1,232,648	£1,160,287	£1,061,154	£1,133,601	£1,067,957	£1,002,313	£897,283
				VL10	£5,400	£1,437,552	£1,389,312	£1,316,951	£1,220,470	£1,317,466	£1,253,850	£1,190,234	£1,086,137
				VL11	£5,900	£1,594,216	£1,545,976	£1,473,615	£1,377,134	£1,622,500	£1,558,884	£1,495,268	£1,393,482
						Residual Land Value (£/Ha)				Residual Land Value (£/Ha)			
				VL1	£2,500	Negative RLV							
				VL2	£3,000	£297,817	£154,117	Negative RLV		Negative RLV			
				VL3	£3,300	£752,711	£614,368	£406,853	£119,606				
				VL4	£3,600	£1,203,223	£1,064,880	£857,365	£580,679	£501,325	£241,418	Negative RLV	
				VL5	£3,900	£1,653,736	£1,515,392	£1,307,878	£1,031,191	£1,218,151	£972,190	£726,228	£314,420
				VL6	£4,200	£2,088,682	£1,959,266	£1,758,390	£1,481,704	£1,925,768	£1,679,807	£1,433,846	£1,040,308
				VL7	£4,500	£2,509,321	£2,379,905	£2,185,781	£1,926,950	£2,629,189	£2,387,425	£2,141,464	£1,747,926
				VL8	£4,800	£2,929,959	£2,800,543	£2,606,420	£2,347,588	£3,286,075	£3,057,748	£2,829,421	£2,455,544
				VL9	£5,100	£3,341,447	£3,215,603	£3,026,835	£2,768,227	£3,942,961	£3,714,634	£3,486,307	£3,120,983
				VL10	£5,400	£3,750,136	£3,624,291	£3,435,524	£3,183,835	£4,582,490	£4,361,217	£4,139,943	£3,777,869
				VL11	£5,900	£4,158,825	£4,032,980	£3,844,213	£3,592,524	£5,643,479	£5,422,205	£5,200,932	£4,846,894

*2016 Study results assumed 75dph

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph) *	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
25 Flats 40% AH (North Purbeck)	PDL/Greenfield	950	100	VL1	£2,500	Negative RLV							
				VL2	£3,000	£41,379	Negative RLV			Negative RLV			
				VL3	£3,300	£199,667	£146,237	£63,610	Negative RLV				
				VL4	£3,600	£353,272	£300,240	£220,693	£113,156	£43,806	Negative RLV		
				VL5	£3,900	£506,877	£453,845	£374,298	£268,235	£249,277	£176,750	£102,377	Negative RLV
				VL6	£4,200	£660,481	£607,450	£527,902	£421,839	£446,378	£375,154	£303,930	£189,182
				VL7	£4,500	£807,626	£758,016	£681,507	£575,444	£643,480	£572,256	£501,031	£387,072
				VL8	£4,800	£951,045	£901,435	£827,021	£727,803	£833,390	£767,272	£698,133	£584,174
				VL9	£5,100	£1,094,464	£1,044,854	£970,440	£871,222	£1,016,361	£950,243	£884,125	£778,336
				VL10	£5,400	£1,235,697	£1,187,457	£1,113,859	£1,014,640	£1,198,145	£1,133,213	£1,067,095	£961,307
				VL11	£5,900	£1,375,042	£1,326,801	£1,254,440	£1,157,959	£1,493,675	£1,429,600	£1,365,524	£1,263,004
						Residual Land Value (£/Ha)				Residual Land Value (£/Ha)			
				VL1	£2,500	Negative RLV							
				VL2	£3,000	£107,945	Negative RLV			Negative RLV			
				VL3	£3,300	£520,872	£381,489	£165,939	Negative RLV				
				VL4	£3,600	£921,579	£783,236	£575,721	£295,190	£152,367	Negative RLV		
				VL5	£3,900	£1,322,287	£1,183,944	£976,429	£699,743	£867,049	£614,784	£356,093	Negative RLV
				VL6	£4,200	£1,722,994	£1,584,651	£1,377,137	£1,100,450	£1,552,620	£1,304,884	£1,057,147	£658,023
				VL7	£4,500	£2,106,850	£1,977,434	£1,777,844	£1,501,158	£2,238,191	£1,990,454	£1,742,718	£1,346,339
				VL8	£4,800	£2,480,986	£2,351,571	£2,157,447	£1,898,615	£2,898,747	£2,668,772	£2,428,289	£2,031,910
				VL9	£5,100	£2,855,123	£2,725,707	£2,531,583	£2,272,752	£3,535,167	£3,305,191	£3,075,216	£2,707,255
				VL10	£5,400	£3,223,558	£3,097,713	£2,905,720	£2,646,888	£4,167,460	£3,941,611	£3,711,636	£3,343,675
				VL11	£5,900	£3,587,065	£3,461,221	£3,272,453	£3,020,764	£5,195,392	£4,972,521	£4,749,650	£4,393,056

*2016 Study results assumed 75dph

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph) *	Value Level	Value £/m²	Residual Land Value (£) 2016 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £40/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
25 Flats 50% AH (South Purbeck)	PDL/Greenfield	760	100	VL1	£2,500	Negative RLV							
				VL2	£3,000					Negative RLV			
				VL3	£3,300	£63,490	£8,095	Negative RLV					
				VL4	£3,600	£190,514	£137,419	£55,886	Negative RLV				
				VL5	£3,900	£313,890	£261,560	£183,067	£75,460	£14,155	Negative RLV		
				VL6	£4,200	£437,265	£384,936	£306,443	£201,784	£195,583	£120,230	£43,208	Negative RLV
				VL7	£4,500	£560,641	£508,312	£429,818	£325,160	£367,708	£295,463	£223,218	£103,231
				VL8	£4,800	£684,017	£631,688	£553,194	£448,536	£539,309	£467,063	£394,818	£279,226
				VL9	£5,100	£801,427	£752,475	£676,570	£571,912	£710,909	£638,664	£566,418	£450,826
				VL10	£5,400	£916,621	£867,669	£794,241	£695,288	£872,311	£805,246	£738,019	£622,426
				VL11	£5,900	£1,031,816	£982,864	£909,435	£811,531	£1,137,807	£1,070,742	£1,003,676	£896,371
						Residual Land Value (£/Ha)							
				VL1	£2,500	Negative RLV							
				VL2	£3,000					Negative RLV			
				VL3	£3,300	£165,625	£21,118	Negative RLV					
				VL4	£3,600	£496,992	£358,484	£145,790	Negative RLV				
				VL5	£3,900	£818,842	£682,332	£477,565	£196,853	£49,234	Negative RLV		
				VL6	£4,200	£1,140,692	£1,004,182	£799,415	£526,394	£680,288	£418,191	£150,289	Negative RLV
				VL7	£4,500	£1,462,542	£1,326,032	£1,121,265	£848,244	£1,278,986	£1,027,698	£776,410	£359,065
				VL8	£4,800	£1,784,392	£1,647,882	£1,443,115	£1,170,094	£1,875,856	£1,624,568	£1,373,280	£971,220
				VL9	£5,100	£2,090,679	£1,962,977	£1,764,965	£1,491,944	£2,472,727	£2,221,439	£1,970,151	£1,568,090
				VL10	£5,400	£2,391,186	£2,263,485	£2,071,932	£1,813,794	£3,034,127	£2,800,855	£2,567,021	£2,164,961
				VL11	£5,900	£2,691,694	£2,563,993	£2,372,440	£2,117,037	£3,957,591	£3,724,319	£3,491,047	£3,117,812

*2016 Study results assumed 75dph

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

Source: Dixon Searle Partnership (2018)

Table 1g: Residual Land Value Results by Value Level & Trial CIL Rate - 100 Unit Scheme - Mixed

Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
100 Mixed 40% AH (North Purbeck)	Greenfield	490	55	VL1	£2,500	Negative RLV			
				VL2	£3,000				
				VL3	£3,300	£1,413,163	£1,151,047	£888,931	£469,546
				VL4	£3,600	£2,756,353	£2,494,237	£2,232,121	£1,812,736
				VL5	£3,900	£4,099,542	£3,837,427	£3,575,311	£3,155,926
				VL6	£4,200	£5,442,732	£5,180,617	£4,918,501	£4,499,113
				VL7	£4,500	£6,785,922	£6,523,806	£6,261,691	£5,842,306
				VL8	£4,800	£8,129,112	£7,866,996	£7,604,881	£7,185,496
				VL9	£5,100	£9,472,301	£9,210,186	£8,948,071	£8,528,686
				VL10	£5,400	£10,815,491	£10,553,376	£10,291,260	£9,871,876
				VL11	£5,900	£12,158,681	£11,896,565	£11,634,450	£11,215,065
						Residual Land Value (£/Ha)			
				VL1	£2,500	Negative RLV			
				VL2	£3,000				
				VL3	£3,300	£675,860	£550,501	£425,141	£224,566
				VL4	£3,600	£1,318,256	£1,192,896	£1,067,536	£866,961
				VL5	£3,900	£1,960,651	£1,835,291	£1,709,931	£1,509,356
				VL6	£4,200	£2,603,046	£2,477,686	£2,352,327	£2,151,750
				VL7	£4,500	£3,245,441	£3,120,081	£2,994,722	£2,794,146
				VL8	£4,800	£3,887,836	£3,762,477	£3,637,117	£3,436,542
				VL9	£5,100	£4,530,231	£4,404,872	£4,279,512	£4,078,937
				VL10	£5,400	£5,172,626	£5,047,267	£4,921,907	£4,721,332
				VL11	£5,900	£5,815,021	£5,689,662	£5,564,302	£5,363,727

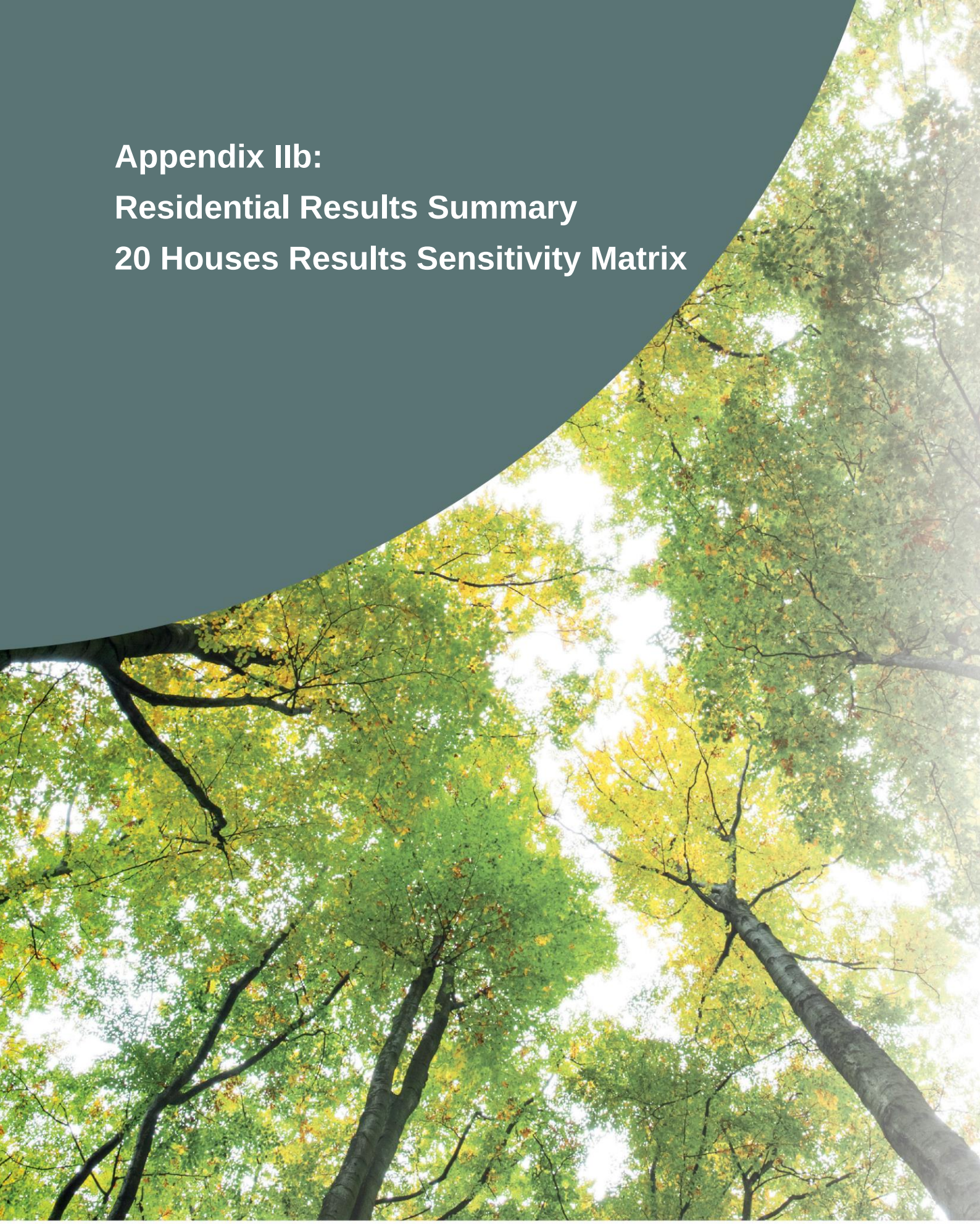
Development Scenario	Typical Site Type	Market Floor Area	Site Density (dph)	Value Level	Value £/m²	Residual Land Value (£) 2018 Study: Residual Land Value - £0/m² CIL	Residual Land Value - £50/m² CIL	Residual Land Value - £100/m² CIL	Residual Land Value - £180/m² CIL
100 Mixed 50% AH (South Purbeck)	Greenfield	420	55	VL1	£2,500	Negative RLV			
				VL2	£3,000				
				VL3	£3,300	£445,153	£227,808	£10,463	Negative RLV
				VL4	£3,600	£1,596,581	£1,379,227	£1,161,891	£814,139
				VL5	£3,900	£2,747,839	£2,530,494	£2,313,149	£1,965,397
				VL6	£4,200	£3,899,097	£3,681,752	£3,464,401	£3,116,655
				VL7	£4,500	£5,050,355	£4,833,010	£4,615,665	£4,267,913
				VL8	£4,800	£6,201,612	£5,984,267	£5,766,922	£5,419,170
				VL9	£5,100	£7,352,868	£7,135,524	£6,918,180	£6,570,428
				VL10	£5,400	£8,504,126	£8,286,782	£8,069,437	£7,721,685
				VL11	£5,900	£9,655,383	£9,438,038	£9,220,693	£8,872,941
						Residual Land Value (£/Ha)			
				VL1	£2,500	Negative RLV			
				VL2	£3,000				
				VL3	£3,300	£212,899	£108,952	£5,004	Negative RLV
				VL4	£3,600	£763,582	£659,630	£555,687	£389,371
				VL5	£3,900	£1,314,184	£1,210,236	£1,106,289	£939,972
				VL6	£4,200	£1,864,786	£1,760,838	£1,656,887	£1,490,574
				VL7	£4,500	£2,415,387	£2,311,439	£2,207,492	£2,041,176
				VL8	£4,800	£2,965,988	£2,862,041	£2,758,093	£2,591,777
				VL9	£5,100	£3,516,589	£3,412,642	£3,308,695	£3,142,379
				VL10	£5,400	£4,067,191	£3,963,243	£3,859,296	£3,692,980
				VL11	£5,900	£4,617,792	£4,513,844	£4,409,897	£4,243,580

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

Source: Dixon Searle Partnership (2018)

Appendix IIb:
Residential Results Summary
20 Houses Results Sensitivity Matrix



DixonSearle Partnership

Table 2a: Residual Land Value Results by Value Level & CIL Rate @ 40% AH
- 20 Unit Scheme - Houses

Scenario	20	Houses
Site Type	GF	
Market Floor Area	1176	sq.m
Density	35	
AH%	40%	
AH Tenure	10% SR	
	65% AR	2018 appraisals only
	25% SO	

Appraisal Set	Detail	Residual Land Value £											
		Value Level 4 £3,200			Value Level 5 £3,450			Value Level 6 £3,700			Value Level 7 £3,950		
		CIL			CIL			CIL			CIL		
		Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast
		£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00
1	2016 Base Appraisal PDCS CIL Rates	£782,376	£705,682	£575,130	£965,603	£888,908	£766,196	£1,148,331	£1,072,134	£949,423	£1,326,239	£1,251,705	£1,132,451
		Residual Land Value £ / ha											
1	2016 Base Appraisal PDCS CIL Rates	£1,190,573	£1,073,863	£875,198	£1,469,395	£1,352,686	£1,165,951	£1,747,460	£1,631,509	£1,444,774	£2,018,189	£1,904,768	£1,723,295

Appraisal Set	Detail	Residual Land Value £											
		Value Level 4 £3,600			Value Level 5 £3,900			Value Level 6 £4,200			Value Level 7 £4,500		
		CIL			CIL			CIL			CIL		
		Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast
		£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00
2	2016 Appraisal with basic values and costs updated	£656,192	£575,175	£445,548	£887,244	£811,630	£684,821	£1,110,562	£1,034,948	£913,965	£1,330,449	£1,256,995	£1,137,283
3	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£606,739	£530,081	£407,430	£833,574	£762,413	£641,471	£1,050,837	£979,675	£865,817	£1,264,788	£1,195,825	£1,083,079
4	2018 Appraisal Base with M4(2) 10%	£652,688	£576,031	£453,379	£876,229	£805,068	£687,421	£1,093,492	£1,022,330	£908,472	£1,306,125	£1,237,162	£1,125,734
5	2018 Appraisal Base with EVP	£598,474	£521,816	£399,165	£825,902	£754,740	£633,206	£1,043,164	£972,003	£858,144	£1,257,353	£1,188,390	£1,075,407
6	2018 Appraisal Base with S106 @ £6,000	£557,149	£480,492	£357,840	£787,540	£714,533	£591,882	£1,004,802	£933,641	£819,782	£1,220,176	£1,150,903	£1,037,045
7	2018 Appraisal Base Appraisal with S106 @ £9,000	£507,559	£430,902	£308,250	£741,506	£664,944	£542,292	£958,768	£887,606	£773,748	£1,175,563	£1,104,869	£991,010
8	2018 Appraisal Base Appraisal with S106 @ £12,000	£457,970	£381,313	£258,661	£692,011	£615,354	£492,702	£912,733	£841,572	£726,744	£1,129,996	£1,058,834	£944,976
9	2018 Appraisal Base with M4(2) 10% / EVP	£644,423	£567,766	£445,114	£868,557	£797,395	£679,156	£1,085,819	£1,014,658	£900,799	£1,298,690	£1,229,727	£1,118,062
10	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000	£553,509	£476,851	£354,200	£784,161	£710,893	£588,241	£1,001,423	£930,261	£816,403	£1,216,901	£1,147,524	£1,033,665
11	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000	£503,919	£427,262	£304,610	£737,961	£661,303	£538,652	£1,001,423	£930,261	£816,403	£1,216,901	£1,147,524	£1,033,665
12	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000	£454,329	£377,672	£255,020	£688,371	£611,714	£489,062	£909,354	£838,193	£723,104	£1,126,616	£1,055,455	£941,597
13	2018 Appraisal Base with S106 @ £6,000 / EVP	£548,884	£472,227	£349,575	£779,868	£706,268	£583,617	£997,130	£925,968	£812,110	£1,212,740	£1,143,231	£1,029,372
14	2018 Appraisal Base with S106 @ £9,000 / EVP	£499,294	£422,637	£299,986	£733,336	£656,679	£534,027	£951,095	£879,934	£766,076	£1,168,128	£1,097,196	£983,338
15	2018 Appraisal Base with S106 @ £12,000 / EVP	£449,705	£373,048	£250,396	£683,746	£607,089	£484,438	£905,061	£833,900	£718,479	£1,122,323	£1,051,162	£937,304
16	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000 / EVP	£545,244	£468,586	£345,935	£776,488	£702,628	£579,976	£993,750	£922,589	£808,731	£1,209,465	£1,139,851	£1,025,993
17	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£495,654	£418,997	£296,345	£729,696	£653,038	£530,387	£947,716	£876,555	£762,696	£1,164,853	£1,093,817	£979,959
18	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000 / EVP	£446,064	£369,407	£246,756	£680,106	£603,449	£480,797	£901,682	£830,520	£714,839	£1,118,944	£1,047,783	£933,924
		Residual Land Value £ / ha											
2	2016 Appraisal with basic values and costs updated	£998,552	£875,266	£678,008	£1,350,154	£1,235,089	£1,042,119	£1,689,986	£1,574,920	£1,390,816	£2,024,596	£1,912,819	£1,730,648
3	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£923,298	£806,646	£620,002	£1,268,483	£1,160,193	£976,152	£1,599,099	£1,490,810	£1,317,547	£1,924,677	£1,819,734	£1,648,164
4	2018 Appraisal Base with M4(2) 10%	£993,221	£876,568	£689,924	£1,333,392	£1,225,103	£1,046,075	£1,664,009	£1,555,720	£1,382,457	£1,987,582	£1,882,638	£1,713,074
5	2018 Appraisal Base with EVP	£910,721	£794,068	£607,425	£1,256,807	£1,148,518	£963,575	£1,587,424	£1,479,135	£1,305,872	£1,913,363	£1,808,419	£1,636,488
6	2018 Appraisal Base with S106 @ £6,000	£847,835	£731,183	£544,539	£1,198,430	£1,087,333	£900,690	£1,529,047	£1,420,758	£1,247,495	£1,856,789	£1,751,374	£1,578,112
7	2018 Appraisal Base Appraisal with S106 @ £9,000	£772,373	£655,721	£469,077	£1,128,378	£1,011,871	£825,227	£1,458,995	£1,350,705	£1,177,443	£1,788,901	£1,681,322	£1,508,059
8	2018 Appraisal Base Appraisal with S106 @ £12,000	£696,911	£580,258	£393,614	£1,053,061	£936,408	£749,765	£1,388,942	£1,280,653	£1,105,915	£1,719,559	£1,611,270	£1,438,007
9	2018 Appraisal Base with M4(2) 10% / EVP	£980,644	£863,991	£677,347	£1,321,717	£1,213,428	£1,033,498	£1,652,333	£1,544,044	£1,370,782	£1,976,267	£1,871,323	£1,701,398
10	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000	£842,296	£725,643	£539,000	£1,193,288	£1,081,794	£895,150	£1,523,904	£1,415,615	£1,242,352	£1,851,806	£1,746,232	£1,572,969
11	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000	£766,833	£650,181	£463,537	£1,122,984	£1,006,331	£819,687	£1,523,904	£1,415,615	£1,242,352	£1,851,806	£1,746,232	£1,572,969
12	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000	£691,371	£574,718	£388,075	£1,047,521	£930,869	£744,225	£1,383,800	£1,275,511	£1,100,375	£1,714,416	£1,606,127	£1,432,864
13	2018 Appraisal Base with S106 @ £6,000 / EVP	£835,258	£718,606	£531,962	£1,186,755	£1,074,756	£888,112	£1,517,371	£1,409,082	£1,235,820	£1,845,474	£1,739,699	£1,566,436
14	2018 Appraisal Base with S106 @ £9,000 / EVP	£759,796	£643,144	£456,500	£1,115,946	£999,294	£812,650	£1,447,319	£1,339,030	£1,165,767	£1,777,586	£1,669,647	£1,496,384
15	2018 Appraisal Base with S106 @ £12,000 / EVP	£684,333	£567,681	£381,037	£1,040,484	£923,831	£737,188	£1,377,267	£1,268,978	£1,093,338	£1,707,883	£1,599,594	£1,426,332
16	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000 / EVP	£829,719	£713,066	£526,422	£1,181,612	£1,069,217	£882,573	£1,512,229	£1,403,940	£1,230,677	£1,840,491	£1,734,556	£1,561,294
17	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£754,256	£637,604	£450,960	£1,110,407	£993,754	£807,110	£1,442,177	£1,333,887	£1,160,625	£1,772,603	£1,664,504	£1,491,241
18	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000 / EVP	£678,794	£562,141	£375,498	£1,034,944	£918,292	£731,648	£1,372,124	£1,263,835	£1,087,798	£1,702,741	£1,594,452	£1,421,189

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

PDC Draft Plan Policy Basis

Source: Dixon Searle Partnership (2018)

Table 2b: Residual Land Value Results by Value Level & CIL Rate @ 50% AH
- 20 Unit Scheme - Houses

Scenario	20	Houses
Site Type	GF	
Market Floor Area	997	sq.m
Density	35	
AH%	50%	
AH Tenure	10% SR	
	65% AR	2018 appraisals only
	25% SO	

Appraisal Set	Detail	Residual Land Value £											
		Value Level 4 £3,200			Value Level 5 £3,450			Value Level 6 £3,700			Value Level 7 £3,950		
		CIL			CIL			CIL			CIL		
		Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast
		£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00
1	2016 Base Appraisal PDCS CIL Rates	£561,108	£481,507	£354,147	£720,205	£642,165	£514,805	£869,993	£795,631	£675,462	£1,019,781	£945,419	£826,440
		Residual Land Value £ / ha											
1	2016 Base Appraisal PDCS CIL Rates	£853,859	£732,729	£538,919	£1,095,964	£977,208	£783,398	£1,323,903	£1,210,743	£1,027,877	£1,551,841	£1,438,681	£1,257,626

Appraisal Set	Detail	Residual Land Value £											
		Value Level 4 £3,600			Value Level 5 £3,900			Value Level 6 £4,200			Value Level 7 £4,500		
		CIL			CIL			CIL			CIL		
		Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast
		£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00
2	2016 Appraisal with basic values and costs updated	£399,329	£320,776	£194,227	£594,935	£516,382	£390,698	£789,317	£711,988	£586,304	£971,880	£898,565	£781,262
3	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£446,577	£370,209	£248,021	£658,276	£581,908	£459,719	£860,676	£789,783	£671,418	£1,057,197	£986,304	£872,876
4	2018 Appraisal Base with M4(2) 10%	£492,729	£416,361	£294,172	£704,428	£628,060	£505,871	£903,519	£832,626	£717,570	£1,100,040	£1,029,147	£915,718
5	2018 Appraisal Base with EVP	£438,312	£361,944	£239,756	£650,011	£573,643	£451,454	£853,004	£782,111	£663,153	£1,049,525	£978,632	£865,203
6	2018 Appraisal Base with S106 @ £6,000	£396,988	£320,620	£198,006	£608,687	£532,319	£410,130	£814,642	£743,749	£621,829	£1,011,163	£940,270	£826,841
7	2018 Appraisal Base Appraisal with S106 @ £9,000	£347,398	£271,030	£146,283	£559,097	£482,729	£360,540	£768,607	£694,428	£572,239	£965,129	£894,236	£780,807
8	2018 Appraisal Base Appraisal with S106 @ £12,000	£297,808	£221,440	£94,257	£509,507	£433,139	£310,950	£721,206	£644,838	£522,649	£919,094	£848,201	£734,348
9	2018 Appraisal Base with M4(2) 10% / EVP	£484,464	£408,096	£285,907	£696,163	£619,795	£497,606	£895,846	£824,953	£709,305	£1,092,368	£1,021,475	£908,046
10	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000	£393,550	£317,182	£194,420	£605,248	£528,880	£406,692	£811,450	£740,557	£618,390	£1,007,971	£937,078	£823,650
11	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000	£343,960	£267,592	£142,697	£555,659	£479,291	£357,102	£765,416	£690,990	£568,801	£961,937	£891,044	£777,615
12	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000	£294,370	£218,002	£90,573	£506,069	£429,701	£307,512	£717,768	£641,400	£519,211	£915,903	£845,010	£730,910
13	2018 Appraisal Base with S106 @ £6,000 / EVP	£388,723	£312,355	£189,385	£600,422	£524,054	£401,865	£806,969	£735,752	£613,564	£1,003,491	£932,598	£819,169
14	2018 Appraisal Base with S106 @ £9,000 / EVP	£339,133	£262,765	£137,662	£550,832	£474,464	£352,275	£760,935	£686,163	£563,974	£957,456	£886,563	£773,135
15	2018 Appraisal Base with S106 @ £12,000 / EVP	£289,544	£213,176	£85,400	£501,242	£424,874	£302,686	£712,941	£636,573	£514,384	£911,422	£840,529	£726,083
16	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000 / EVP	£385,285	£308,917	£185,799	£596,983	£520,615	£398,427	£803,778	£732,314	£610,125	£1,000,299	£929,406	£815,977
17	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£335,695	£259,327	£134,076	£547,394	£471,026	£348,837	£757,743	£682,725	£560,536	£954,265	£883,372	£769,943
18	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000 / EVP	£286,105	£209,737	£81,715	£497,804	£421,436	£299,247	£709,503	£633,135	£510,946	£908,230	£837,337	£722,645
		Residual Land Value £ / ha											
2	2016 Appraisal with basic values and costs updated	£607,674	£488,138	£295,563	£905,336	£785,799	£594,541	£1,201,135	£1,083,461	£892,202	£1,478,947	£1,367,382	£1,188,877
3	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£679,574	£563,362	£377,423	£1,001,725	£885,512	£699,573	£1,309,724	£1,201,844	£1,021,723	£1,608,779	£1,500,898	£1,328,289
4	2018 Appraisal Base with M4(2) 10%	£749,805	£633,593	£447,653	£1,071,955	£955,743	£769,803	£1,374,920	£1,267,039	£1,091,954	£1,673,974	£1,566,093	£1,393,485
5	2018 Appraisal Base with EVP	£666,997	£550,785	£364,845	£989,148	£872,935	£686,996	£1,298,049	£1,190,168	£1,009,146	£1,597,103	£1,489,223	£1,316,614
6	2018 Appraisal Base with S106 @ £6,000	£604,112	£487,900	£301,313	£926,262	£810,050	£624,110	£1,239,672	£1,131,791	£946,261	£1,538,726	£1,430,846	£1,258,237
7	2018 Appraisal Base Appraisal with S106 @ £9,000	£528,649	£412,437	£222,604	£850,800	£734,588	£548,648	£1,169,620	£1,056,738	£870,798	£1,468,674	£1,360,793	£1,188,185
8	2018 Appraisal Base Appraisal with S106 @ £12,000	£453,187	£336,975	£143,435	£775,337	£659,125	£473,186	£1,097,488	£981,275	£795,336	£1,398,622	£1,290,741	£1,117,486
9	2018 Appraisal Base with M4(2) 10% / EVP	£737,228	£621,015	£435,076	£1,059,378	£943,166	£757,226	£1,363,244	£1,255,364	£1,079,377	£1,662,299	£1,554,418	£1,381,809
10	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000	£598,880	£482,668	£295,856	£921,030	£804,818	£618,879	£1,234,815	£1,126,935	£941,029	£1,533,869	£1,425,989	£1,253,380
11	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000	£523,417	£407,205	£217,147	£845,568	£729,356	£543,416	£1,164,763	£1,051,506	£865,566	£1,463,817	£1,355,937	£1,183,328
12	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000	£447,955	£331,743	£137,828	£770,105	£653,893	£467,954	£1,092,256	£976,043	£790,104	£1,393,765	£1,285,884	£1,112,254
13	2018 Appraisal Base with S106 @ £6,000 / EVP	£591,535	£475,322	£288,195	£913,685	£797,473	£611,533	£1,227,997	£1,119,623	£933,684	£1,527,051	£1,419,170	£1,246,562
14	2018 Appraisal Base with S106 @ £9,000 / EVP	£516,072	£399,860	£209,486	£838,223	£722,010	£536,071	£1,157,944	£1,044,161	£858,221	£1,456,999	£1,349,118	£1,176,509
15	2018 Appraisal Base with S106 @ £12,000 / EVP	£440,610	£324,398	£129,956	£762,760	£646,548	£460,608	£1,084,911	£968,698	£782,759	£1,386,946	£1,279,066	£1,104,909
16	2018 Appraisal Base with M4(2) 10% / S106 @ £6,000 / EVP	£586,303	£470,091	£282,738	£908,453	£792,241	£606,301	£1,223,140	£1,114,391	£928,452	£1,522,194	£1,414,313	£1,241,705
17	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£510,840	£394,628	£204,029	£832,991	£716,778	£530,839	£1,153,087	£1,038,929	£852,989	£1,452,142	£1,344,261	£1,171,652
18	2018 Appraisal Base with M4(2) 10% / S106 @ £12,000 / EVP	£435,378	£319,166	£124,349	£757,528	£641,316	£455,377	£1,079,679	£963,466	£777,527	£1,382,089	£1,274,209	£1,099,677

Key:

	RLV beneath Viability Test 1 (RLV <£250,000/ha)
	RLV exceeding Viability Test 1 (RLV £500,000/ha)
	RLV exceeding Viability Test 2 (RLV £750,000/ha)
	RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
	RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
	RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)
	PDC Draft Plan Policy Basis

Source: Dixon Searle Partnership (2018)

Table 2c: Residual Land Value Results - Sample Comparison Analysis 40%/50% AH
- 20 Unit Scheme - Houses

Scenario	20	Houses
Site Type	GF	
Density	35	
AH%	40% / 50%	
AH Tenure	10% SR	2018 appraisals only
	65% AR	
	25% SO	

AH %	Detail	Residual Land Value £											
		Value Level 4 £3,600 CIL			Value Level 5 £3,900 CIL			Value Level 6 £4,200 CIL			Value Level 7 £4,500 CIL		
		Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast	Purbeck Rural Centre / Upton	Wareham / Purbeck Rural Fringe	Swanage / The Coast
		£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00	£50.00	£100.00	£180.00
40% AH	2016 Appraisal with basic values and costs updated	£656,192	£575,174.92	£445,548.27	£887,244.18	£811,629.91	£684,821.36	£1,110,561.97	£1,034,947.70	£913,964.86	£1,330,448.59	£1,256,995.27	£1,137,282.66
	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£606,739	£530,081	£407,430	£833,574	£762,413	£641,471	£1,050,837	£979,675	£865,817	£1,264,788	£1,195,825	£1,083,079
	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£495,654	£418,997	£296,345	£729,696	£653,038	£530,387	£947,716	£876,555	£762,696	£1,164,853	£1,093,817	£979,959
		Residual Land Value £ / ha											
	2016 Appraisal with basic values and costs updated	£998,552	£875,266	£678,008	£1,350,154	£1,235,089	£1,042,119	£1,689,986	£1,574,920	£1,390,816	£2,024,596	£1,912,819	£1,730,648
	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£923,298	£806,646	£620,002	£1,268,483	£1,160,193	£976,152	£1,599,099	£1,490,810	£1,317,547	£1,924,677	£1,819,734	£1,648,164
	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£754,256	£637,604	£450,960	£1,110,407	£993,754	£807,110	£1,442,177	£1,333,887	£1,160,625	£1,772,603	£1,664,504	£1,491,241
50% AH	2016 Appraisal with basic values and costs updated	£399,329	£320,776	£194,227	£594,935	£516,382	£390,698	£789,317	£711,988	£586,304	£971,880	£898,565	£781,262
	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£446,577	£370,209	£248,021	£658,276	£581,908	£459,719	£860,676	£789,783	£671,418	£1,057,197	£986,304	£872,876
	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£335,695	£259,327	£134,076	£547,394	£471,026	£348,837	£757,743	£682,725	£560,536	£954,265	£883,372	£769,943
		Residual Land Value £ / ha											
	2016 Appraisal with basic values and costs updated	£607,674	£488,138	£295,563	£905,336	£785,799	£594,541	£1,201,135	£1,083,461	£892,202	£1,478,947	£1,367,382	£1,188,877
	2018 Appraisal Base *(includes changes to overall dwelling mix and AH tenure)*	£679,574	£563,362	£377,423	£1,001,725	£885,512	£699,573	£1,309,724	£1,201,844	£1,021,723	£1,608,779	£1,500,898	£1,328,289
	2018 Appraisal Base with M4(2) 10% / S106 @ £9,000 / EVP	£510,840	£394,628	£204,029	£832,991	£716,778	£530,839	£1,153,087	£1,038,929	£852,989	£1,452,142	£1,344,261	£1,171,652

Average % Difference	RLV (£) % Difference between 2016 Appraisal and updated 2018 Appraisal with M4(2) @ 10%, s.106 @ £9,000 and EVP (Draft Policy Basis) @ 40%/50% AH												
-19.23%	2018 Appraisal Base with M4(2) 10% / S106 @ £9,161 / EVP	-24.47%	-27.15%	-33.49%	-17.76%	-19.54%	-22.55%	-14.66%	-15.30%	-16.55%	-12.45%	-12.98%	-13.83%
-9.25%	2018 Appraisal Base with M4(2) 10% / S106 @ £9,161 / EVP	-15.94%	-19.16%	-30.97%	-7.99%	-8.78%	-10.71%	-4.00%	-4.11%	-4.40%	-1.81%	-1.69%	-1.45%

Key:

- RLV beneath Viability Test 1 (RLV <£250,000/ha)
- RLV exceeding Viability Test 1 (RLV £500,000/ha)
- RLV exceeding Viability Test 2 (RLV £750,000/ha)
- RLV exceeding Viability Test 3 (RLV £1,000,000/ha)
- RLV exceeding Viability Test 4 (RLV £1,250,000/ha)
- RLV exceeding Viability Test 5 (RLV >£1,500,000/ha)

PDC Draft Plan Policy Basis

Source: Dixon Searle Partnership (2018)