



**Epping Forest  
District Council**

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## Consolidated and Updated Viability Evidence

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February 2020

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# 1. Introduction

## Scope

- 1.1 Epping Forest District Council (EFDC / the Council) is well on in the process of putting a new local plan in place. The Local Plan Submitted Version 2017<sup>1</sup> (LPSV / submitted Local Plan) was submitted for Independent Examination in September 2018 and hearing sessions were held between February 2019 and June 2019. The submitted Local Plan sets out the approach and detailed policies including the future distribution of housing growth and requirements for affordable housing and the future distribution for new employment land. The Inspector<sup>2</sup> appointed to examine the submitted Local Plan issued her ‘Inspector’s Advice After Hearings’ on the 2<sup>nd</sup> August 2019<sup>3</sup>.
- 1.2 The main outstanding stages of the examination now that the hearings have closed is the consultation on the Main Modifications before the Inspector finalises her report for Epping Forest District Council. Subject to the Inspector’s final report, it is anticipated that the local plan will be adopted in mid 2020.
- 1.3 The 2019 National Planning Policy Framework (2019 NPPF) and the updated Planning Practice Guidance (PPG) have fundamentally altered the way viability is considered at the development management stage of the planning process. The details of these changes are set out in Chapter 2 below, but an important element of this is that ‘a *viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan*’. The primary purpose of this report is to bring together and update the various documents that comprise the ‘*the viability assessment that informed the plan*’.
- 1.4 This document sets out the methodology used, and the key assumptions adopted. These are carried forward and updated from the Council’s existing available evidence. This will allow EFDC to have confidence that they are working from a sound base when considering viability across the whole of the Local Plan area.
- 1.5 A consultation event was held on 26<sup>th</sup> November 2019. Representatives of the main developers, development site landowners, their agents, planning agents, consultants working in the Epping Forest District, housing providers and neighbouring councils were invited.
- 1.6 In the two or so years before this report, various Government announcements were made about changes to the planning processes. The Ministry of Housing Communities and Local Government (MHCLG) updated the National Planning Policy Framework, (2018 NPPF), and

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<sup>1</sup> <http://www.efdclocalplan.org/wp-content/uploads/2018/03/EB114-Epping-Forest-District-Local-Plan-Submission-Version-2017.pdf>

<sup>2</sup> Louise Phillips MA (Cantab) MSc MRTPI

<sup>3</sup> <http://www.efdclocalplan.org/wp-content/uploads/2019/08/ED98-Epping-Forest-Post-hearing-Advice-Aug-2019-V1-final.pdf>

published new Planning Practice Guidance (PPG) in July 2018. In February 2019 the NPPF was further updated (2019 NPPF), although these changes did not impact on viability. In May 2019 the viability sections of the PPG were updated again. The methodology used in this report is consistent with the 2019 NPPF and the updated PPG (as at October 2019).

## Report Structure

1.7 This report follows the following format:

- Chapter 2** The reasons for and the approach to viability testing, including a review of the requirements of the 2019 NPPF, the CIL Regulations and the updated (May 2019) PPG.
- Chapter 3** The methodology used.
- Chapter 4** An assessment of the housing market, including market and affordable housing, with the purpose of establishing the worth of different types of housing in different areas.
- Chapter 5** An assessment of the non-residential market.
- Chapter 6** An assessment of the costs of land to be used when assessing viability.
- Chapter 7** The cost and general development assumptions to be used in the development appraisals.
- Chapter 8** A summary of the various policy requirements and constraints that influence the type of development that come forward.
- Chapter 9** A summary of the range of modelled sites used for the financial development appraisals.
- Chapter 10** The results of the appraisals and consideration of residential development.
- Chapter 11** The results of the appraisals and consideration of non-residential development.
- Chapter 12** Conclusions and updated evidence base.

## HDH Planning & Development Ltd (HDH)

1.8 HDH is a specialist planning consultancy providing evidence to support planning and housing authorities. The firm's main areas of expertise are:

- a. District wide and site-specific viability analysis.
- b. Community Infrastructure Levy testing.
- c. Housing Market Assessments.

1.9 The findings contained in this report are based upon information from various sources including that provided by EFDC and by others, upon the assumption that all relevant information has been provided. This information has not been independently verified by HDH. The conclusions and recommendations contained in this report are concerned with policy

requirements, guidance and regulations which may be subject to change. They reflect a Chartered Surveyor's perspective and do not reflect or constitute legal advice.

- 1.10 No part of this report constitutes a valuation and the report should not be relied on in that regard.

#### *Compliance*

- 1.11 HDH Planning & Development Ltd is a firm regulated by the Royal Institution of Chartered Surveyors (RICS). As a firm regulated by the RICS it is necessary to have regard to RICS Professional Standards and Guidance. There are two principle pieces of relevant guidance, being the *Financial viability in planning: conduct and reporting RICS professional statement, England (1<sup>st</sup> Edition, May 2019)* and *Financial Viability in planning (1st edition), RICS guidance note 2012*.

- 1.12 *Financial Viability in planning (1st edition), RICS guidance note 2012* is currently subject to a full review to reflect the changes in the 2019 NPPF and the updated PPG (May 2019). As part of the review, *Financial viability in planning: conduct and reporting. 1st edition, May 2019* was published in May 2019. This includes mandatory requirements for RICS members and RICS-regulated firms. HDH confirms that the May 2019 Guidance has been followed in full.

- a. HDH confirms that in preparing this report the firm has acted with objectivity, impartially and without interference and with reference to all appropriate available sources of information.
- b. HDH is appointed by EFDC and has followed a collaborative approach involving the LPA, developers, landowners and other interested parties. There has not been agreement on all points by all parties, it has therefore been necessary to make a judgment when making assumptions in this report.
- c. The specification under which this project is undertaken is included as **Appendix 1** of this report.
- d. HDH confirms it has no conflicts of interest in undertaking this project.
- e. HDH confirms that, in preparing this report, no performance-related or contingent fees have been agreed.
- f. The presumption is that a viability assessment should be published in full. HDH has prepared this report on the assumption that it will be published in full.
- g. HDH confirms that a non-technical summary has been provided (in the form of Chapter 12). Viability in the plan-making process is a technical exercise that is undertaken specifically to demonstrate compliance (or otherwise) with the NPPF and PPG. It is firmly recommended that this report only be published and read in full.
- h. HDH confirms that adequate time has been taken to allow engagement with stakeholders through this project. Initially a period of 10 days or so was proposed for responses, however this was extended to the 6<sup>th</sup> January 2020 (7 weeks), in part due to concerns expressed by consultees.

Some concern was expressed<sup>4 5</sup> about the length of time for the consultation process and therefore the overall status of the report.

- i. This assessment includes appropriate sensitivity testing in Chapter 10. This includes the effect of different tenures, different affordable housing requirements against different levels of developer contributions, and the impact of price and cost change.
- j. The Guidance includes a requirement that, '*all contributions to reports relating to assessments of viability, on behalf of both the applicants and authorities, must comply with these mandatory requirements. Determining the competency of subcontractors is the responsibility of the RICS member or RICS-regulated firm*'. Much of the information that informed this Viability Assessment was provided by EFDC. This information was not provided in a subcontractor role and, in accordance with HDH's instructions, this information has not been challenged nor independently verified.

### **Metric or imperial**

- 1.13 The property industry uses both imperial and metric data – often working out costings in metric (£/m<sup>2</sup>) and values in imperial (£/acre and £/sqft). This is confusing so metric measurements are used throughout this report. The following conversion rates may assist readers.

1m	=	3.28ft (3' and 3.37")	1ft	=	0.30m
1m <sup>2</sup>	=	10.76 sqft	1sqft	=	0.0929m <sup>2</sup>
1ha	=	2.471acres	1acre	=	0.405ha

- 1.14 A useful broad rule of thumb to convert m<sup>2</sup> to sqft is simply to add a final zero.

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<sup>4</sup> Julie Morgan for Barwood Land

<sup>5</sup> Sanjeev Shah (Landowner)

## 2. Viability Testing

2.1 Viability testing is an important part of the planning process. The requirement to assess viability forms part of the National Planning Policy Framework (NPPF) and is a requirement of the CIL Regulations. In each case the requirement is slightly different, but they have much in common. Over several years, various national consultations have been carried out with regard to different aspects of the plan-making process. These have included references to, and sections on, viability.

### 2019 National Planning Policy Framework

2.2 As in the 2012 NPPF (and 2018 NPPF), viability remains an important part of the plan-making process. The 2019 NPPF does not include detail on the viability process, rather stresses the importance of viability. The main change is a shift of viability testing from the development management stage to the plan-making stage.

*Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.*

*2019 NPPF Paragraph 57*

2.3 This report will ensure that the viability evidence base is up to date, and that it reflects the recommended approach in national planning guidance, including standardised inputs.

2.4 Careful consideration has been made to the updated PPG in this study (see below). This Viability Assessment will be the reference point for any viability assessments submitted through the Development Management process.

2.5 The effectiveness of plans was important under the 2012 NPPF, but a greater emphasis is put on deliverability in the 2019 NPPF. The following, updated, definition is provided:

**Deliverable:** *To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:*

- a) *sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
- b) *where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield*

*register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.*

*2019 NPPF Glossary*

- 2.6 This update will enable Epping Forest District Council to make soundly based judgements about 'deliverability'.
- 2.7 The 2019 NPPF does not include technical guidance on undertaking viability work. This is included within the PPG, the viability sections of which were rewritten in July 2018 and then updated again in May and September 2019.

### **Planning Practice Guidance**

- 2.8 The viability sections of the PPG (Chapter 10) were completely rewritten in July 2018. The changes provide clarity and confirm best practice, rather than prescribe a new approach or methodology. Having said this, the emphasis of viability testing has been changed significantly. The, now superseded, requirements for viability testing were set out in paragraphs 173 and 174 of the 2012 NPPF which said:

*173 ... To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.*

*174 ... 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...*

- 2.9 The test was whether or not the policy requirements were so high that development was threatened. Paragraphs 10-009-20190509 and 10-009-20190509 radically change this:

*... ensure policy compliance and optimal public benefits through economic cycles...*

*10-009-20190509*

*and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.*

*10-009-20190509*

- 2.10 The purpose of viability testing is now to ensure that 'maximum benefits in the public interest' have been secured. This is a notable change in emphasis.

- 2.11 The updated PPG includes 4 main sections:

*Section 1 - Viability and plan making*

- 2.12 The overall requirement is that:

*...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...*

PPG 10-001-20190509

- 2.13 This study takes a proportionate approach, building on Epping Forest District Council's existing evidence, and considers all the local and national policies that will apply to new development.

*It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.*

PPG 10-002-20190509

- 2.14 Consultation has formed part of this study.

*Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.*

PPG 10-002-20190509

- 2.15 The submission Local Plan has been subject to full viability testing and the viability evidence was considered at the hearings. The inspector did not raise any concerns in relation to the viability evidence, although, in her *Inspector's Advice After Hearings* (2<sup>nd</sup> August 2019)<sup>6</sup>, she did comment specifically about the application of Paragraph 57 of the 2019 NPPF.

*Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.*

PPG 10-003-20180724

- 2.16 This study is based on typologies<sup>7</sup> that have been developed by having regard to the sites identified in the submitted Local Plan.

*Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.*

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<sup>6</sup> From paragraph 9.

<sup>7</sup> The PPG provides further detail at 10-004-20190509:

*A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.*

*In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan.*

PPG 10-004-20190509

- 2.17 This study draws on a wide range of data sources, including those collected through the development management process. Outliers have been disregarded.

*Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.*

*It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.*

PPG 10-006-20190509

- 2.18 Consultation has formed part of the preparation of this study. This study specifically considers the total cumulative cost of all relevant policies.

#### *Section 2 - Viability and decision taking*

- 2.19 It is beyond the scope of this study to consider viability in decision making. It is however important to note that this study will form the starting point for future development management consideration of viability.

*How should a viability assessment be treated in decision making?*

*Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.*

*The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.*

*Any viability assessment should reflect the government's recommended approach to defining key inputs as set out in National Planning Guidance.*

PPG10-008-20190509

- 2.20 Through the consultation it was suggested<sup>89</sup> that as the Local Plan is being examined under the 2012 NPPF it follows planning applications for development in the new Local Plan should be considered under the 2012 NPPF. Whilst this is essentially a legal point this is not accepted. The transitional arrangements in the 2019 NPPF are very limited (extending to the

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<sup>8</sup> Olivier Spencer, Andrew Martin Planning for Miller Homes.

<sup>9</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherine's)

overall housing requirement) and there is no suggestion in the NPPF or the updated PPG that the viability sections should not apply with immediate effect.

### *Section 3 - Standardised inputs to viability assessment*

2.21 The general principles of viability testing are set out under paragraph PPG 10-010-20180724.

*Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return...*

*... Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making.*

*In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.*

*PPG 10-010-20180724*

2.22 This study sets out the approach, methodology and assumptions used. These have been subject to consultation and have drawn on a range of data sources. Ultimately, EFDC will use this report to judge the appropriateness of the new policies in the emerging Local Plan and the deliverability of the potential allocations.

*Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.*

*For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative.*

*PPG 10-011-20180724*

2.23 The residential values have been established using data from the Land Registry and other sources. These have been averaged as suggested. Non-residential values have been derived though consideration of capitalised rents as well as sales.

2.24 PPG paragraph 10-012-20180724 lists a range of costs to be taken into account.

- *build costs based on appropriate data, for example that of the Building Cost Information Service*
- *abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*

- *site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value*
- *the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value*
- *general finance costs including those incurred through loans*
- *professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees should also be taken into account when defining benchmark land value*
- *explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return*

2.25 All these costs are taken into account.

2.26 The PPG then sets out how land values should be considered, confirming the use of the Existing Use Value Plus (EUV+) approach.

*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. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).*

*PPG 10-013-20190509*

2.27 The PPG goes on to set out:

*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*

*Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*

*This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. 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.*

*PPG 10-014-20190509*

- 2.28 The approach adopted in this study is to start with the EUV. The ‘plus’ element is informed by the price paid for policy compliant schemes to ensure an appropriate landowners’ premium.

*Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. 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 (excluding any hope value for development).*

*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.*

*PPG 10-015-20190509*

- 2.29 This report has applied this methodology to establish the EUV.

- 2.30 The PPG sets out an approach to the developers’ return

*Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.*

*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.*

*PPG 10-018-20190509*

- 2.31 As set out in Chapter 7 below, this approach is followed.

#### *Section 4 - Accountability*

- 2.32 This is a new section in the PPG. It sets out new requirements on reporting. These are covered outside this report.

- 2.33 In line with paragraph 10-020-20180724 of the PPG that says that ‘*practitioners should ensure that the findings of a viability assessment are presented clearly. An executive summary should be used to set out key findings of a viability assessment in a clear way*’, Chapter 12 of this report is written as a standalone non-technical summary that brings the evidence together.

## Community Infrastructure Levy Regulations and Guidance

- 2.34 EFDC has not adopted Community Infrastructure Levy (CIL) and this study does not specifically consider CIL. Having said this, the CIL Regulations are broad, so it is necessary to have regard to them and the CIL Guidance (within the PPG) when undertaking a plan-wide viability assessment.
- 2.35 The CIL Regulations came into effect in April 2010 and have been subject to several subsequent amendments<sup>10</sup>. CIL Regulation 14 (as amended) sets out the core principle for setting CIL. It is necessary to consider the CIL Regulations as they do impact on the wider development plan-making process.
- (1) *In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—*
- (a) *the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
- (b) *the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*
- (2) *In setting rates ...*
- 2.36 Viability testing in the context of CIL is to assess the ‘effects’ on development. Ultimately the test that will be applied to CIL is as set out in the examination section of the PPG.
- 2.37 On preparing the evidence base on economic viability, the Guidance says:

*A charging authority should be able to explain how their proposed levy rate or rates will contribute towards new infrastructure to support development across their area. Charging authorities will need to summarise their viability assessment. Viability assessments should be proportionate, simple, transparent and publicly available in accordance with the viability guidance. Viability assessments can be prepared jointly for the purposes of both plan making and preparing charging schedules. This evidence should be presented in a document (separate from the charging schedule) that shows the potential effects of the proposed levy rate or rates on the viability of development across the authority’s area. Where the levy is introduced after a plan has been made, it may be appropriate for a local authority to supplement plan viability evidence with assessments of recent economic and development trends, and through working with developers (e.g. through local developer forums), rather than by procuring new evidence.*

*PPG 25-019-20190901*

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<sup>10</sup> **SI 2010 No. 948** The Community Infrastructure Levy Regulations 2010 *Made 23rd March 2010, Coming into force 6th April 2010.* **SI 2011 No. 987** The Community Infrastructure Levy (Amendment) Regulations 2011 *Made 28th March 2011, Coming into force 6th April 2011.* **SI 2011 No. 2918** The Local Authorities (Contracting Out of Community Infrastructure Levy Functions) Order 2011. *Made 6th December 2011, Coming into force 7th December 2011.* **SI 2012 No. 2975** The Community Infrastructure Levy (Amendment) Regulations 2012. *Made 28th November 2012, Coming into force 29th November 2012.* **SI 2013 No. 982** The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th April 2013, Coming into force 25th April 2013.* **SI 2014 No. 385** The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th February 2014, Coming into force 24th February 2014.* **SI 2015 No. 836** The Community Infrastructure Levy (Amendment) Regulations 2015. *Made 20th March 2015.* **SI 2019 No. 966** The Community Infrastructure Levy (Amendment) (England) Regulations 2019. *Made - 22nd May 2019.* **2019 No. 1103** The Community Infrastructure Levy (Amendment) (No. 2) Regulations 2019 *Made 9th July 2019. Coming into Force 1st September 2019.*

- 2.38 This study has drawn on the existing available evidence. In due course, this study will form one part of the evidence that EFDC will use if the decision is made to pursue CIL. Epping Forest District Council would also need consider other 'existing available evidence', the comments of stakeholders and wider priorities.
- 2.39 From April 2015, councils were restricted in relation to pooling S106 contributions from more than five developments<sup>11</sup> (where the obligation in the s106 agreement / undertaking is a reason for granting consent). The amendments to CIL Regulations, that came into effect in September 2019, lifted these pooling restrictions. Payments requested under the s106 regime must still be (as set out in CIL Regulation 122):
- a. necessary to make the development acceptable in planning terms;
  - b. directly related to the development; and
  - c. fairly and reasonably related in scale and kind to the development.
- 2.40 A local authority which wishes to introduce CIL must set out in a Charging Schedule the types of development to be charged (and any exceptions) and the rates of charge to be applied. CIL, once introduced, is then mandatory on all developments within the categories and areas where the Levy applies. This is unlike other policy requirements to provide affordable housing or to build to a particular environmental standard over which there can be negotiations (subject to PPG paragraphs 10-007 and 10-008) where applicants can make a case for policies to be flexed. This means that CIL must not prejudice the viability of most sites.

### **Wider Changes Impacting on Viability**

- 2.41 The Government confirmed within the *Fixing the foundations productivity report*<sup>12</sup> its intention not to proceed with the zero carbon buildings policy, which was initially announced in 2007.

*... repeat its successful target from the previous Parliament to reduce net regulation on housebuilders. The government does not intend to proceed with the zero carbon Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards, but will keep energy efficiency standards under review, recognising that existing measures to increase energy efficiency of new buildings should be allowed time to become established*

- 2.42 There was no uplift to Part L of the Building Regulations during 2016, and both the 2016 zero carbon homes target and the 2019 target for non-domestic zero carbon buildings were to be dropped, including the Allowable Solutions programme.
- 2.43 The position has now changed and, as this note was being completed (end October 2019), the Government launched a Consultation on The Future Homes Standard<sup>13</sup>. This is linked to

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<sup>11</sup> CIL Regulations 123(3)

<sup>12</sup> <https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>

<sup>13</sup> [https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm\\_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

achieving ‘net zero’ greenhouse gas emissions by 2050. This policy area is considered in Chapter 8 below.

### **Viability Guidance**

- 2.44 There is no specific technical guidance on how to test viability in the 2019 NPPF or the updated PPG, although the updated PPG includes guidance in a number of specific areas. There are several sources of guidance and appeal decisions<sup>14</sup> that support the methodology used. This study follows the *Viability Testing in Local Plans – Advice for planning practitioners* (LGA/HBF – Sir John Harman) June 2012<sup>15</sup> (known as the **Harman Guidance**). This contains the following definition:

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

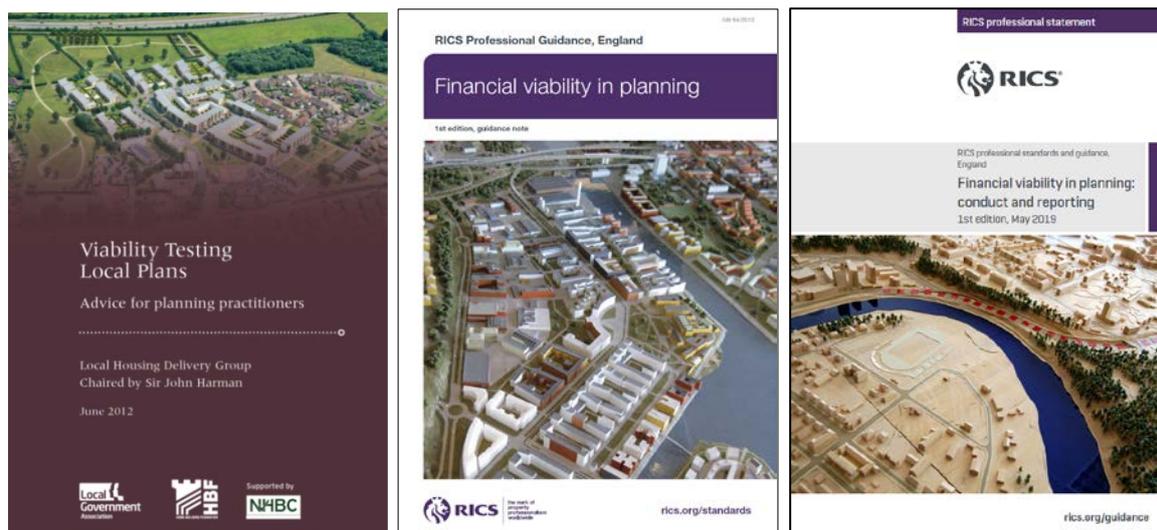
- 2.45 The planning appeal decisions, and the HCA good practice publication<sup>16</sup> suggest that the most appropriate test of viability for planning policy purposes is to consider the Residual Value of schemes compared with the Existing Use Value (EUV), plus a premium. The premium over and above the EUV being set at a level to provide the landowner with an inducement to sell. The Harman Guidance and *Financial viability in planning, RICS guidance note, 1st edition* (GN 94/2012) which was published during August 2012 (known as the **RICS Guidance**) set out the principles of viability testing. Additionally, the Planning Advisory Service (PAS) provides viability guidance and manuals for local authorities.

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<sup>14</sup> Barnet: APP/Q5300/ A/07/2043798/NWF, Bristol: APP/P0119/ A/08/2069226, Beckenham: APP/G5180/ A/08/2084559, Bishops Cleeve: APP/G1630/A/11/2146206 Burgess Farm: APP/U4230/A/11/2157433, CLAY FARM: APP/Q0505/A/09/2103599/NWF, Woodstock: APP/D3125/ A/09/2104658, Shinfield APP/X0360/ A/12/2179141, Oxenholme Road, APP/M0933/A/13/2193338, Former Territorial Army Centre, Parkhurst Road, Islington APP/V5570/W/16/3151698, Vannes: Court of Appeal 22 April 2010, [2010] EWHC 1092 (Admin) 2010 WL 1608437

<sup>15</sup> Viability Testing in Local Plans has been endorsed by the Local Government Association and forms the basis of advice given by the, CLG funded, Planning Advisory Service (PAS).

<sup>16</sup> *Good Practice Guide*. Homes and Communities Agency (July 2009).



- 2.46 There is considerable common ground between the 2012 RICS Guidance and the Harman Guidance, but they are not consistent. The RICS Guidance recommends against the ‘EUV plus a margin’ – which is the methodology recommended in the Harman Guidance.

*One approach has been to exclusively adopt current use value (CUV) plus a margin or a variant of this, i.e. existing use value (EUV) plus a premium. The problem with this singular approach is that it does not reflect the workings of the market as land is not released at CUV or CUV plus a margin (EUV plus).....*

*Financial viability in planning, RICS guidance note, 1st edition (GN 94/2012)*

- 2.47 The Harman Guidance advocates an approach based on Threshold Land Value (Threshold Land Value is equivalent to Benchmark Land Value as referred to in the updated PPG):

*Consideration of an appropriate **Threshold Land Value** needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy. Reference to market values can still provide a useful ‘sense check’ on the threshold values that are being used in the model (making use of cost-effective sources of local information), but it is not recommended that these are used as the basis for the input to a model.*

*We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values (noting the exceptions below).*

*Viability Testing in Local Plans – Advice for planning practitioners. (June 2012)*

- 2.48 The 2012 RICS Guidance dismisses a Threshold Land Value approach as follows:

*Threshold land value. A term developed by the Homes and Communities Agency (HCA) being essentially a land value at or above that which it is assumed a landowner would be prepared to sell. It is not a recognised valuation definition or approach.*

- 2.49 As set out in Chapter 1 above, *Financial viability in planning, RICS guidance note, 1st edition (GN 94/2012)* does not fit with 2019 NPPF and updated PPG so is subject to a full review to reflect the changes in the 2019 NPPF and the updated PPG (May 2019). Relatively little weight is given to this RICS Guidance in this regard at this stage.

- 2.50 In line with the updated PPG, this study follows the EUV Plus (EUV+) methodology. The methodology is to compare the Residual Value generated by the viability appraisals, with the EUV plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the EUV is central to the assessment of viability. It must be set at a level to provide a return to the landowner. To inform the judgement as to whether the uplift is set at the appropriate level, reference is made to the value of the land both with and without the benefit of planning.
- 2.51 In September 2019 the HBF produced further guidance in the form of *HBF Local Plan Viability Guide* (Version 1.2: Sept 2019). This guidance draws on the Harman Guidance and the 2012 RICS Guidance, (which the RICS is updating as it is out of date), but not the more recent May 2019 RICS Guidance. This guidance stresses the importance of following the guidance in the PPG and of consultation, both of which this report has done. We do have some concerns around this guidance as it does not reflect '*the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission*' as set out in paragraph 10-009-20190509 of the PPG. The HBF Guidance raises several 'common concerns'. Regard has been had to these.



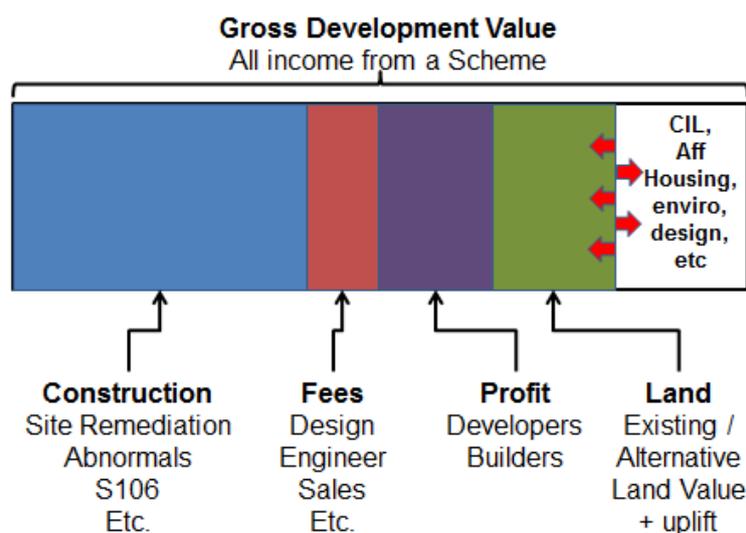
## 3. Methodology

### Viability Testing – Outline Methodology

- 3.1 The primary purpose of this report is to bring together and update the various strands of viability evidence that comprise the *‘the viability assessment that informed the plan’*. In an effort to avoid unnecessary cross referencing this report is presented as a stand-alone document that can be read and used on its own.
- 3.2 This report follows the Harman Guidance and was put to the consultation event on 26<sup>th</sup> November 2019. The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation is:

$$\begin{array}{r}
 \textbf{Gross Development Value} \\
 \text{(The combined value of the complete development)} \\
 \\
 \text{LESS} \\
 \\
 \textbf{Cost of creating the asset, including a profit margin} \\
 \text{(Construction + fees + finance charges)} \\
 \\
 = \\
 \\
 \textbf{RESIDUAL VALUE}
 \end{array}$$

- 3.3 The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory return (i.e. profit).
- 3.4 In the following graphic, the bar illustrates all the income from a scheme. This is set by the market (rather than by the developer or local authority). Beyond the economies of scale that larger developers can often enjoy, the developer has relatively little control over the costs of development, and whilst there is scope to build to different standards the costs are largely out of the developer’s direct control – they are what they are.



- 3.5 The essential balance in viability testing is around the land value and whether or not land will come forward for development. The more policy requirements and developer contributions a planning authority asks for, the less the developer can afford to pay for the land. The purpose of this assessment is to quantify the costs of EFDC's policies and to assess the effect of these and then make a judgement as to whether or not land prices are squeezed to such an extent that the Plan is not deliverable.
- 3.6 The land value is a difficult topic since a landowner is unlikely to be entirely frank about the price that would be acceptable, always seeking a higher one. This is one of the areas where an informed assumption has to be made about the 'uplift' above the EUV which would make the landowner sell.
- 3.7 This study is not trying to mirror any particular developer's business model – rather it is making a broad assessment of viability in the context of plan-making and the requirements of the 2019 NPPF and the PPG.
- 3.8 Through the consultation, there was a consensus that the technical approach to this study was appropriate. Having said this a consultee<sup>17</sup> said:

*It is difficult to accept the findings of the viability assessment and judgements contained within The Report when the planning policies are still being prepared. Evidence is still being gathered, and work ongoing with Natural England, to clarify the Air Quality emerging policy. This work is ongoing until at least February 2020.*

- 3.9 This comment conflates several issues. The early results presented through the consultation were heavily caveated and on the basis that they should be given little weight. The purpose

<sup>17</sup> Julie Morgan for Barwood Land

of the consultation was to ensure that this update was well grounded and that the assumptions that feed into the analyses (costs, values etc) were tested and in the expected range.

- 3.10 A land promoter<sup>18</sup> correctly noted that there are other ways of assessing viability other than using a straight Residual Value. This is accepted. The proposed approach is considered appropriate and proportionate in a plan-wide viability assessment, it is in line with the main sources of guidance. For very large schemes, a more complex model such as discounted cash flow may be appropriate if viability were to be considered at the development management stage.

### **The meaning of Landowner Premium**

- 3.11 The phrase *landowner premium* is new in the updated PPG. Under the 2012 NPPF, the phrase *competitive return* was used. This is at the core of a viability assessment. The 2012 RICS Guidance includes the following definition:

**Competitive returns** - A term used in paragraph 173 of the NPPF and applied to ‘a willing land owner and willing developer to enable development to be deliverable’. A ‘Competitive Return’ in the context of land and/or premises equates to the Site Value as defined by this guidance, i.e. the Market Value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan. A ‘Competitive Return’ in the context of a developer bringing forward development should be in accordance with a ‘market risk adjusted return’ to the developer, as defined in this guidance, in viably delivering a project.

- 3.12 Whilst this is useful it does not provide guidance as to the size of that return. The updated PPG says:

*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*

*Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*

*This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. 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.*

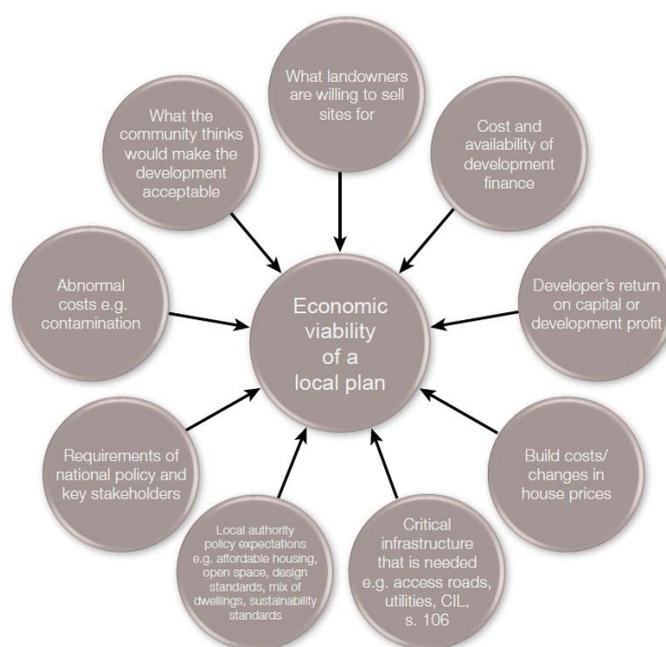
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<sup>18</sup> Mike Newton, Boyer Planning for CEG and Hallam Land (Latton Priory).

*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.*

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- 3.13 There has been much discussion as to what may and may not be a landowner premium. The term has not been given a firm definition through the appeal, planning examination or legal processes. ‘Competitive return’ was considered at the Shinfield Appeal (January 2013)<sup>19</sup> and the case is sometimes held up as a firm precedent, however as confirmed in the Oxenholme Road Appeal (October 2013)<sup>20</sup> the methodology set out in Shinfield is site specific and should only be given limited weight. More recently further clarification has been provided in the Territorial Army Centre, Parkhurst Road, Islington Appeal (June 2017)<sup>21</sup>, which has subsequently been confirmed by the High Court<sup>22</sup>. This also notes the importance of comparable data. The level of return to the landowner is discussed and the approach taken in this study is set out in the later parts of Chapter 6 below.
- 3.14 This study is about the economics of development; however viability brings in a wider range than just financial factors. The following graphic is taken from the Harman Guidance and illustrates some of the non-financial as well as financial factors that contribute to the assessment process. Viability is an important factor in the plan-making process, but it is one of many factors.



<sup>19</sup> APP/X0360/A/12/2179141 (Land at The Manor, Shinfield, Reading RG2 9BX)

<sup>20</sup> APP/M0933/ A/13/ 2193338 (Land to the west of Oxenholme Road, Kendal, Cumbria)

<sup>21</sup> APP/V5570/W/16/3151698 (Former Territorial Army Centre, Parkhurst Road, Islington, London, N7 0LP)

<sup>22</sup> Parkhurst Road Limited v Secretary of State for Communities and Local Government and The Council of the London Borough of Islington [2018] EWHC 991 (Admin)

### Existing Available Evidence

- 3.15 The 2019 NPPF, the PPG, the CIL Regulations and CIL Guidance are clear that the assessment of viability should, wherever possible, be based on existing available evidence rather than new evidence. The evidence that is available from EFDC has been reviewed. This falls into three broad types.
- 3.16 Firstly, is that which has been prepared earlier in the plan-making process.
- a. *EFDC Stage 1: Assessment of the Viability of Affordable Housing, CIL and the Local Plan* (Dixon Searle, June 2015).
  - b. *EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan* (Dixon Searle, November 2017).
  - c. *Harlow and Gilston Garden Town Strategic Viability Assessment* (HDH, April 2019)
- 3.17 This study updates the above, where possible, subject to the updated PPG, follows the same methodology and updated assumptions.
- 3.18 Secondly, is that which Epping Forest District Council holds, in the form of development appraisals<sup>23</sup> that have been submitted by developers in connection with specific developments – most often to support negotiations around the provision of affordable housing or s106 contributions. The approach taken is to draw on this existing evidence and to consolidate it so that it can then be used as a sound base for setting the affordable housing target and the levels of CIL – it is important to note that these figures are the figures submitted by developers for discussion at the start of the viability process.

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<sup>23</sup> These are not referred to specifically in this report as some were submitted to Epping Forest District Council on a confidential basis.

**Table 3.1 Review of Development Management Viability Appraisals**

Date	Mar-19	May-18	Jul-18	Sep-18	May-18	Oct-18	Dec-17	Mar-18	Mar-19
<b>Scheme</b>	Epping	Chigwell	Waltham Abbey	Chigwell	Waltham Abbey	Loughton	Loughton	Waltham Abbey	Fyfield
Locality	0.21	2.34	1.5375	0.8	0.0788	1.9	0.16	0.41	0.809
Ha	28	105	33	57	12	89	29	52	24
Units	11	12,875	5	6,311	833	14,933	2,467	4,570	2,930
Affordable	2,164		3,351						
GIA (m2)									
<b>Values</b>									
Residential	£6,432.36 - £7,784.45/m2	£5,640/m2	£4,819/m2	£6,447/m2	£4,547/m2	£6,437/m2	£5,716/m2	£5,227 - £4,888/m2	£4,024/m2
Flats									
Affordable		AR £1,722/m2, SO £1,230/m2	AR £1,688/m2, SO £2,594						
Non Res									
Older People?	Yes	Yes				Yes	Yes	Yes	
<b>Construction</b>									
BCIS	£1,526	£1,647/m2	£1,688/m2		£1,293/m2			£1,613/m2	
All in		£2,705/m2	£2,152/m2	£2,406/m2		£2,702/m2	£2,647/m2	£1,961	£2,625/m2
Abnormals	£380,250				£130,000	£270,000	£0	£426,719	
Site	10%							10%	
s106 / unit		£500/unit	£154,432	£800,000	£0	£25,077	£0	£0	£0
<b>Fees</b>									
Acquisition	1% +0.75%		1% + 0.8%	1%+0.5%				1%+0.75%	
Professional	10%	10%	8%	10%	10%	12%	12.00%	10%	7.0%
Sales	6%	3%	1% +£50,000	1%+1%	3%	1.5 +1.5% or 1.5+1%	3+1.75%	4+2%	2.75%
Legal	£600 per unit	£1,000 per unit	£1000 per unit	0.50%	£1000 per unit	£1000 or £900 per unit	£1000 per unit	£600 per unit	£750 per unit
<b>Other</b>									
Contingency	5%	5%		5%	5%	5%		5%	5%
Interest	6.50%	7.00%	6.50%	6% or 7%	7% +2%	7.00%	7.00%	7.00%	6.50%
Dev Return	20%	20%	20%	20% on cost	20%	20%	20%	20%	17.50%
All Return		6%	6%						
<b>Land</b>									
Price Paid				£7,720,000	£1,180,000 plus stamp duty				
Price Paid/ha									
EUJ	£3,050,000		£3,214,160				£526,000	£1,300,000	£3,000,000
EUJ/ha	£14,523,810		£2,090,511				£3,287,500	£3,170,732	£3,706,282
BLV/ha	£17,428,571		£2,090,511				£3,125,000	£3,804,878	£3,461,063

Source: Review of appraisals submitted through Development Management.

- 3.19 The above data is a summary of that submitted (rather than agreed). It is important to note that whilst some of the appraisals that have been reviewed were submitted after the publication of the 2018 NPPF (being when the viability sections were changed) and the updated PPG, none of them follow the EUV Plus approach that the updated PPG sets out. Further, all are essentially fresh appraisals, prepared from first principles by the developer. None of them follow paragraph PPG10-008-20190509 of the PPG that says:

*Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.*

- 3.20 Thirdly, EFDC also holds evidence of what is being collected from developers under the s106 regime. This is being collected outside this study<sup>24</sup>.

### Stakeholder Engagement

- 3.21 The PPG and the CIL Guidance require stakeholder engagement. The preparation of this viability assessment includes specific consultation and engagement with the industry. A consultation event was held on the 26<sup>th</sup> November 2019. Residential and non-residential developers (including housing associations), landowners, planning professionals and neighbouring authorities were invited. **Appendix 2** includes the details of those invited and the attendees, and **Appendix 3** includes the presentation given. **Appendix 4** includes a summary of notes taken.

- 3.22 The event was divided into three parts:

- a) A recap of viability testing in the context of the 2019 NPPF and updated PPG.
- b) The main assumptions for the viability assessments were set out including development values, development costs, land prices, developers' and landowners' returns.
- c) The consultants and consultees talked through the main points.

- 3.23 The comments of the consultees are reflected through this report and the assumptions adjusted where appropriate. Following the event, copies of the presentation and an early iteration of this study were circulated to all those invited, and the attendees were asked to make any further representations by email. 26 written responses were received in addition to the comments made at the event.

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<sup>24</sup> Paragraphs 10-020-20180724 to 10-028-20180724 of the PPG introduce reporting requirements in this regard. In particular 10-027-20180724 says:

*How should monitoring and reporting inform plan reviews?*

*The information in the infrastructure funding statement should feed back into reviews of plans to ensure that policy requirements for developer contributions remain realistic and do not undermine deliverability of the plan.*

*Paragraph: 027 Reference ID: 10-027-20180724*

- 3.24 The main points from the consultation event and subsequent comments received were:
- a) Concern was raised<sup>25 26 27 28 29 30 31 32 33 34 35 36 37</sup> as to the status of the viability update, bearing in mind the ongoing Local Plan examination. Some of these views were strongly expressed.
  - b) That the viability testing of the strategic sites was high level and does not add to the existing evidence base<sup>38</sup>.
  - c) That the BLV assumptions were too low.
  - d) Some of the values may be overstated.
  - e) The site costs may be too low.
- 3.25 In addition, several stakeholders<sup>39</sup> make comments about the use of the evidence (for example that lower affordable housing targets should be adopted). These are not addressed in this report as this report as these concern policy rather than evidence. The consultation process has been carried out fully in accordance with the requirements of the updated PPG, the Harman Guidance and the RICS Guidance

### Viability Process

- 3.26 The assessment of viability as required under the 2019 NPPF and the CIL Regulations is a quantitative and qualitative process. The updated PPG requires that (at PPG 10-001-20190509) *'...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'*.

---

<sup>25</sup> Olivier Spencer, Andrew Martin Planning for Miller Homes.

<sup>26</sup> Geoff Armstrong, Armstrong Rigg Planning for Manor Oak Homes (Water Lane South)

<sup>27</sup> Julie Morgan for Barwood Land

<sup>28</sup> Mike Newton, Boyer Planning for CEG and Hallam Land (Latton Priory).

<sup>29</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

<sup>30</sup> John Phillips, PPS

<sup>31</sup> Sanjeev Shah (Landowner)

<sup>32</sup> Richard Clews, Strutt and Parker for Scott properties and Signature

<sup>33</sup> Catherine Williams, Savills for Redrow

<sup>34</sup> Andy Butcher, Strutt and Parker for Countryside Properties (P6 North Weald Bassett and NWBR3)

<sup>35</sup> Rachel Bryan, Sworders for Mr Eldred (NWB.R1 and NWB.T1)

<sup>36</sup> Lois Partridge, Sworders (ONG.R1 and ONG.R2)

<sup>37</sup> Justification of this figure was sought by Lois Partridge, Sworders (SHR.R1 and SHR.R2)

<sup>38</sup> Mike Newton, Boyer Planning for CEG and Hallam Land (Latton Priory).

<sup>39</sup> Olivier Spencer, Andrew Martin Planning for Miller Homes.



Source: EFDC (November 2019)

- 3.29 Through the consultation it was suggested<sup>40</sup><sup>41</sup><sup>42</sup> that South Epping MPA was in fact an allocation for 950 units and not 450 units
- 3.30 The local housing markets were surveyed to obtain a picture of sales values. Land values were assessed to calibrate the appraisals and to assess EUVs. Alongside this, local development patterns were considered, to arrive at appropriate built form assumptions. These in turn informed the appropriate build cost figures. Several other technical assumptions were required before appraisals could be produced. The appraisal results were in the form of £/ha 'residual' land values, showing the maximum value a developer could pay for the site and still make an appropriate return. The Residual Value was compared to the EUV for each site. Only if the Residual Value exceeded the EUV, and by a satisfactory margin, could the scheme be judged to be viable. The amount of margin is a difficult subject and it is discussed, and the approach taken in this study set out in the later parts of Chapter 6 below.
- 3.31 The appraisals are based on existing and emerging policy options as summarised in Chapter 8 below. The emerging Plan is still developing, so the policies used in this assessment may be subject to further changes. For appropriate sensitivity testing a range of options including different levels of developer contribution are tested. If Epping Forest District Council allocates different types of site, or develops significantly different policies to those tested in this study, it may be necessary to revisit viability and consider the impact of those further requirements.
- 3.32 A bespoke viability testing model designed and developed by HDH specifically for area wide viability testing as required by the 2019 NPPF and CIL Regulations<sup>43</sup> is used. The purpose of the viability model and testing is not to exactly mirror any particular business model used by those companies, organisations or people involved in property development.

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<sup>40</sup> Julie Morgan for Barwood Land

<sup>41</sup> Clifford Mitchell

<sup>42</sup> Gaby Medforth, David Lock Associates for Fairfield (for part of SEMPA)

<sup>43</sup> This Viability Model is used as the basis for the Planning Advisory Service (PAS) Viability Workshops. It is made available to Local Authorities, free of charge, by PAS and has been widely used by councils across England (and, to a lesser extent, Wales).

## 4. Residential Market

4.1 This chapter sets out an assessment of the housing market, providing the basis for the assumptions on house prices. The study is concerned not just with the prices but the differences across different areas. Market conditions will broadly reflect a combination of national economic circumstances, and local supply and demand factors, however, even within a town there will be particular localities, and ultimately site-specific factors, that generate different values and costs.

4.2 The earlier studies used the following values:

<b>Typology</b>	<b>Houses</b>	<b>Flats</b>
East of Harlow	£3,800	£4,000
Latton Priory	£4,000	£3,700
Water Lane	£3,900	£3,900

Source: Table 4.10. Harlow and Gilston Garden Town Strategic Viability Assessment (HDH, April 2019)

4.3 In the 2017 Viability Update<sup>44</sup> a range of values were used from £3,500/m<sup>2</sup> to £7,500/m<sup>2</sup>. These were not applied to specific areas, rather to development types.

4.4 The initial part of this assessment is to consider how price changes have changed (if at all since Epping Forest District Council's earlier work)

### **The Residential Market**

4.5 The housing market is described in the 2018 Garden Town Viability assessment and the 2017 Viability Update so that will not be repeated here. This study is concerned about changes since the earlier studies.

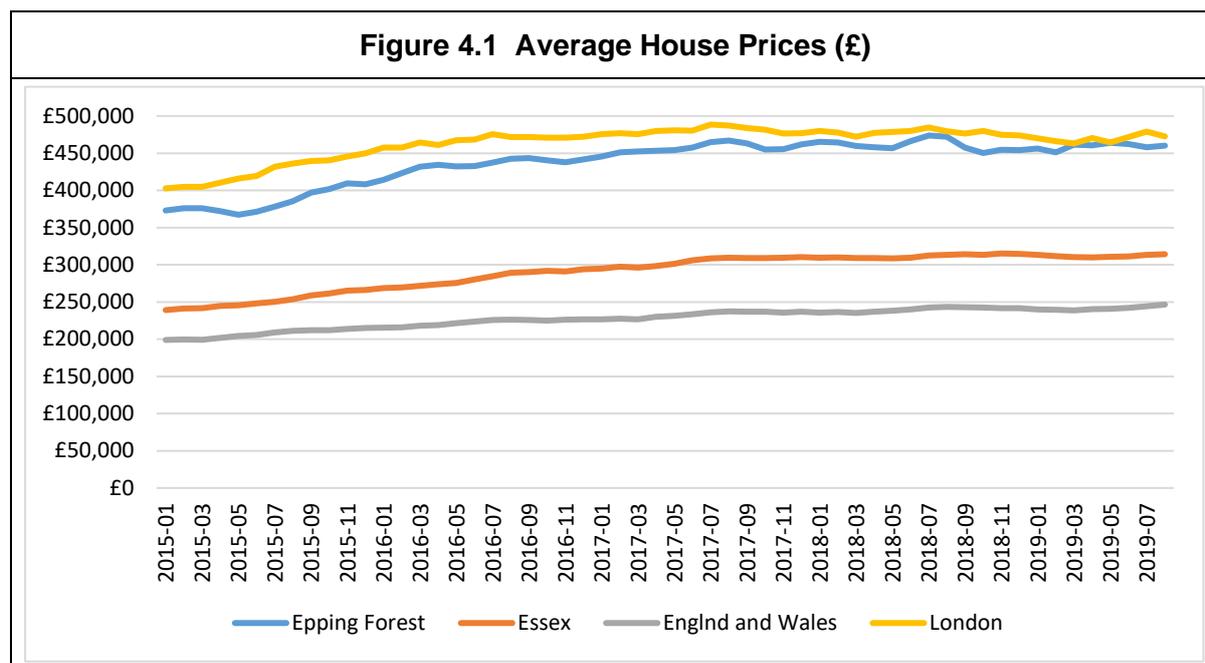
#### *National Trends and the relationship with the wider area*

4.6 The housing market peaked late in 2007 (see the following graph) and then fell considerably in the 2007/2008 recession during what became known as the 'Credit Crunch'.

4.7 Average house prices across England and Wales increased a little since 2017.

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<sup>44</sup> Paragraph 2.4.1, *EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan* (Dixon Searle, November 2017)



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- 4.8 Prices in Epping Forest are now about 23% above the July 2015 levels but only 1.1% above 2017. This is less than the increase across England and Wales (24% since 2015 and 4.1% since 2017). The increase in London has increased by 17.4% since 2015, but fallen by 1.9% since 2017.
- 4.9 It is important to note that, at the time of this report, the housing market is actively supported by the Government through products and initiatives such as Help-to-Buy. In addition, the historically low Bank of England's base rates, since the recession, have contributed to the wider economic recovery, including a rise in house prices.
- 4.10 There is a degree of uncertainty in the housing market as reported by the RICS. The September 2019 RICS UK Residential Market Survey said:

*The September 2019 RICS Residential Market Survey results suggest activity remains subdued across the sales market with headline indicators on buyer demand and supply slipping into negative territory. Much of the anecdotal commentary is pointing to heightened economic and political uncertainty as a contributing factor behind the sluggish picture. Significantly, forward looking metrics imply that the market is unlikely to gain impetus over the next three months, though sentiment over the twelve-month horizon does appear to be a little more resilient.*

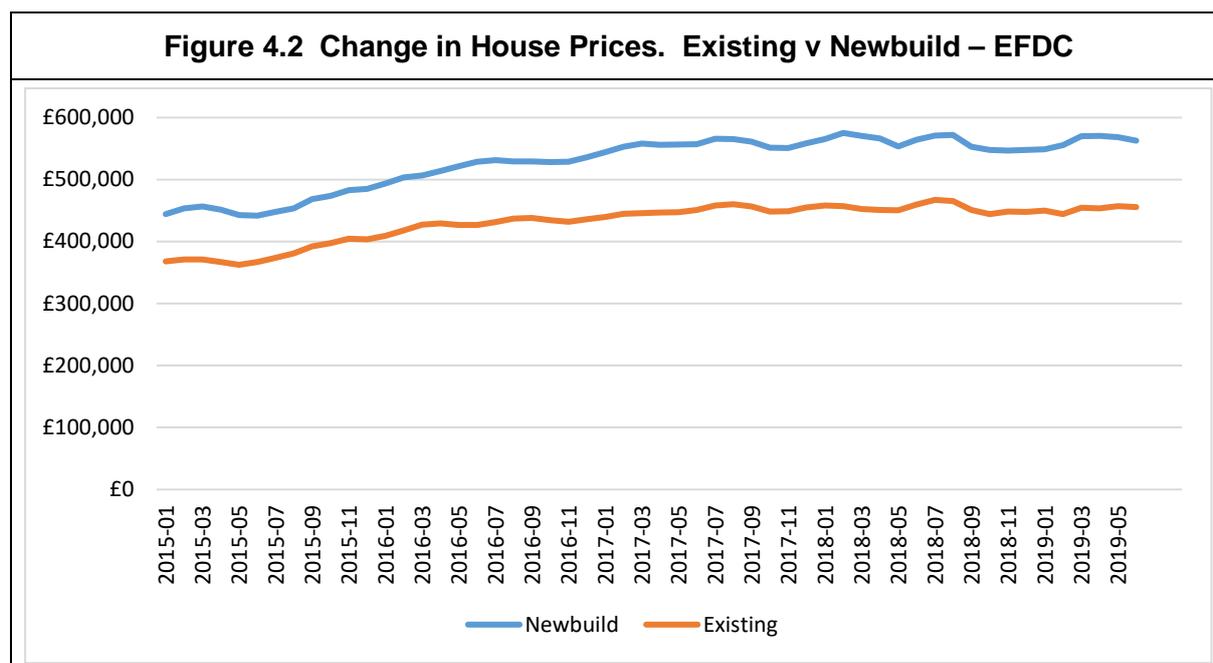
*Following three consecutive months of a largely stable trend in supply, the latest results point to a renewed decline in the volume of fresh listings coming on to the market. Comments from contributors are suggesting that the Brexit impasse seems to be dissuading vendors...*

- 4.11 When ranked across England and Wales, the average house price for EFDC is 26<sup>th</sup> (out of 348) at £549,218<sup>45</sup>. To set this in context, Epping Forest District Council at the middle of the

<sup>45</sup> Mean house prices for administrative geographies: HPSSA dataset 12 (Release 26<sup>th</sup> September 2019).

rank (174 – Ryedale), has an average price of £265,088. It is relevant to note that EFDC's median price is lower than the mean at £452,750<sup>46</sup>.

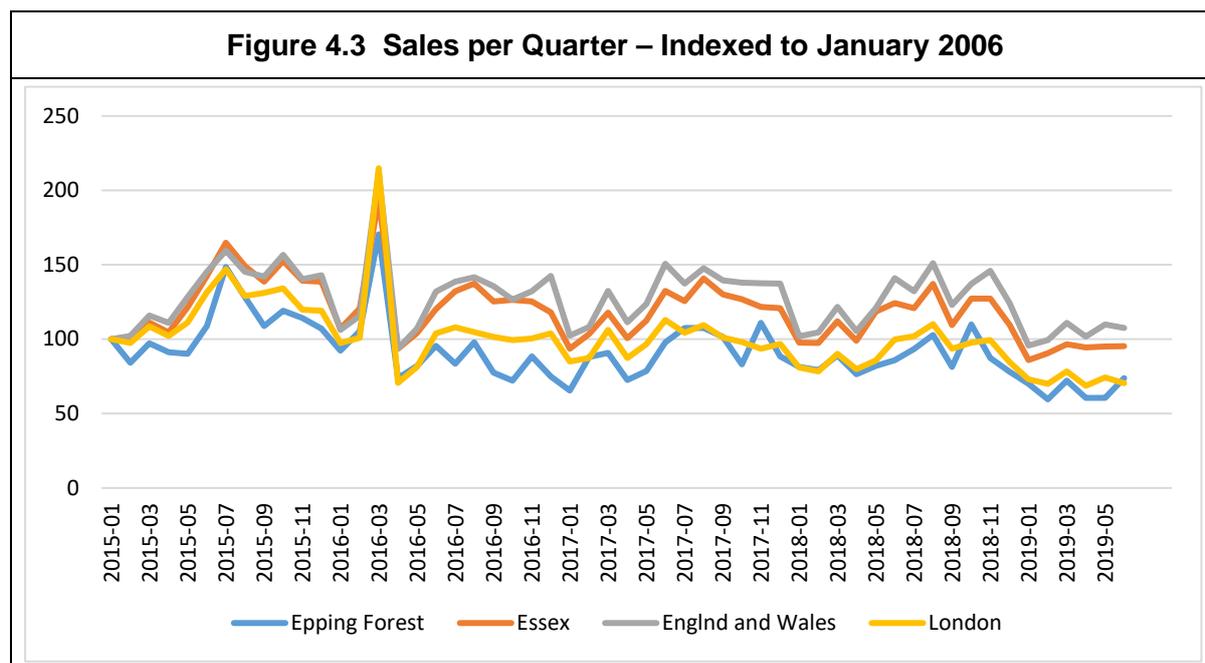
- 4.12 The figure above shows that prices in the EFDC area have seen a significant recovery since the 2015 Viability Assessment, but are much the same as in 2017. A characteristic of the data is that the values of newbuild homes have increased faster than that for existing homes. The Land Registry shows that the average price paid for newbuild homes in the District (£562,881) is about £107,000 or 23.5% higher than the average price paid for existing homes (£455,838).



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- 4.13 The rate of sales (i.e. sales per month) in the EFDC area is a little greater than the wider country, underlining the fact that the local market is an active market.

<sup>46</sup> Median house prices for administrative geographies: HPSSA dataset 9 (Release 26<sup>th</sup> September 2019)



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- 4.14 This update report is being completed after the United Kingdom voted to leave the European Union. It is not possible to predict the impact of leaving the EU, beyond the fact that the UK and the UK economy is in a period of uncertainty. Negotiations around the details of the exit are underway but not concluded, so the future of trade with the EU and wider world are not yet known.
- 4.15 A range of views as to the impact on house prices have been expressed that cover nearly the whole spectrum of possibilities.
- 4.16 The economy is in a period of uncertainty and, whilst it is not the purpose of this assessment, it is timely to provide a forecast of how house prices and values may change in the future. HM Treasury brings together some of the forecasts in its monthly *Forecasts for the UK economy: a comparison of independent forecasts*<sup>47</sup>.

<sup>47</sup> No 383, May 2019.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/801759/PU797\\_Forecast\\_for\\_the\\_UK\\_Economy\\_May\\_2019\\_covers.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/801759/PU797_Forecast_for_the_UK_Economy_May_2019_covers.pdf)

**Table 4.2 Consolidated House Price Forecasts**

		House price inflation (annual average, %)					Output gap (% of GDP)				
		2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
<b>City forecasters</b>											
	Bloomberg Economics										
1.0	1.5	2.0	-	-	-	May *	0.1	-0.1	0.0	0.0	0.0
	Capital Economics					May *	-	-	-	-	-
	CEBR					May *	-	-	-	-	-
	Citigroup					May *	-	-	-	-	-
0.9	1.2	3.2	1.0	0.7	May *	-0.5	-0.4	-0.3	-0.2	0.0	
1.0	2.2	3.6	3.5	3.0	May *	-0.2	-0.2	-0.3	-0.3	-0.3	
	Deutsche Bank				Feb	-	-	-	-	-	
1.4	2.0	3.0	3.5	3.5	May *	-	-	-	-	-	
	HSBC				Nov	-	-	-	-	-	
	ING				Aug	-	-	-	-	-	
	Morgan Stanley				May *	0.4	0.7	-	-	-	
	Natwest Markets				May *	-0.5	-0.9	-1.2	-	-	
	Nomura				Nov	-	-	-	-	-	
-1.1	3.8	4.9	4.5	4.0	May *	-0.4	-0.3	0.1	0.5	0.7	
	Schroders Investment Management				May *	0.1	-0.1	0.0	0.0	0.0	
	Societe Generale				May *	-	-	-	-	-	
	UBS				Nov	-	-	-	-	-	
<b>Non-City forecasters</b>											
	Beacon Economic Forecasting										
1.0	2.2	5.3	8.0	7.9	May *	-	-	-	-	-	
	EIU				Aug	0.7	0.8	1.0	0.9	-	
3.4	3.5	3.4	4.0	4.3	May *	-	-	-	-	-	
1.8	2.0	-	-	-	May *	0.9	1.1	-	-	-	
	Heteronomics				May *	-0.3	-0.2	-0.1	0.0	0.0	
	IMF				May *	-	-	-	-	-	
	Kern Consulting				May *	-	-	-	-	-	
	Liverpool Macro Research				May *	-	-	-	-	-	
2.4	2.8	1.8	0.9	0.5	May *	-	-	-	-	-	
0.1	1.5	3.3	3.5	3.6	May *	-0.6	-0.5	-0.4	-0.2	0.0	
	Oxford Economics				May *	-	-	-	-	-	
1.2	2.3	3.4	3.6	3.4		-0.1	-0.1	-0.3	0.0	0.0	
1.2	2.3	3.4	3.6	3.4		-0.1	-0.1	-0.3	0.0	0.0	
3.4	3.8	5.3	8.0	7.9	Highest	0.9	1.1	0.1	0.5	0.7	
-1.1	1.2	1.8	0.9	0.5	Lowest	-0.6	-0.9	-1.2	-0.3	-0.3	

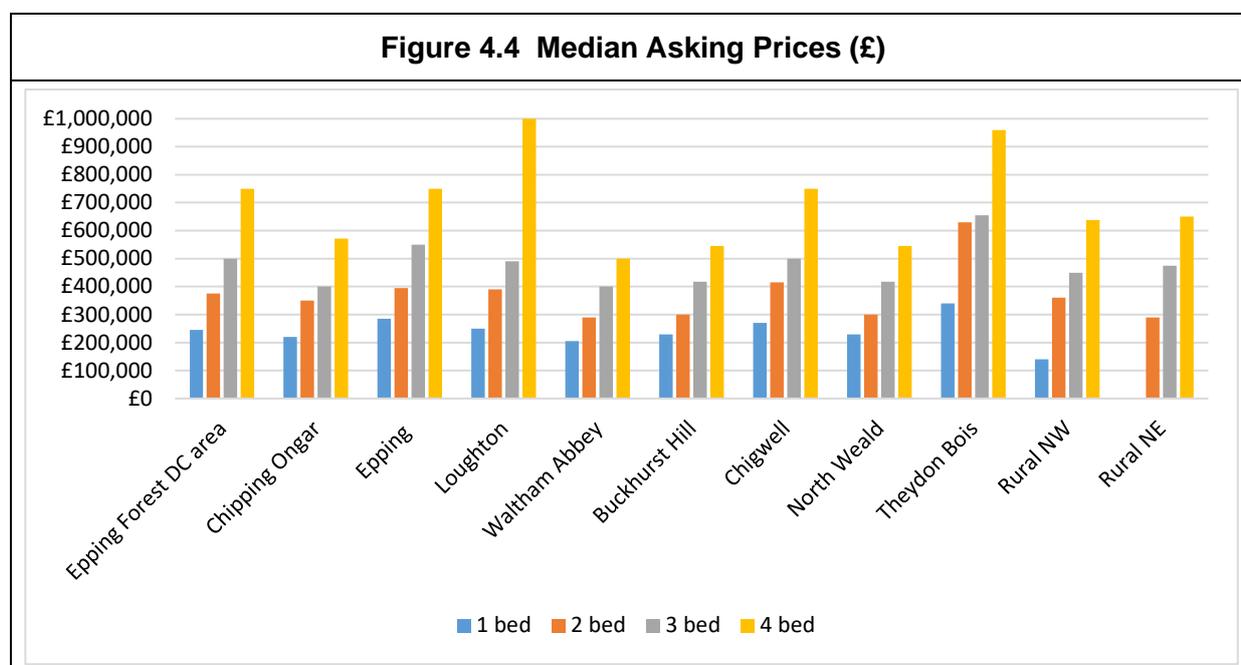
Source: *Forecasts for the UK economy: a comparison of independent forecasts* No 383 (HM Treasury, May 2019).

Table M9: Medium-term forecasts for house price inflation and the output gap

- 4.17 There is clearly uncertainty in the market, and it is not for this study to try to predict how the market may change in the coming years, and whether or not there will be a further increase in house prices. Generally, the expectation is that house prices will return to grown relatively quickly.
- 4.18 Property agents Savills are predicting no change in the current year, a 0% change this year (2019) and a 9.3% increase over the next 5 years in the mainstream South East markets, with a 0% increase this year (2019), 0% next year and 10.9% over the next 5 years in the prime Outer Commute residential markets<sup>48</sup>. These predictions are somewhat less than were being predicted before the Brexit referendum.

**The Local Market**

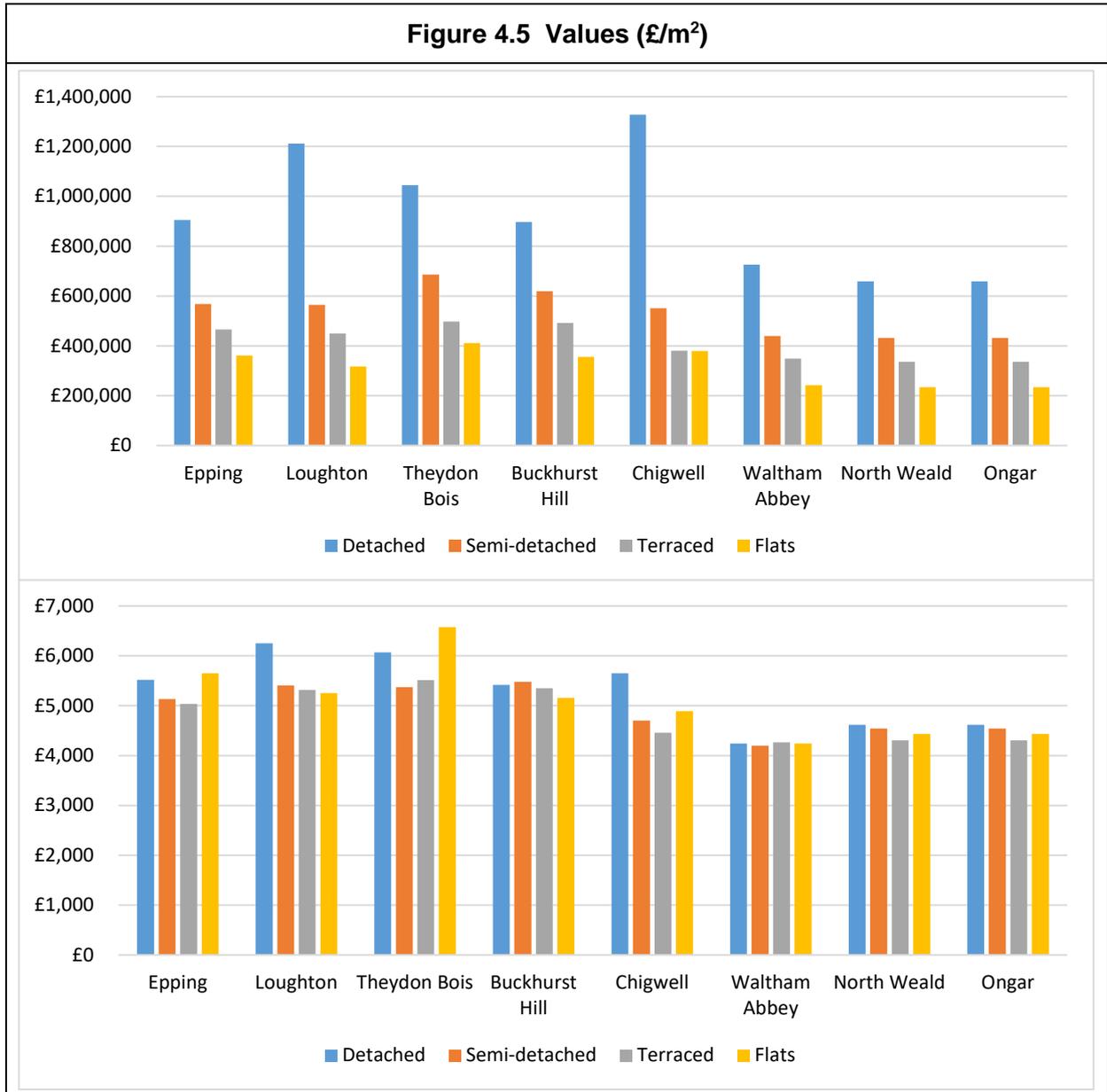
- 4.19 A survey of asking prices across the Epping Forest area was carried out in October 2019. Through using online tools such as rightmove.co.uk and zoopla.co.uk, median asking prices were estimated.



Source: Rightmove.co.uk (October 2019)

<sup>48</sup> <https://pdf.euro.savills.co.uk/uk/residential---other/report---residential-property-forecasts---autumn-2018.pdf>





Source: Zoopla.co.uk (October 2019)

4.20 The Land Registry publishes data of all homes sold. Across the EFDC area about 9,900 home sales are recorded since the start of 2015<sup>49</sup>. These transactions (as recorded by the Land Registry) can be disaggregated into newbuild and existing sales and are summarised, as follows.

<sup>49</sup> The Land Registry makes all transactions available as and when they are registered via the 'beta' format tool at <https://www.gov.uk/government/statistical-data-sets/price-paid-data-downloads>. It does take some time for transactions to be registered – we estimate this to be about 4 to 6 months.



<b>Table 4.3 Average Sales Values by Type - EFDC</b>					
	Detached	Flats	Semi-detached	Terraced	All
<b>Existing Homes</b>					
2015	£758,501	£247,013	£457,427	£358,961	£445,803
2016	£874,341	£287,061	£515,367	£403,306	£499,223
2017	£908,435	£304,045	£524,609	£425,510	£531,305
2018	£856,045	£304,173	£519,937	£423,582	£524,712
2019	£944,281	£292,947	£520,022	£419,195	£545,411
<b>Newbuild</b>					
2015	£822,184	£381,515	£546,174	£515,485	£513,661
2016	£1,235,000	£392,794	£450,906	£342,496	£417,114
2017	£1,064,666	£395,969	£570,097	£562,468	£527,855
2018	£967,548	£569,019	£604,230	£525,875	£664,672
2019	£904,402	£529,700	£613,332	£521,665	£766,551

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- 4.21 This data is presented by settlement. Some of the sample sizes are small so this data is also presented.

<b>Table 4.4a Average Price Paid by Settlement - 2017</b>					
<b>Count</b>	Detached	Flats	Semi Detached	Terraced	<b>All</b>
BUCKHURST HILL	0	13	0	0	<b>13</b>
CHIGWELL	9	3	3	18	<b>33</b>
EPPING	0	1	0	0	<b>1</b>
HARLOW	11	0	0	5	<b>16</b>
LOUGHTON	0	88	0	1	<b>89</b>
ONGAR	0	0	1	0	<b>1</b>
SAWBRIDGEWORTH	0	10	3	0	<b>13</b>
WALTHAM ABBEY	7	6	8	0	<b>21</b>
<b>All</b>	<b>27</b>	<b>121</b>	<b>15</b>	<b>24</b>	<b>187</b>
<b>Average Price Paid</b>	Detached	Flats	Semi Detached	Terraced	<b>All</b>
BUCKHURST HILL		£471,923			<b>£471,923</b>
CHIGWELL	£1,524,333	£536,667	£940,000	£614,944	<b>£885,394</b>
EPPING		£395,000			<b>£395,000</b>
HARLOW	£992,909			£407,500	<b>£809,968</b>
LOUGHTON		£399,193		£392,735	<b>£399,121</b>
ONGAR			£689,200		<b>£689,200</b>
SAWBRIDGEWORTH		£288,700	£376,667		<b>£309,000</b>
WALTHAM ABBEY	£586,427	£292,700	£489,031		<b>£465,402</b>
<b>All</b>	<b>£1,064,666</b>	<b>£395,969</b>	<b>£570,097</b>	<b>£562,468</b>	<b>£527,855</b>

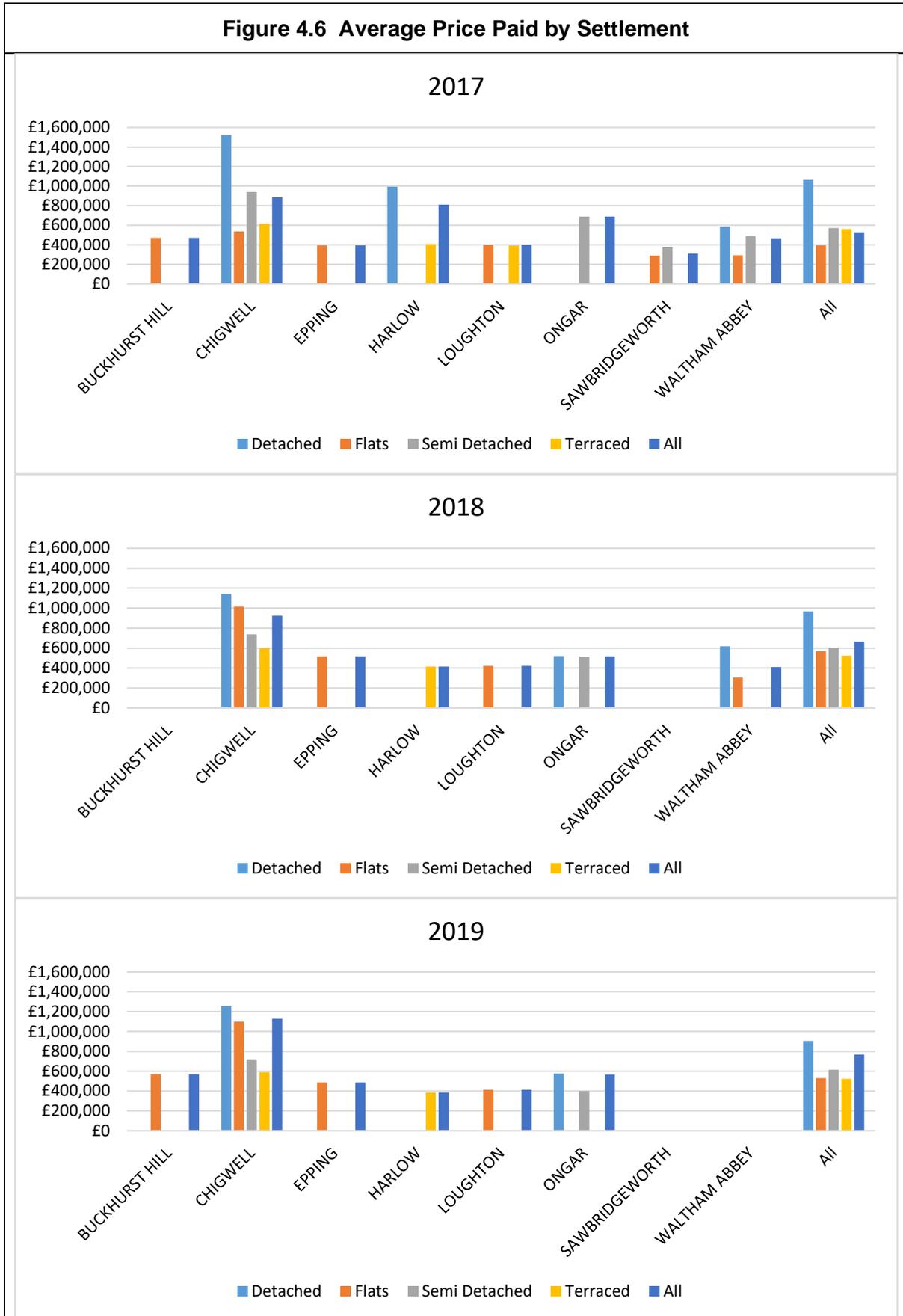
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<b>Table 4.4b Average Price Paid by Settlement - 2018</b>					
<b>Count</b>	Detached	Flats	Semi Detached	Terraced	<b>All</b>
BUCKHURST HILL	0	0	0	0	<b>0</b>
CHIGWELL	20	11	8	12	<b>51</b>
EPPING	0	7	0	0	<b>7</b>
HARLOW	0	0	0	8	<b>8</b>
LOUGHTON	0	27	0	0	<b>27</b>
ONGAR	7	0	12	0	<b>19</b>
SAWBRIDGEWORTH	0	0	0	0	<b>0</b>
WALTHAM ABBEY	1	2	0	0	<b>3</b>
<b>All</b>	<b>28</b>	<b>47</b>	<b>20</b>	<b>20</b>	<b>115</b>
<b>Average Price Paid</b>	Detached	Flats	Semi Detached	Terraced	<b>All</b>
BUCKHURST HILL					
CHIGWELL	£1,141,775	£1,013,636	£737,313	£599,583	<b>£923,118</b>
EPPING		£516,857			<b>£516,857</b>
HARLOW				£415,313	<b>£415,313</b>
LOUGHTON		£420,907			<b>£420,907</b>
ONGAR	£519,548		£515,508		<b>£516,996</b>
SAWBRIDGEWORTH					
WALTHAM ABBEY	£619,000	£305,700			<b>£410,133</b>
<b>All</b>	<b>£967,548</b>	<b>£569,019</b>	<b>£604,230</b>	<b>£525,875</b>	<b>£664,672</b>

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<b>Table 4.4c Average Price Paid by Settlement - 2019</b>					
<b>Count</b>	Detached	Flats	Semi Detached	Terraced	<b>All</b>
BUCKHURST HILL	0	5	0	0	<b>5</b>
CHIGWELL	15	1	2	2	<b>20</b>
EPPING	0	1	0	0	<b>1</b>
HARLOW	0	0	0	1	<b>1</b>
LOUGHTON	0	6	0	0	<b>6</b>
ONGAR	16	0	1	0	<b>17</b>
SAWBRIDGEWORTH	0	0	0	0	<b>0</b>
WALTHAM ABBEY	0	0	0	0	<b>0</b>
<b>All</b>	<b>31</b>	<b>13</b>	<b>3</b>	<b>3</b>	<b>50</b>
<b>Average Price Paid</b>	Detached	Flats	Semi Detached	Terraced	<b>All</b>
BUCKHURST HILL		£567,000			<b>£567,000</b>
CHIGWELL	£1,255,233	£1,100,000	£720,000	£589,998	<b>£1,127,425</b>
EPPING		£485,000			<b>£485,000</b>
HARLOW				£385,000	<b>£385,000</b>
LOUGHTON		£411,017			<b>£411,017</b>
ONGAR	£575,498		£399,995		<b>£565,174</b>
SAWBRIDGEWORTH					
WALTHAM ABBEY					
<b>All</b>	<b>£904,402</b>	<b>£529,700</b>	<b>£613,332</b>	<b>£521,665</b>	<b>£766,551</b>

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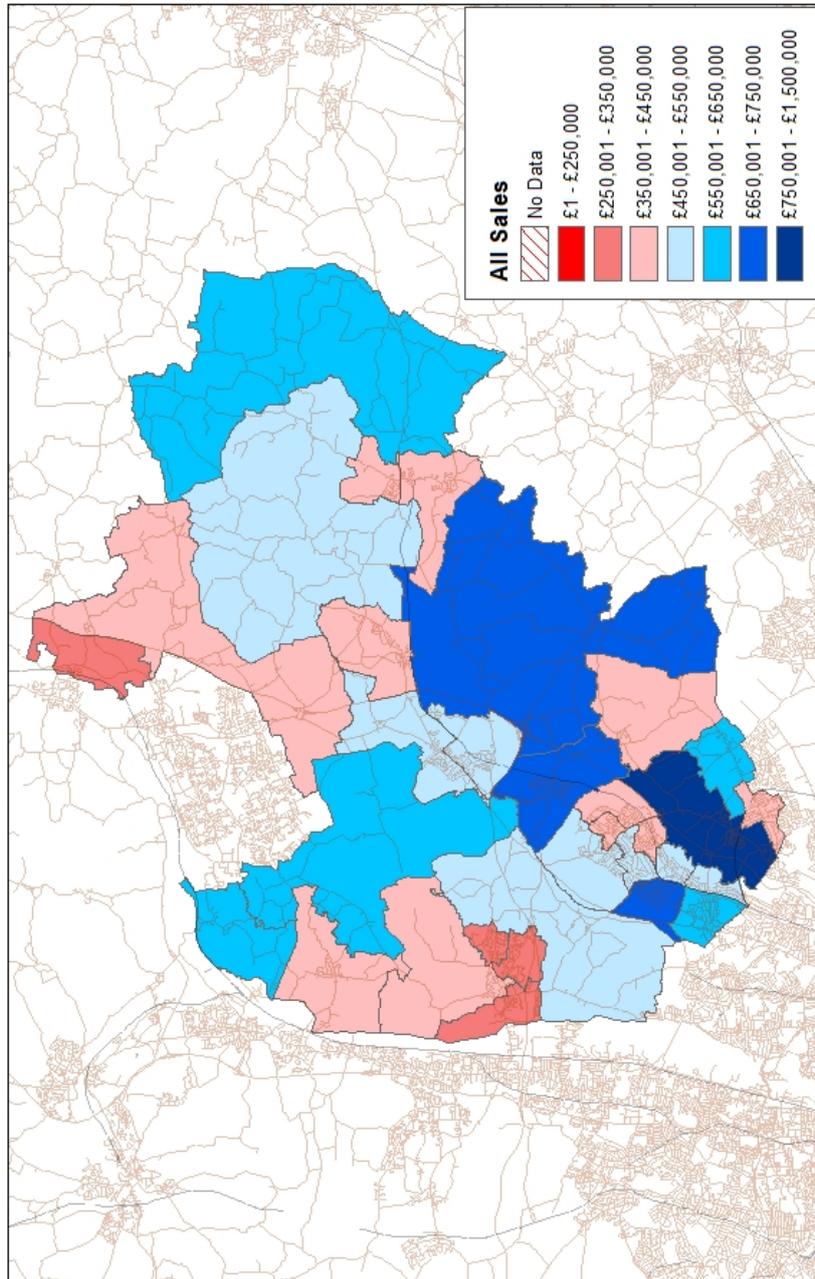


- 4.22 Detached houses are significantly more expensive than other houses and there are variations by location. The geographical differences in prices are illustrated in the following maps showing the median price by ward, the first being for all properties and the second just for newbuild.

Figure 4.7 Median Prices – All Properties



Epping Forest District Council  
Median Sales by Ward  
1/1/18 - 1/11/19



This data covers transactions received at Land Registry from 01/01/18 to 01/11/2019  
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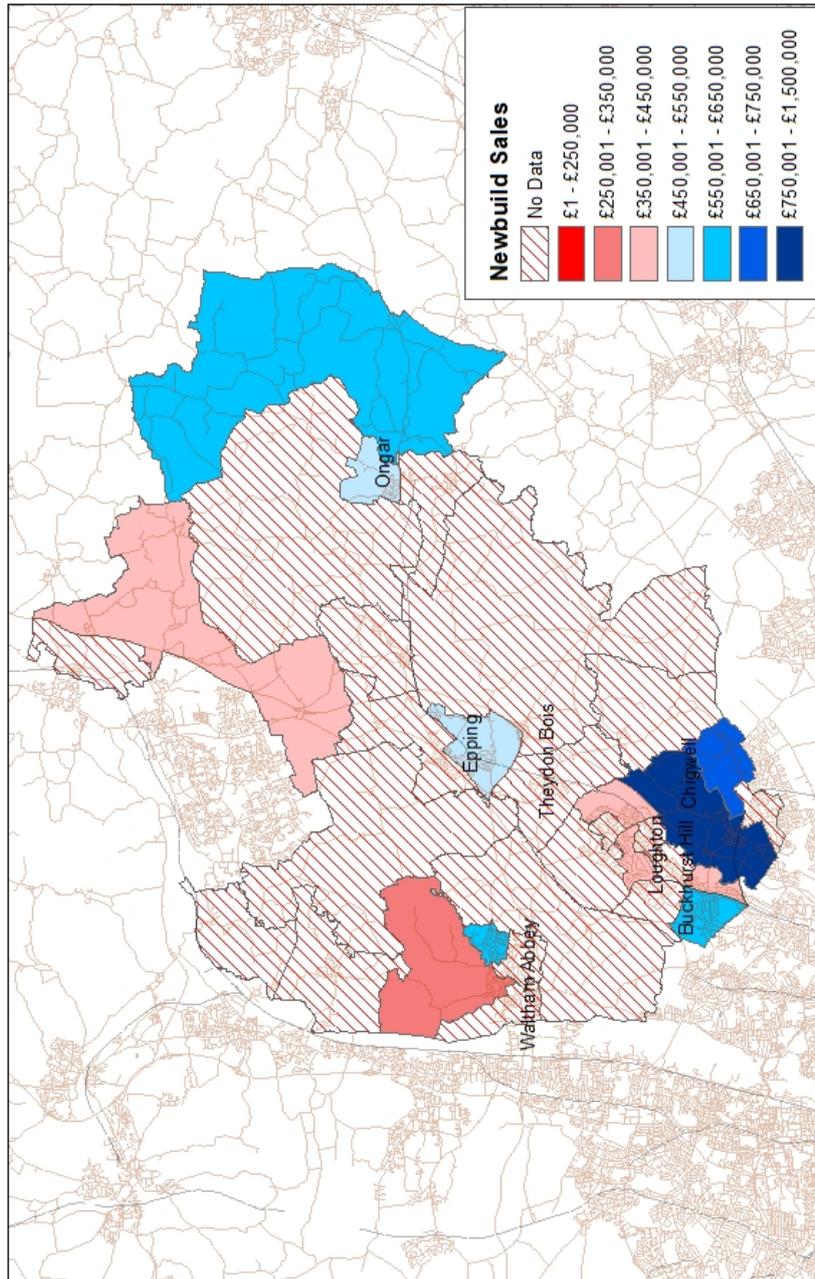
Source: HDH based on Land Registry Price Paid Data. Contains HM Land Registry data © Crown copyright and database right 2019. This data is licensed under the Open Government Licence v3.0



**Figure 4.8 Median Prices – Newbuild Properties**



Epping Forest District Council  
 Median Newbuild Sales by Ward  
 1/1/18 - 1/11/19



This data covers transactions received at Land Registry from 01/01/18 to 01/11/2019  
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Source: HDH based on Land Registry Price Paid Data. Contains HM Land Registry data © Crown copyright and database right 2019. This data is licensed under the Open Government Licence v3.0



- 4.23 Further maps are included within **Appendix 5** that show the median prices by ward by house type (detached, semi-detached, terraced, flats).

*Newbuild Sales Prices*

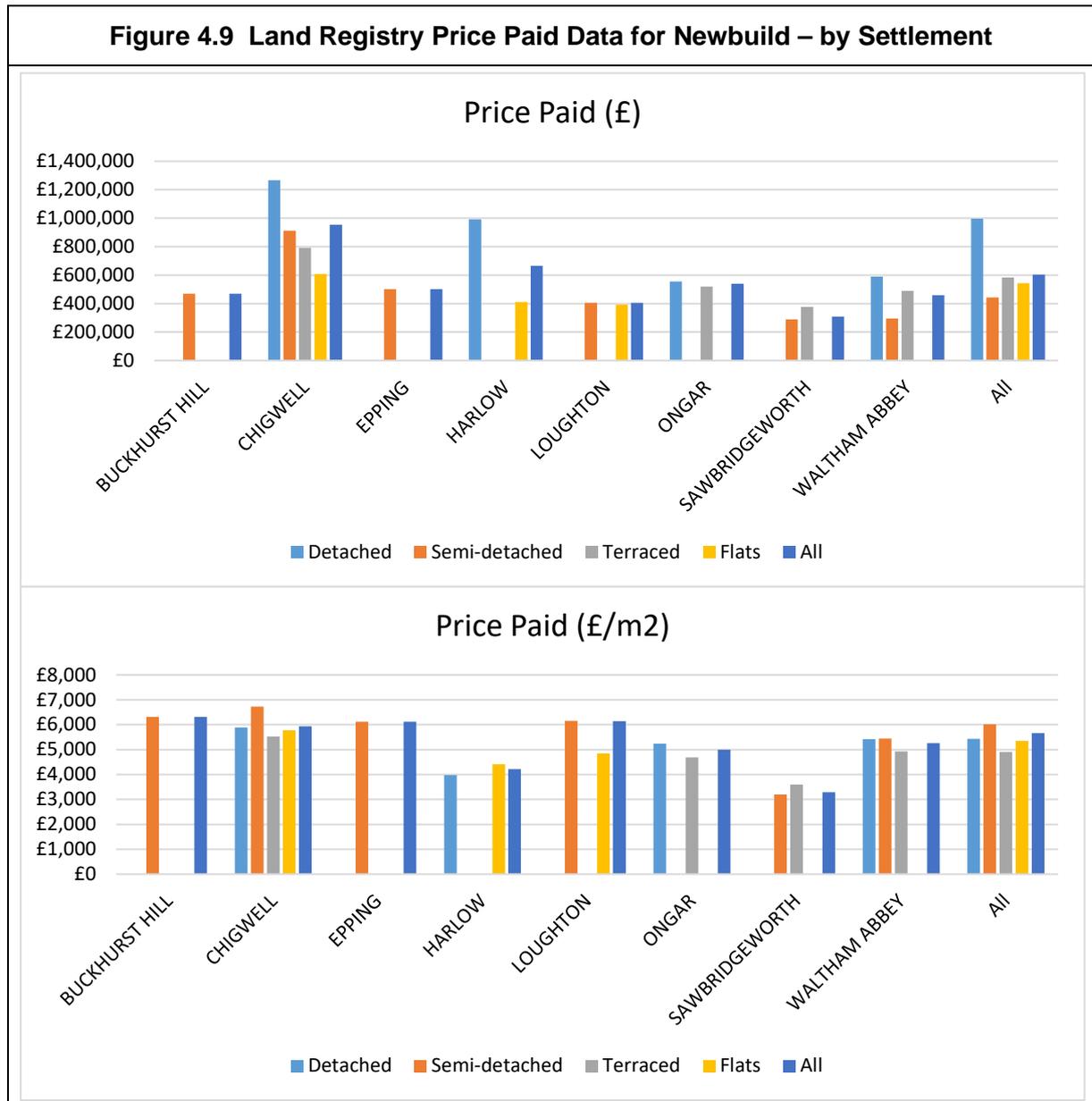
- 4.24 This study is concerned with the development of residential property so the key input for the appraisals is the price of new units. Recent newbuild sales prices from the Land Registry have been reviewed and a survey of new homes for sale during March 2019 was carried out.
- 4.25 The Land Registry publishes data of all homes sold. Across the EFDC area 339 newbuild home sales are recorded since the start of 2017. These transactions (as recorded by the Land Registry) are summarised in the following table and detailed in **Appendix 6**.
- 4.26 Each dwelling sold requires an Energy Performance Certificate (EPC)<sup>50</sup>. The EPC contains the floor area (the Gross Internal Area – GIA) as well as a wide range of other information about the construction and energy performance of the building. This information is also included in **Appendix 6**.
- 4.27 The price paid data from the Land Registry has been married with the floor area from the EPC Register. The Land Registry data can be broken down by house type. The data can be summarised as follows:

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<sup>50</sup> <https://www.epcregister.com/>

<b>Table 4.5 Prices Paid – Newbuild Homes from January 2017</b>					
	Detached	Semi-detached	Terraced	Flats	All
<b>BUCKHURST HILL</b>					
Count	0	14	0	0	14
Average £		£468,571			£468,571
Average £/m2		£6,318			£6,318
<b>CHIGWELL</b>					
Count	43	14	11	32	100
Average £	£1,267,767	£911,429	£792,591	£607,625	£954,365
Average £/m2	£5,894	£6,719	£5,524	£5,773	£5,930
<b>EPPING</b>					
Count	0	8	0	0	8
Average £		£501,625			£501,625
Average £/m2		£6,118			£6,118
<b>HARLOW</b>					
Count	11	0	0	14	25
Average £	£992,909			£410,357	£666,680
Average £/m2	£3,973			£4,406	£4,216
<b>LOUGHTON</b>					
Count	0	120	0	1	121
Average £		£404,625		£392,735	£404,528
Average £/m2		£6,157		£4,849	£6,146
<b>ONGAR</b>					
Count	18	0	14	0	32
Average £	£554,727		£519,664		£539,852
Average £/m2	£5,233		£4,689		£4,995
<b>SAWBRIDGEWORTH</b>					
Count	0	10	3	0	13
Average £		£288,700	£376,667		£309,000
Average £/m2		£3,199	£3,600		£3,292
<b>WALTHAM ABBEY</b>					
Count	8	8	8	0	24
Average £	£590,499	£295,950	£489,031		£458,493
Average £/m2	£5,423	£5,442	£4,925		£5,263
<b>All</b>					
Count	80	174	36	47	337
Average £	£996,294	£443,127	£584,334	£544,292	£604,321
Average £/m2	£5,434	£6,010	£4,906	£5,346	£5,663

Source: Land Registry and EPC Register (October 2019). Contains HM Land Registry data © Crown copyright and database right 2019. This data is licensed under the Open Government Licence v3.0



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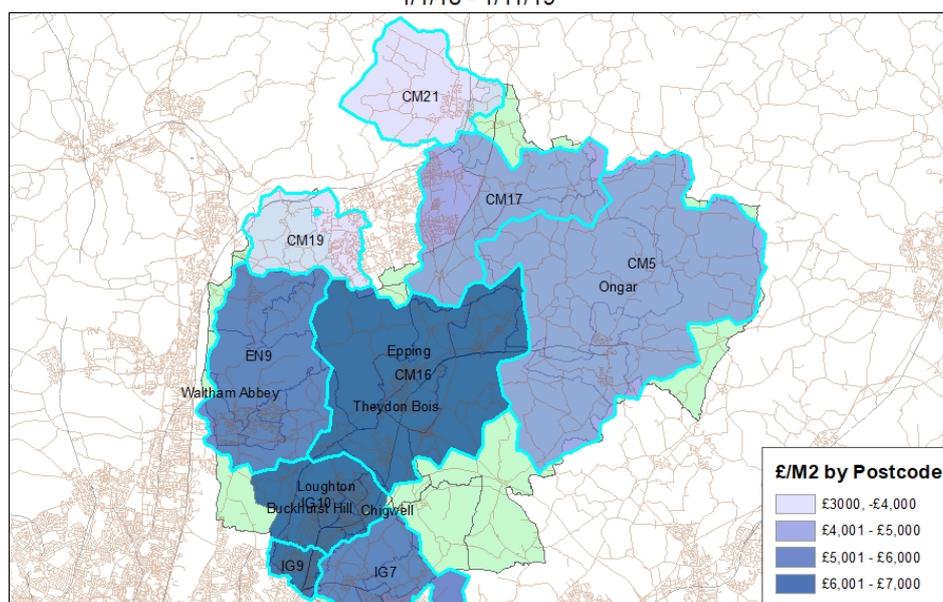
4.28 The data can also be presented by postcode area:



**Table 4.6 Prices Paid – Newbuild Homes from January 2017**  
**By Postcode Area (Average of £/m<sup>2</sup>)**

Post code area	Detached	Semi-detached	Terraced	Flats	All
CM16		£6,118			£6,118
CM17				£4,406	£4,406
CM19	£3,973				£3,973
CM21		£3,199	£3,600		£3,292
CM5	£5,233		£4,689		£4,995
EN9	£5,423	£5,442	£4,925		£5,263
IG10		£6,157		£4,849	£6,146
IG7	£5,894	£6,719	£5,524	£5,773	£5,930
IG9		£6,318			£6,318
All	£5,434	£6,010	£4,906	£5,346	£5,663

Epping Forest District Council  
£/M2 by Postcode Area  
1/1/18 - 1/11/19



This data covers transactions received at Land Registry from 01/01/18 to 01/11/2019  
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- 4.29 Overall the average price paid is £5,663/m<sup>2</sup>, ranging from less than £3,000/m<sup>2</sup> to over £10,000/m<sup>2</sup>. Care should be taken when considering the disaggregated data as some of the sample sizes are small.

- 4.30 The above data does show variance across Epping Forest District Council area, however it is necessary to consider the reason for that variance. A strong driver of the differences is the proximity to public transport and the accessibility for commuting to London. Further, the situation rather than the location of a site is important where the specific site characteristics, the immediate neighbours and the environment, rather than in which particular ward or postcode sector the scheme is located.
- 4.31 At the time of this research (October 2019) there were 75 or so new homes being marketed for sale in the District. The analysis of these shows that asking prices for newbuild homes vary very considerably, with flats ranging from £280,000 to £1,450,000 and housing ranging from £425,000 to £4,750,000. The average is over £231,775. These are summarised in the following table and set out in detail in **Appendix 7**.

<b>Table 4.7 Summary of Newbuild Asking Prices £/m<sup>2</sup></b>				
	Detached	Flat	Semi-detached	Terraced
Brentwood		£4,942		
Buckhurst Hill		£8,997		
Chigwell	£6,416	£7,038	£5,076	£6,433
Chipping Ongar	£5,610		£5,449	
Epping	£6,261	£6,700	£4,695	
Harlow	£3,650			
Harlow Common	£4,403			£4,098
High Beech	£6,324			
Loughton	£5,563			
Nazeing	£5,224			
North Weald	£4,709			
Stapleford Abbots	£5,319			
Theydon Bois	£7,726	£6,640		
Thornwood	£5,221			
Thornwood Common				£4,724
Waltham Abbey		£7,386	£3,625	
<b>All</b>	<b>£5,586</b>	<b>£7,091</b>	<b>£4,494</b>	<b>£4,815</b>

Source: Market Survey (October 2019)

- 4.32 When considered on a £/m<sup>2</sup> basis, the average asking price for flats is over £7,000/m<sup>2</sup> and the average asking price for houses is a little over £2,700/m<sup>2</sup> and houses is £5,330/m<sup>2</sup>.
- 4.33 A consultee<sup>51</sup> suggested that the above price paid data should not be used due to the small sample size. The above data is all the data that is available (the Land Registry should be

<sup>51</sup> Clifford Mitchell

comprehensive). Where sample sizes are small it should be used with caution, however at the data is of actual prices paid it is useful and in the absence of more data is given considerable weight.

- 4.34 During the course of the research, sales offices and agents were contacted to enquire about the price achieved relative to the asking prices, and the incentives available to buyers. In most cases the feedback was that the units were 'realistically priced' or that as there is strong demand, significant discounts are not available. When pressed, it appeared that the discounts and incentives offered equate to about 2.5% of the asking prices. It would be prudent to assume that prices achieved, net of incentives offered to buyers, are 2.5% less than the above asking prices.

### Price Assumptions for Financial Appraisals

- 4.35 It is necessary to form a view about the appropriate prices for the schemes to be appraised in the study. The preceding analysis does not reveal simple clear patterns with sharp boundaries. It is necessary to relate this to the pattern of development expected to come forward in the future. Bringing together the evidence above (which we acknowledge is varied), the following approach to value was put to the **November 2019** consultation.

- a) Larger Brownfield Sites. In terms of value, the prices of the new homes developed are likely to be driven by the specific situation of the scheme rather than the general location. That is to say the value will be more strongly influenced by the specific site characteristics, the immediate neighbours and environment, rather than in which particular ward or postcode sector the scheme is located. Development is likely to be of a higher density than the greenfield sites and be based around schemes of flats, semi-detached housing and terraces with a low proportion of detached units.

A slightly higher value has been attributed to the larger brownfield sites than the smaller brownfield sites due to the ability of the developer to create a sense of place.

- b) Smaller Brownfield Sites. As with the larger sites, the prices of the new homes developed are likely to be driven by the specific situation of the scheme rather than the general location. Development is likely to be of a higher density and be based around schemes of flats, semi-detached housing and terraces with a lower proportion of detached units.
- c) Urban Flatted Schemes. This is considered to be a separate development type that is only likely to take place in the town centres. These are modelled as conventional development and on a Build to Rent basis (see below).
- d) Large Greenfield Sites. These are the large greenfield sites (over 200 units or so).
- e) Medium Greenfield Sites. These are the greenfield sites in the range of 20 to 200 units that are likely to be brought forward by a single developer.
- f) Small Greenfield Sites. These areas are in the smaller settlements and villages in the countryside. A premium value is applied to these.

- 4.36 In addition, specific values are attributed to the Strategic Sites.

- 4.37 Based on the asking prices from active developments, and informed by the general pattern of all house prices across the study area, and by the assumptions used by developers in appraisals submitted through the development management process, the prices put to the consultation are as in the table below.
- 4.38 It is important to note that this is a broad brush, high level study as required by the NPPF. The values between new developments and within new developments will vary considerably.

<b>Table 4.8 Pre-consultation Residential Price Assumptions (£/m<sup>2</sup>)</b>				
<b>Typologies</b>				
	South West EFDC	Epping / Waltham Abbey and Adjacent	Adjacent to Harlow	Rural EFDC
Large Greenfield	£6,000	£5,500	£4,000	£5,000
Medium Greenfield	£6,000	£5,500	£4,000	£5,000
Small Greenfield	£6,250	£5,750	£4,500	£5,500
Large Brownfield	£6,150	£5,750		£5,000
Medium Brownfield	£6,000	£5,750		£5,000
Urban Flatted	£6,100	£6,000		

Source: HDH (November 2019)

<b>Table 4.9 Pre-consultation Residential Price Assumptions (£/m<sup>2</sup>)</b>		
<b>Strategic Sites</b>		
	Houses	Flats
East of Harlow (North)	£3,800	£4,000
Latton Priory	£4,000	£3,700
Water Lane Area (Sumners)	£3,900	£3,900
Water Lane Area (Katherine's)	£3,900	£3,900
South Epping MPA	£6,000	£6,000
North Weald Bassett MPA	£5,400	£5,400
Waltham Abbey North MPA	£5,400	£5,400

Source: HDH (October 2019)

- 4.39 Through the November 2019 consultation, the following points were made:
- a. That the values for the South Epping MPA are too high<sup>52</sup>. No evidence was provided to support this comment. The assumption used a little less than the average price paid as reported by the Land Registry. ....

<sup>52</sup> Julie Morgan for Barwood Land

- b. That the historic price variances between houses and flats (presented at the start of this chapter) are 'strange'. No further comment or elaboration is provided, but as this is historic data no change is made<sup>53</sup>.
- c. A more nuanced approach should be taken<sup>54</sup>. Whilst there would be benefits of this, there is insufficient data to robustly support a finer grained approach.
- d. Some assumptions are overstated<sup>55</sup> with income from better locations being applied to less good locations. Further, no allowance is made for incentives offered by developers, and finally that competition from multiple sites that are to be allocated in relatively close proximity of each other are likely to depress values. No supporting evidence was provided in this regard.

4.40 It is accepted that the Land registry price paid data is gross of incentives and it may be appropriate to make an allowance in this regard.

#### *Ground Rents*

4.41 Over the last 20 or so years many new homes have been sold subject to a ground rent. Such ground rents have recently become a controversial and political topic. In this study, no allowance is made for residential ground rents<sup>56</sup>.

#### **Build to Rent**

4.42 Epping Forest District Council has not yet seen Build to Rent schemes coming forward, however it is sensible to include this tenure as we are seeing more development across the county. The Build to Rent sector is a different sector to mainstream housing.

4.43 The value of housing that is restricted to being Private Rented Sector (PRS) housing is different to that of unrestricted market housing. Having said this, at present Epping Forest District Council have no policy reason or justification to impose a planning condition restricting the use of a housing scheme to the PRS, and if it did it is difficult to see how it could maintain such a condition through a s78 appeal. This is quite different to affordable housing where there is evidence and policies to support restricting the use of some housing to affordable housing.

4.44 The value of the units in the PRS (where their use is restricted to PRS and they cannot be used in other tenures) is, in large part, the worth of the income that the completed let unit will produce. This is the amount an investor would pay for the completed unit. This will depend on the amount of the rent and the cost of managing the property (letting, voids, rent collection,

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<sup>53</sup> Clifford Mitchell

<sup>54</sup> Sanjeev Shah

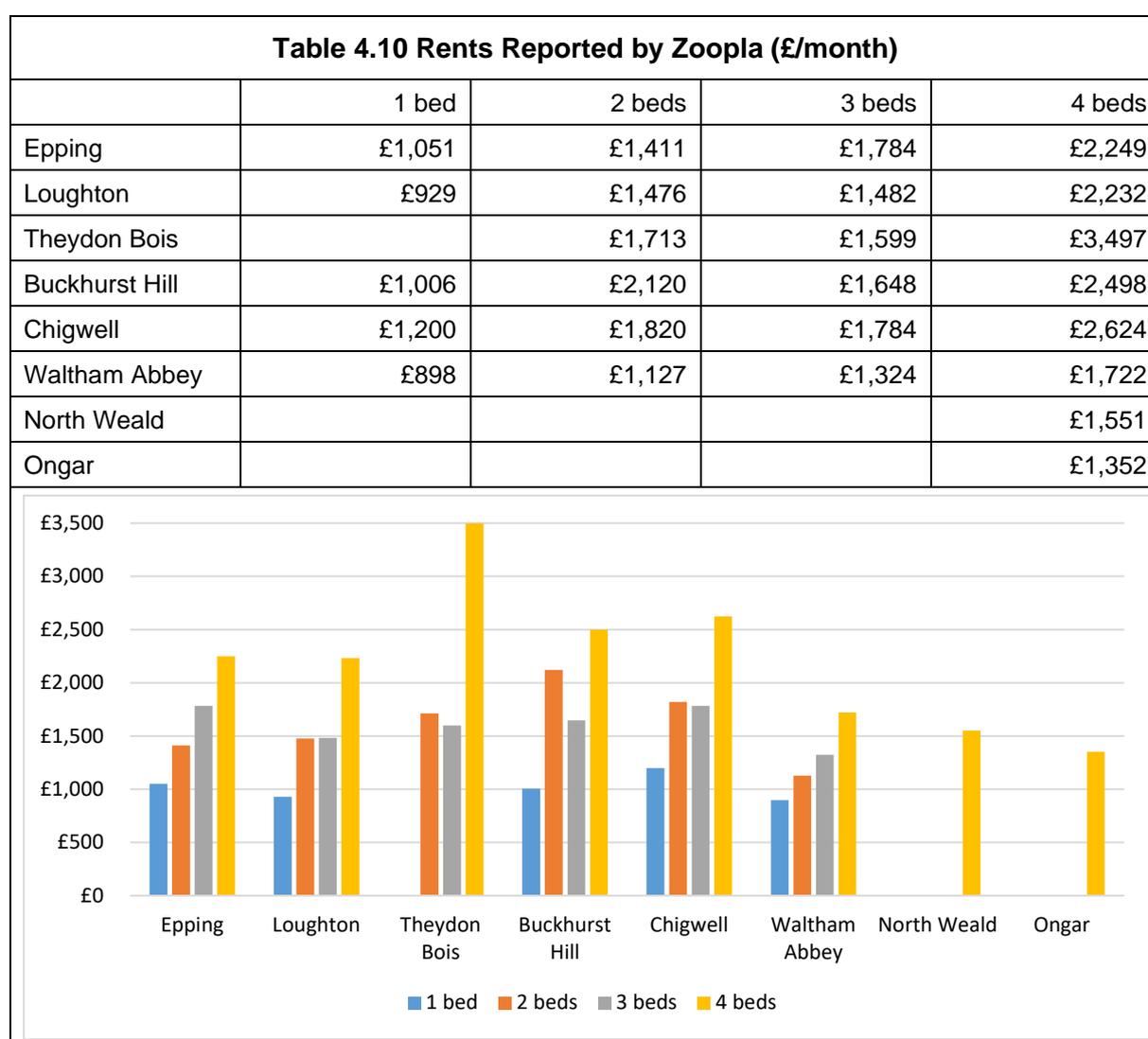
<sup>55</sup> Andy Butcher, Strutt and Parker for Countryside Properties (P6 North Weald Bassett and NWBR3)

<sup>56</sup> In October 2018 the Communities Secretary announced that majority of newbuild houses should be sold as freehold and new leases to be capped at £10. <https://www.gov.uk/government/news/communities-secretary-signals-end-to-unfair-leasehold-practices>

repairs etc.). This is well summarised in *Unlocking the Benefits and Potential of Build to Rent*, A British Property Federation report commissioned from Savills, academically reviewed by LSE, and sponsored by Barclays (February 2017):

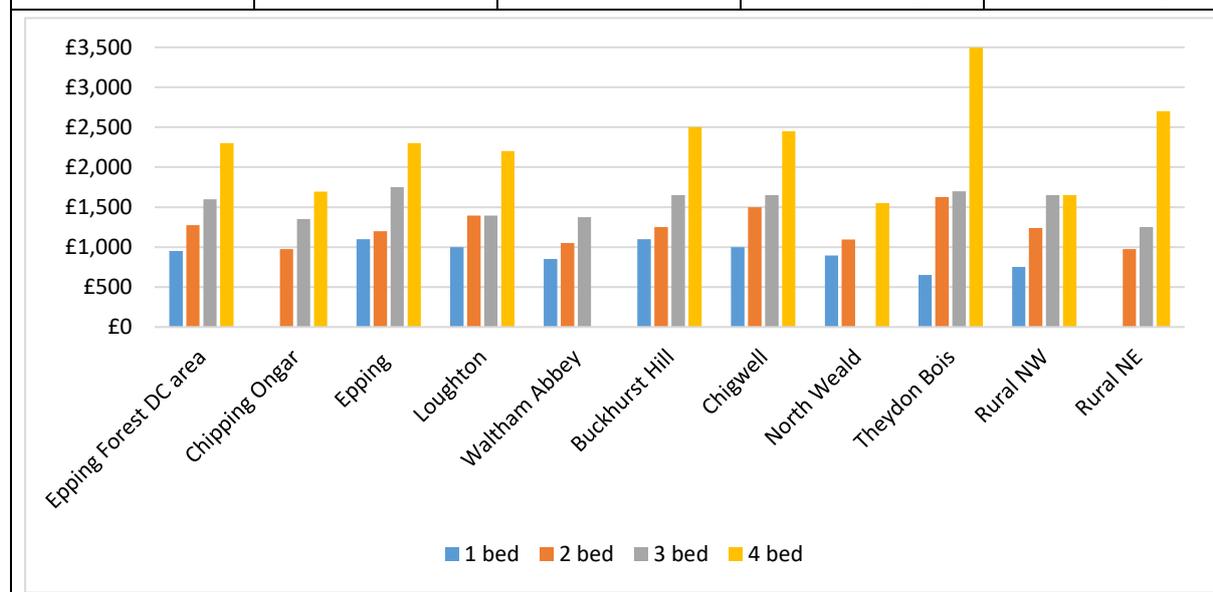
*A common comment from BTR players is that BTR schemes tend to put a lower value on development sites than for sale appraisals. Residential development is different to commercial in that it has two potential end users - owners and renters. Where developers can sell on a retail basis to owners (or investors paying retail prices - i.e. buy to let investors) this has been the preferred route to market as values tend to exceed institutional investment pricing, which is based on a multiple of the rental income. This was described as “BTR is very much a yield-based pricing model.*

4.45 In estimating the likely level of affordable rent, we have undertaken a survey of market rents across the EFBC area:



**Table 4.11 Median Asking Rents Reported by Rightmove**

	1 bed	2 beds	3 beds	4 beds
Epping Forest DC area	£950	£1,275	£1,600	£2,300
Chipping Ongar		£975	£1,350	£1,695
Epping	£1,100	£1,200	£1,750	£2,300
Loughton	£1,000	£1,395	£1,395	£2,200
Waltham Abbey	£850	£1,050	£1,375	
Buckhurst Hill	£1,100	£1,250	£1,650	£2,500
Chigwell	£1,000	£1,500	£1,650	£2,450
North Weald	£895	£1,095		£1,550
Theydon Bois	£650	£1,625	£1,700	£3,495
Rural NW	£750	£1,238	£1,650	£1,650
Rural NE		£975	£1,250	£2,700



Source: Rightmove.co.uk (October 2019)

- 4.46 In calculating the value of PRS units, it is necessary to consider the yields. Several sources of information have been reviewed.
- 4.47 Savills in their *Investing in Private Rent* (Savills, 2018) report a North-South divide:

*Net initial yields on BTR deals averaged 4.3 per cent between 2015 and 2017. But that hides substantial regional variation. While half that investment took place in London, where yields averaged 3.8 per cent, across Scotland and the north of England the average yield was 4.9 per cent. In London and the South, the income returns from funding deals are higher than on standing investments, as you might expect. In the North, this is not necessarily the case, given issues over the quality of some of the existing rental stock and the rental covenant attached to it, all limited by the fact that we're yet to see any of the purpose-built kit trade yet. As investors focus more on the potential growth of the income stream and less on the track record of local house price growth, we expect yields from purpose-built assets to show less regional variation.*

- 4.48 Knight Frank in their *Residential Yield Guide* (February 2018) reported a 4.0% to 4.24% yield in Prime Regional Cities and 5.0% to 5.25% in Secondary Regional Cities.
- 4.49 Having considered a range of sources, a gross yield of 5% has been assumed. It is also assumed that such development will be flatted and in or close to the town centres.

	1 bed	2 bed	3 bed	4 bed
Gross Rent (£/month)	£950	£1,275	£1,600	£2,000
Gross Rent (£/annum)	£11,400	£15,300	£19,200	£24,000
Value	£228,000	£306,000	£384,000	£480,000
m <sup>2</sup>	50	70	84	97
£/m <sup>2</sup>	£4,560	£4,371	£4,571	£4,948

Source: HDH (October 2019)

- 4.50 In this study we have assumed a value for private rent, in all areas, of £4,600/m<sup>2</sup>.

### Affordable Housing

- 4.51 Policy H2 Affordable Housing of the submitted Local Plan seeks:

*On development sites which provide for 11 or more homes, or residential floorspace of more than 1,000 sq m (combined gross internal area), the Council will require 40% of those homes to be for affordable housing provided on site. The mix of affordable homes will be required to reflect the latest available housing need. All new homes will be required to meet accessible and adaptable homes standards as defined by the Building Regulations applicable at the time of the application.*

- 4.52 Epping Forest District Council's Strategic Housing Market Assessment provides the following breakdown by tenure:

	Flat		House			All
	1 bed	2+ bed	2 bed	3 bed	4+ bed	
Affordable rent	20%	13%	21%	36%	11%	<b>82%</b>
Intermediate	9%	18%	28%	40%	5%	<b>18%</b>
<b>All Affordable</b>	<b>18%</b>	<b>14%</b>	<b>22%</b>	<b>37%</b>	<b>10%</b>	

Source: Figure 63 *Strategic Housing Market Assessment* (Opinion Research Services, 2015);

- 4.53 It is assumed that such housing is constructed by the site developer and then sold to a Registered Provider (RP). This is a simplification of reality as there are many ways in which affordable housing is delivered, including the transfer of free land to RPs for them to build on or the retention of the units by the scheme's overall developer.
- 4.54 The earlier studies used the following values:

<b>Table 4.14 2017 and 2019 Affordable Housing Values (£/m<sup>2</sup>)</b>		
	<b>2019 Garden Town</b>	<b>2017 Viability Update</b>
Social Rent	£1,285/m <sup>2</sup>	
Affordable Rent	£1,915/m <sup>2</sup>	£1,700/m <sup>2</sup>
Intermediate Housing	65% Market value	£2,600/m <sup>2</sup>

Source: Table 4.10. Harlow and Gilston Garden Town Strategic Viability Assessment (HDH, April 2019)

4.55 These are now reviewed.

#### *Affordable Housing Values*

4.56 Prior to the 2015 Summer Budget, rents of affordable housing (both Affordable Rents and Social Rents) were generally increased by inflation (CPI) plus up to 1% each year. These provisions were to prevail until 2023. The result was that Housing Associations knew their rents would go up and those people and organisations who invest in such properties (directly or indirectly) knew that the rents were going up year on year. This made them a particularly attractive and secure form of investment or security for a loan.

4.57 In the 2015 Budget it was announced that Social and Affordable Rents would be reduced by 1% per year for 4 years<sup>57</sup>. The effect of this is to reduce the value of affordable housing to rent. Having said this, in October 2017, the Government announced that rents will rise by CPI +1% for five years from 2020, reversing this alteration. It is necessary to consider the value of affordable housing in this context.

#### *Social Rent*

4.58 The value of a rented property is a factor of the rent – although the condition and demand for the units also have an impact. Social Rents are set through a national formula that smooths the differences between individual properties and ensures properties of a similar type pay a similar rent:

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<sup>57</sup> We understand that the objective was to reduce the overall costs of Housing Benefit / Local Housing Allowance / Universal Credit to the Exchequer.

Unit Size	Net Rent	Social Rent Rate	Service Charge	Gross Rent	Unit Count
Non-self-contained	£0.00	£0.00	£0.00	£0.00	0
Bedsit	£0.00	£0.00	£0.00	£0.00	0
1 Bedroom	£93.51	£91.97	£7.56	£100.98	248
2 Bedroom	£114.51	£111.62	£6.66	£120.47	450
3 Bedroom	£134.73	£132.10	£3.92	£137.81	474
4 Bedroom	£148.21	£146.01	£3.64	£151.65	37
5 Bedroom	£150.92	£143.97	£6.22	£157.14	13
6+ Bedroom	£0.00	£0.00	£0.00	£0.00	0
All Self-Contained	£119.49	£116.96	£5.81	£124.57	1,222
<b>All Stock Sizes</b>	<b>£119.49</b>	<b>£116.96</b>	<b>£5.81</b>	<b>£124.57</b>	<b>1,222</b>

Source: Table 9, RSH SDR 2019 – Data Tool<sup>58</sup>

- 4.59 This study concerns only the value of newly built homes. There seems to be relatively little difference in the amounts paid by RPs for such units across the study. In this study, the value of Social Rents is assessed assuming 10% management costs, 4% voids and bad debts and 6% repairs. These are capitalised at 4.5%.

	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Gross Rent (£/week)	£93.51	£114.51	£134.73	£148.21
Gross Rent (£/annum)	£4,863	£5,955	£7,006	£7,707
Net Rent	£3,890	£4,764	£5,605	£6,166
Value	£86,445	£105,858	£124,550	£137,012
m <sup>2</sup>	50	70	84	97
£/m <sup>2</sup>	£1,729	£1,512	£1,483	£1,412

Source: HDH (October 2019)

- 4.60 On this basis, a value of £1,500/m<sup>2</sup> across the study area is assumed.

#### *Affordable Rent*

- 4.61 The Government introduced Affordable Rent in 2010 as a 'new' type of affordable housing. Under Affordable Rent a rent of no more than 80% of the market rent for that unit can be charged. In the development of affordable housing for rent, the value of the units is, in large

<sup>58</sup> <https://www.gov.uk/government/statistics/statistical-data-return-2018-to-2019>

part, the worth of the income that the completed let unit will produce. This is the amount an investor (or another RP) would pay for the completed unit.

- 4.62 In estimating the likely level of Affordable Rent, a survey of market rents across the EFDC area has been undertaken and is set out under the Build to Rent heading above. There is relatively little variation in rents.
- 4.63 As part of the reforms to the social security system, housing benefit /local housing allowance is capped at the 3<sup>rd</sup> decile of open market rents for that property type, so in practice Affordable Rents are unlikely to be set above these levels. The cap is set by the Valuation Office Agency (VOA) by Broad Rental Market Area (BRMA). Where this is below the level of Affordable Rent at 80% of the median rent, it is assumed that the Affordable Rent is set at the LHA Cap. The majority of the Borough is within the Harlow and Stortford BRMA. Waltham Abbey is in the South East Herts BRMA and the area to the south of the M25 is in the Outer North East London BRMA.

<b>Table 4.17 BRMA LHA Caps (£/week)</b>			
	Harlow & Stortford	Outer North East London	South East Herts
Shared	£74.39	£79.72	£74.79
1 Bedroom	£141.44	£165.05	£155.50
2 Bedroom	£174.82	£204.35	£197.81
3 Bedroom	£210.17	£257.16	£244.31
4 Bedroom	£288.08	£331.81	£293.79

Source: VOA (November 2019)

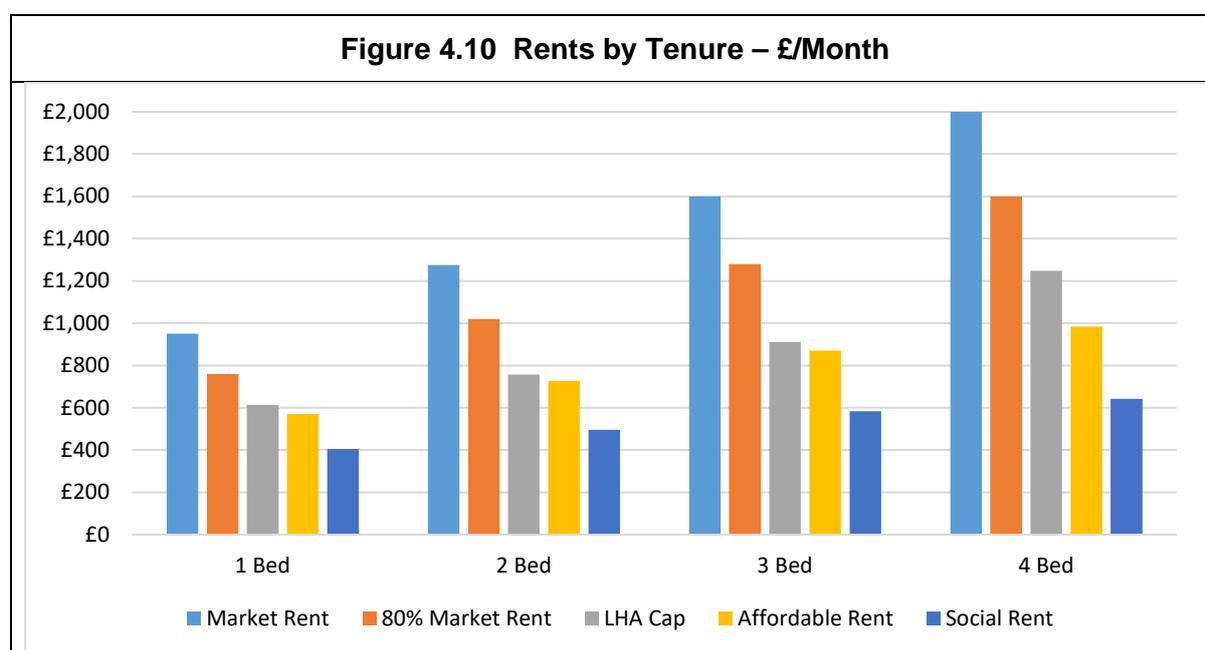
- 4.64 These caps apply to the combined rent and service charge. The caps are generally less than the Affordable Rents being charged as reported in the most recent HCA data release (although this data covers both newbuild and existing homes).

Unit Size	Gross Rent	Unit Count
Non-self-contained	£0.00	0
Bedsit	£0.00	0
1 Bedroom	£131.49	27
2 Bedroom	£167.76	95
3 Bedroom	£200.92	46
4 Bedroom	£226.90	9
5 Bedroom	£0.00	0
6+ Bedroom	£0.00	0
All Self-Contained	£173.85	177
<b>All Stock Sizes</b>	<b>£173.85</b>	<b>177</b>

Source: Table1, RSH SDR 2019 – Data Tool

4.65 The Gross Rent does not include service charges (the data shown earlier for Social Rent lists service charges separately). As the LHA cap applies to the rent and service charge an allowance of £11/week is made for this.

4.66 The rents under the various tenures can be summarised as follows.



Source: Market Survey, HCA Statistical Return and VOA (October 2019)

4.67 In calculating the value of Affordable Rents we have allowed for 10% management costs, 4% voids and bad debts and 6% repairs, and capitalised the income at 4.5%. On this basis affordable rented property has the following worth.

<b>Table 4.19 Capitalisation of Affordable Rents</b>				
	1 Bed	2 Bed	3 Bed	4 Bed
Gross Rent (£/week)	£130.44	£163.82	£199.17	£277.08
Gross Rent (£/annum)	£6,783	£8,519	£10,357	£14,408
Net Rent	£5,426	£6,815	£8,285	£11,527
Value	£120,585	£151,442	£184,122	£256,145
m <sup>2</sup>	50	70	84	97
£/m <sup>2</sup>	£2,412	£2,163	£2,192	£2,641

Source: HDH (November 2019)

- 4.68 Using this method to assess the value of affordable housing, under the Affordable Rent tenure, a value of £2,352/m<sup>2</sup> across all areas is derived.

*Intermediate Products for Sale*

- 4.69 Intermediate products for sale include shared ownership and shared equity products<sup>59</sup>. The market for these is difficult at present and we have found little evidence of the availability of such products in the study area. We have assumed a value of 70% of open market value for these units. These values were based on purchasers buying an initial 30% share of a property and a 2.75%<sup>60</sup> per annum rent payable on the equity retained. The rental income is capitalised at 4.5% having made a 5% management allowance.
- 4.70 The following table shows 'typical' values for shared ownership housing at a range of proportions sold:

<sup>59</sup> For the purpose of this assessment it is assumed that the 'affordable home ownership' products, as referred to in paragraph 64 of the 2019 NPPF fall into this definition,

<sup>60</sup> A rent of up to 3% may be charged – although we understand that in this area 2.75% is more normal.

**Table 4.20 Value of Shared Ownership Housing at 30% to 80% of Proportion Sold**

m2	Market Value		% Sold		Rent		Value			
	£/m2	£	%	£	%	£/year	£	£	£/m2	% OMV
95	4,000	380,000	30%	114,000	2.75%	7,315	146,300	260,300	2,740	<b>68.50%</b>
95	4,000	380,000	40%	152,000	2.75%	6,270	125,400	277,400	2,920	<b>73.00%</b>
95	4,000	380,000	50%	190,000	2.75%	5,225	104,500	294,500	3,100	<b>77.50%</b>
95	4,000	380,000	60%	228,000	2.75%	4,180	83,600	311,600	3,280	<b>82.00%</b>
95	4,000	380,000	70%	266,000	2.75%	3,135	62,700	328,700	3,460	<b>86.50%</b>
95	4,000	380,000	80%	304,000	2.75%	2,090	41,800	345,800	3,640	<b>91.00%</b>
95	5,000	475,000	30%	142,500	2.75%	9,144	182,875	325,375	3,425	<b>68.50%</b>
95	5,000	475,000	40%	190,000	2.75%	7,838	156,750	346,750	3,650	<b>73.00%</b>
95	5,000	475,000	50%	237,500	2.75%	6,531	130,625	368,125	3,875	<b>77.50%</b>
95	5,000	475,000	60%	285,000	2.75%	5,225	104,500	389,500	4,100	<b>82.00%</b>
95	5,000	475,000	70%	332,500	2.75%	3,919	78,375	410,875	4,325	<b>86.50%</b>
95	5,000	475,000	80%	380,000	2.75%	2,613	52,250	432,250	4,550	<b>91.00%</b>

Source: HDH 2019

- 4.71 Epping Forest District Council does not impose a particular cap on intermediate housing sale prices (although we understand that initial tranches are typically in the range of 30% to 50%). Having said this, it is relevant to note the Starter Home cap in Epping Forest is £250,000 (being outside London). A two bedroom Starter Home would have a cap of £3,571/m<sup>2</sup> (assuming 70m<sup>2</sup>, from NDSS). The maximum household income to be eligible for a Starter Home (outside London) is £80,000/year, assuming a conservative multiplier of 3.5 times income this would suggest a maximum value of around £300,000 or so.
- 4.72 One consultee<sup>61</sup> suggested that an assumption of 50% for intermediate housing should be used. This proposal was based on the fact that there is limited transactional evidence. This is not accepted, the 70% assumption is consistent with the earlier evidence and other viability studies carried out in Essex.
- 4.73 Another consultee<sup>62</sup> suggested that 70% was an 'absolute maximum. and an lower figure should be used.

#### *Grant Funding*

- 4.74 It is assumed that grant is not available.

<sup>61</sup> Julie Morgan for Barwood Land

<sup>62</sup> Andy Butcher, Strutt and Parker for Countryside Properties (P6 North Weald Bassett and NWBR3) – Turner Morum Appendix

## Older People's Housing

- 4.75 Housing for older people is generally a growing sector due to the demographic changes and the aging population. The sector brings forward two main types of product that are defined in paragraph 63-010-20190626 of the PPG:

**Retirement living or sheltered housing:** *This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.*

**Extra care housing or housing-with-care:** *This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.*

- 4.76 HDH has received representations (May 2013 and updated in February 2016) from the Retirement Housing Group (RHG) a trade group representing private sector developers and operators of retirement, care and Extracare homes<sup>63</sup>. They have set out a case that Sheltered housing and Extracare housing should be tested separately. The RHG representations assume the price of a 1 bed Sheltered unit is about 75% of the price of an existing 3 bed semi-detached house and a 2 bed Sheltered property is about equal to the price of an existing 3 bed semi-detached house. In addition, it assumes Extracare housing is 25% more expensive than Sheltered housing.
- 4.77 On this basis it is assumed Sheltered and Extracare housing has the following worth:

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<sup>63</sup> <https://retirementhousinggroup.com/rhg-publications/>

<b>Table 4.21 Worth of Sheltered and Extracare</b>			
<b>Epping</b>	Area (m <sup>2</sup> )	£	£/m <sup>2</sup>
3 bed semi-detached		550,000	
1 bed Sheltered	50	412,500	8,250
2 bed Sheltered	75	550,000	7,333
1 bed Extracare	65	515,625	7,933
2 bed Extracare	80	687,500	8,594
<b>Harlow</b>	Area (m <sup>2</sup> )	£	£/m <sup>2</sup>
3 bed semi-detached		435,000	
1 bed Sheltered	50	326,250	6,525
2 bed Sheltered	75	435,000	5,800
1 bed Extracare	65	407,813	6,274
2 bed Extracare	80	543,750	6,797
<b>Ongar</b>	Area (m <sup>2</sup> )	£	£/m <sup>2</sup>
3 bed semi-detached		470,000	
1 bed Sheltered	50	352,500	7,050
2 bed Sheltered	75	470,000	6,267
1 bed Extracare	65	440,625	6,779
2 bed Extracare	80	587,500	7,344
<b>Waltham Abbey</b>	Area (m <sup>2</sup> )	£	£/m <sup>2</sup>
3 bed semi-detached		390,000	
1 bed Sheltered	50	292,500	5,850
2 bed Sheltered	75	390,000	5,200
1 bed Extracare	65	365,625	5,625
2 bed Extracare	80	487,500	6,094

Source: HDH (October 2019)

- 4.78 The above values are at the lower end of the range submitted by developers through the development management system.
- 4.79 We have reviewed the newbuild sales prices from specialist schemes in the area. These include projects beyond the EFDC area:

<b>Table 4.22 Older People's Housing – Asking Prices</b>			
		1 Bed	2 Bed
<b>McCarthy &amp; Stone</b>			
Waltham Abbey	Sewardstone Road	Pending	
Hertford	Peggs Labe	From £355,000	From £505,000
Hertford	Hale Road	£299,950	
Burkhurst Hill	Powell Road	Pending	
<b>Churchill</b>			
Epping	Stonards Hill.	Pending	
<b>Aitch Group</b>			
Holly Oak House	High Beach	£395,000	£475,000

Source: Market Survey (November 2019)

- 4.80 The Isabella Housings scheme in Hertford is a mixed tenure scheme with 1 bedroom flats being available at £1,690 per month, inclusive of service charges and ground rents.
- 4.81 There are no Extracare schemes being marketed in the vicinity at the time of this study.
- 4.82 Based on the above, a value of £7,000/m<sup>2</sup> is assumed for Sheltered and for Extracare housing.
- 4.83 Through the consultation it was suggested<sup>64</sup> that these figures were too high, although no supporting evidence was provided. The above assumptions bring together the representations made by the RHG with market evidence so no change has been made.
- 4.84 In addition to the above, no allowance is made for ground rents. The typical value of the ground rents on these types of units would be about of £3,850/unit.
- 4.85 The value of units as affordable housing has also been considered. It has not been possible to find any directly comparable schemes where housing associations have purchased social units in a market led Extracare development. Private sector developers have been consulted. They have indicated that whilst they have never disposed of any units in this way they would expect the value to be in line with other affordable housing – however they stressed that the buyer (be that the local authority or housing association) would need to undertake to meet the full service and care charges.

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<sup>64</sup> Julie Morgan for Barwood Land

## 5. Non-Residential Market

- 5.1 This chapter sets out an assessment of the markets for non-residential property, providing a basis for the assumptions of prices to be used in financial appraisals for the sites tested in the study.
- 5.2 In the earlier viability studies the following assumptions were used:

<b>Table 5.1 Commercial Sales Values £/m<sup>2</sup> 2013</b>			
	Rent	Yield	£/m <sup>2</sup>
Industrial / Warehousing	£70	6.25%	£1,120
Offices	£170	6.25	£2,800

Source: *EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan*  
(Dixon Searle, November 2017)

<b>Table 5.2 2018 Residential Price Assumptions (£/m<sup>2</sup>)</b>			
	Rent	Yield	£/m <sup>2</sup>
Industrial / Warehousing	£107/m <sup>2</sup> /year	6.5%	£1,650
Offices	£186/m <sup>2</sup> /year	5.5%	£3,358

Source: *Harlow and Gilston Garden Town Strategic Viability Assessment* (HDH, April 2019)

- 5.3 There is no need to consider all types of development in all situations – and certainly no point in testing the types of scheme that are unlikely to come forward as planned development. In this study we have considered the larger format office and industrial use.
- 5.4 Across the District, market conditions broadly reflect a combination of national economic circumstances and local supply and demand factors. However, within the EFDC area there will be particular localities, and ultimately site-specific factors, that generate different values and costs.

### National Overview

- 5.5 The various non-residential markets in the EFDC area reflects national trends. The retail markets are particularly challenging:

*The Q3 2019 RICS UK Commercial Property Market Survey results point to a deterioration in sentiment over the period, with 62% of respondents now sensing the market is in the downturn phase of the property cycle. That said, notwithstanding the structural challenges across the retail sector, many contributors feel the Brexit impasse has become increasingly detrimental to market activity. As such, anecdotal evidence suggests a resolution to the uncertainty could potentially release some pent up demand further ahead.*

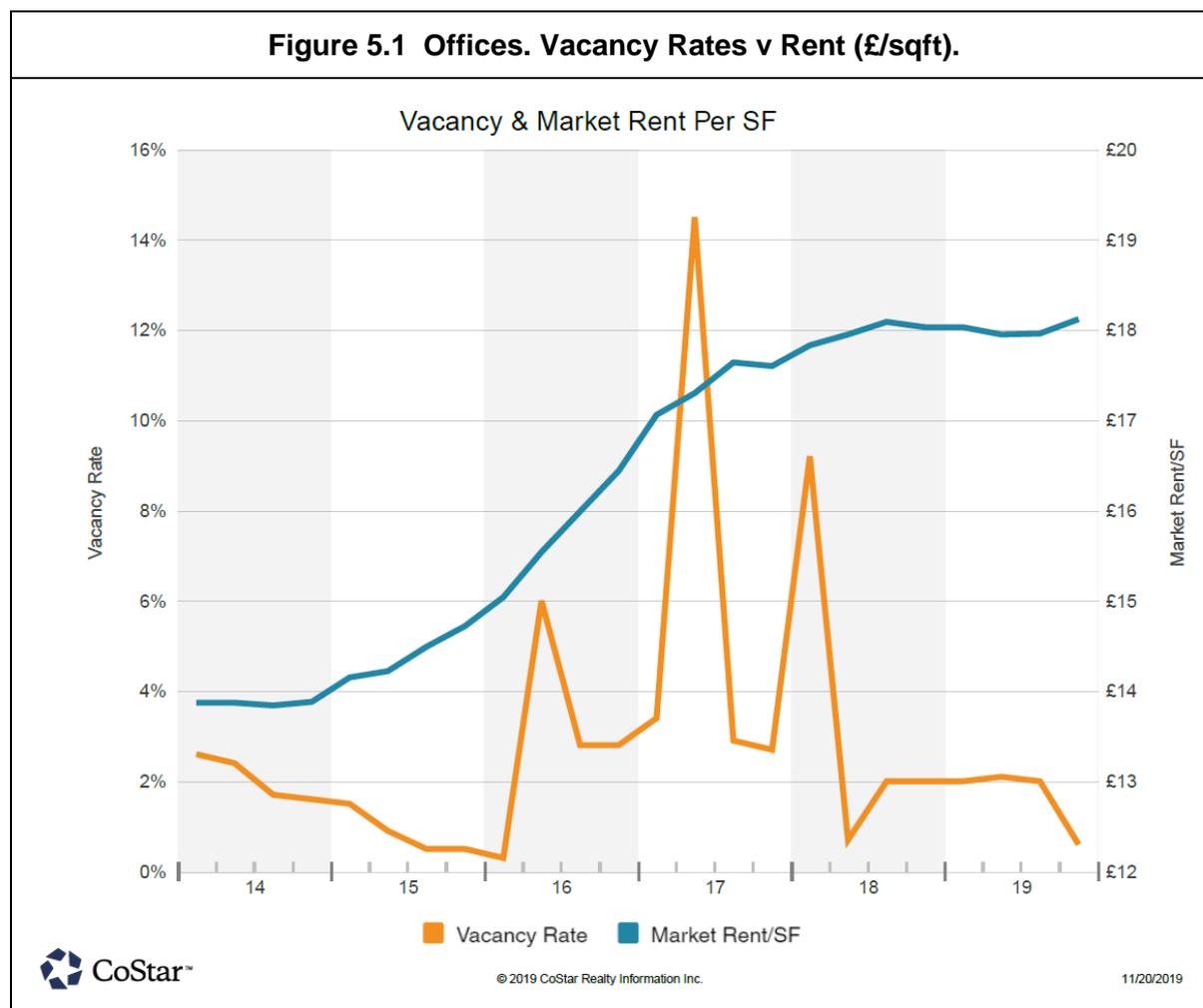
*RICS – Q3 2019: UK Commercial Property Market Survey*

## Non-Residential Markets

- 5.6 The commercial markets are described in some detail in Epping Forest District Council's *Employment Review - Final Report* (Hardisty Jones Associates, December 2017) so this will not be repeated here. It is notable that the existing stock is varied and in terms of condition and suitability to modern business.
- 5.7 The District borders Harlow. Harlow is considered to have its own employment market. It is becoming a centre for Life Science, MedTech and digital industries. Raytheon, GlaxoSmithKline and Nortel all have sites, and Public Health England recently acquired a significant site. Whilst development adjacent to Harlow would benefit from the relatively high values in that area, the Employment Land Review identified that the local road congestion limited the impact.
- 5.8 The employment space in the District tends to be on smaller sites, rather than large industrial or office parks. Some of the industrial space has become 'trade counter' type operations, such those found in the Waltham Abbey or to the south of Debden station.
- 5.9 This study is concerned with new property that is likely to be purpose built. There is little evidence of a significant variance in price for newer premises more suited to modern business, although very local factors (such as the access to transport network) are important.
- 5.10 Various sources of market information have been analysed, the principal sources being the local agents, research published by national agents, and through the Estates Gazette's Property Link website (a commercial equivalent to Rightmove.co.uk). In addition, information from CoStar (a property industry intelligence subscription service) has been used. Clearly much of this commercial space is 'second-hand' and not of the configuration, type and condition of new space that may come forward in the future, so is likely to command a lower rent than new property in a convenient well accessed location with car parking and that is well suited to the modern business environment.
- 5.11 **Appendix 9** includes market data from CoStar. In the following analysis we have looked at an area with a 9 mile radius of Epping. This takes in all of the District, but is also large enough to pick up some larger units of the type that are more likely to come forward in the future.

## Offices

- 5.12 CoStar data shows an increase in rents in the office sector over the last five years, although these have now levelled.



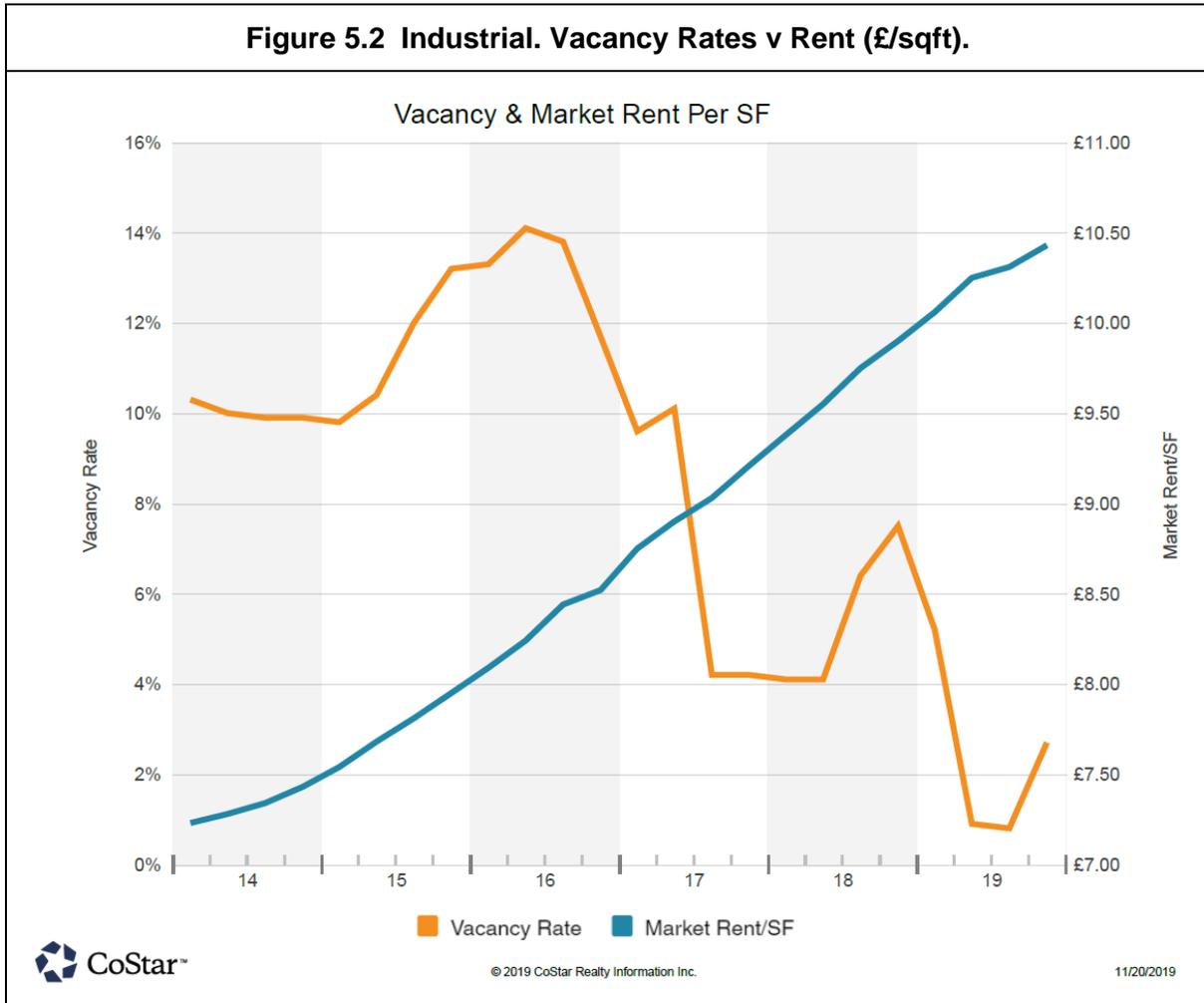
Source: CoStar (November 2019) - This copyrighted report contains research licensed to CoStar UK Ltd - 701359

- 5.13 The graph shows some distinct spikes in the vacancy rate. This is due to the relatively low supply and one large building being available can produce a large percentage change.
- 5.14 CoStar is currently reporting net effective rents (for all types of office) of just under £195/m<sup>2</sup>/year (£18/sqft/year). The median rent is a little less at £178/m<sup>2</sup>/year (£16.56/sqft/year). The average rent free period is 6 months, but the median is very much less at 3 months.
- 5.15 An average yield of 6.36% and a median yield of 5.65% are reported, although newer, larger properties are likely to be less than this.
- 5.16 On this basis new office development would have a value of £3,540/m<sup>2</sup> (having allowed for a rent free / void period of 6 months). CoStar reports average sales prices of £1,950/m<sup>2</sup> (£181.03/sqft), with a median being rather less at £1,750/m<sup>2</sup> (£162.50/sqft). There is a predominance of older buildings in the sample. Bearing in mind the nature of the new development that this study is concerned with, office development is assumed to have a value of £3,000/m<sup>2</sup>.

5.17 At the time of this assessment there is anecdotal evidence that asking rents are higher for higher specification new units out of the town centres – however this is largely due to the provision of parking spaces and floor plans. There is insufficient evidence to differentiate on this basis.

**Industrial and Distribution**

5.18 CoStar data also shows very low vacancy rates and an increase in rents over the last five years in the industrial sector:



Source: CoStar (November 2019) - This copyrighted report contains research licensed to CoStar UK Ltd - 701359

5.19 CoStar is currently reporting net effective rents (for all types of industrial) of just about £93/m<sup>2</sup>/year (£8.63/sqft/year). The median rent is a little more at £95/m<sup>2</sup>/year (£8.82/sqft/year). As for offices, the average rent-free period is 6 months, but the median is very much less at 3 months.

5.20 An average yield of 4.83% and a median yield of 4.84% are reported, although newer, larger properties are likely to be less than this.



- 5.21 On this basis new industrial development would have a value of £2,050/m<sup>2</sup> (having allowed for a rent free / void period of 6 months). CoStar reports average sales prices of £1,305/m<sup>2</sup> (£121.42/sqft), with a median being rather less at £1,370/m<sup>2</sup> (£127.38/sqft). There is a predominance of older buildings in the sample, with most having been built before 2000. Bearing in mind the nature of the new development that this study is concerned with, office development is assumed to have a value of £2,000/m<sup>2</sup>.



## 6. Land Values

- 6.1 Chapters 2 and 3 set out the methodology used in this study to assess viability. An important element of the assessment is the value of the land. Under the method set out in the updated PPG and recommended in the Harman Guidance, the worth of the land before consideration of any increase in value, from a use that may be permitted through a planning consent, is the Existing Use Value (EUV). This is used as the starting point for the assessment.
- 6.2 In this chapter, the values of different types of land are considered. The value of land relates closely to the use to which it can be put and will range considerably from site to site. As this is a high-level study, the three main uses, being agricultural, residential and industrial, have been researched. The amount of uplift that may be required to ensure that land will come forward and be released for development has then been considered.
- 6.3 In this context it important to note that the PPG says (at 10-016-20180724) that the '*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 the landowner premium should include market evidence and can include benchmark land values from other viability assessments*'. It is therefore necessary to consider the EUV as a starting point.

### Existing Use Values

- 6.4 To assess development viability, it is necessary to analyse Existing and Alternative Use Values. EUV refers to the value of the land in its current use before planning consent is granted, for example, as agricultural land. AUV refers to any other potential use for the site. For example, a brownfield site may have an alternative use as industrial land.
- 6.5 The updated PPG includes a definition of land value as follows:

*How should land value be defined for the purpose of viability assessment?*

*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+).*

*In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.*

PPG: 10-013-20190509

*What is meant by existing use value in viability assessment?*

*Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. 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 (excluding any hope value for development).*

*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.*

*PPG: 10-015-20190509*

- 6.6 It is important to fully appreciate that land value should reflect emerging policy requirements and planning obligations. When considering comparable sites, the value will need to be adjusted to reflect this requirement.
- 6.7 The value of the land for a particular typology (or in due course a particular scheme) needs to be compared with the EUV, to determine if there is another use which would derive more revenue for the landowner. If the Residual Value does not exceed the EUV, then the development is not viable; if there is a surplus (i.e. profit) over and above the 'normal' developer's profit having paid for the land, then there is scope to make developer contributions.
- 6.8 For the purpose of the present study, it is necessary to take a comparatively simplistic approach to determining the EUV. In practice, a wide range of considerations could influence the precise value that should apply in each case, and, at the end of extensive analysis, the outcome might still be contentious.
- 6.9 The 'model' approach is outlined below:
- i. For sites in agricultural use, then agricultural land represents the EUV. It is assumed that greenfield sites of 0.5ha or more fall into this category.
  - ii. For paddock and garden land on the edge of or in a smaller settlement a 'paddock' value is adopted. This is assumed for greenfield sites of less than 0.5ha.
  - iii. Where the development is on brownfield land we have assumed an industrial value.

### **Residential Land**

- 6.10 In May 2018, DCLG published *Land value estimates for policy appraisal*<sup>65</sup>. This sets out land values as at May 2017 and was prepared by the Valuation Office Agency (VOA). The EFDC figure is £7,565,000/ha. It is important to note this figure assumes nil affordable housing. As stressed in the paper, this is a hypothetical situation and *'the figures on this basis, therefore, may be significantly higher than could be reasonably obtained in the actual market'*.

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<sup>65</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/710539/Land\\_Values\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710539/Land_Values_2017.pdf)

- 6.11 The VOA assumed that each site is 1 hectare in area, of regular shape, with services provided up to the boundary, without contamination or abnormal development costs, not in an underground mining area, with road frontage, without risk of flooding, with planning permission granted and that no grant funding is available; the site will have a net developable area equal to 80% of the gross area. For those local authorities outside London, the hypothetical scheme is for a development of 35 two storeys, 2/3/4 bed dwellings with a total floor area of 3,150 square metres.
- 6.12 There are no larger development sites being publicly marketed in the area however there are a number of small development sites being currently marketed:

<b>Table 6.1 Building Sites for Sale – October 2019</b>

Source: Market Survey (October 2019)

- 6.13 It is important to note that the above prices are asking prices – so reflect the landowner's aspiration. In setting the BLV the important point is the minimum amount a landowner will accept.
- 6.14 Recent transactions based on planning consents over the last few years and price paid information from the Land Registry have been researched and are set out in **Appendix 9**. The data is summarised in the following tables, the amount of affordable housing in the scheme is shown, being the key indicator of policy compliance (as required by the PPG).

Planning reference number	Site address	Site Area (ha)	Units	Affordable Target (%)	Aff units	Price Paid /ha	Price Paid / Unit
EPF/1232/16	Chimes Garden Centre, Nazeing. EN10 6RJ	1.0	17	40%	0	£700,000	£41,176
EPF/2523/16	Brent House Farm, Harlow Common, North Weald. CM17 9JD	1.34	19	40%	2	£1,619,403	£85,232
EPF/3034/16	Norton Heath Riding Centre, Fingrith Hall Lane, High Ongar. CM4 0JP	2.2	30	40%	15	£1,681,818	£56,061
EPF/2163/15	Allotments rear of 8 To 22 Institute Road, Coopersale, Epping. CM16 7QY	0.56	18	40%	6	£4,598,214	£255,456
EPF/0259/16	Stoneshot Farm, Hoe Lane, Nazeing. EN9 2RW	1.3	17	40%	10	£380,769	£22,398
EPF/0853/14	Tottenham Hotspur Training Ground, Luxborough Lane, Chigwell.	10.0	60	40%	0	£490,000	£8,167
EPF/1162/15	Knollys Nursery, Pick Hill, Waltham Abbey. EN9 3LF	3.58	79	40%	63	Built out	
EPF/1849/17	Chigwell County Primary School, High Road, Chigwell. IG7 6DW	4.76	59	40%	0	£25,210	£427
EPF/1862/15	Chigwell Grange, High Road, Chigwell. IG7 6DP	2.98	43	40%	0	£6,302,013	£146,558
EPF/2370/14	Netherhouse Farm, Sewardstone Road, Waltham Abbey. E4 7RJ	1.1	16	40%	8	£4,545,455	£284,091
EPF/2535/14	Land at Barnfield, Epping Road, Roydon. CM19 5DP	4.05	23	40%	11	£802,469	£34,890
EPF/3006/14	Fyfield Business and Research Park, Chipping Ongar. CM5 OGN	9.25	105	40%	44	£992,973	£9,457
EPF/1399/09	212 Manor Road, Chigwell. IG7 4JX	1.3	68	40%	52	Built out	
EPF/2254/15	Pyrles Lane Nursery, Pyrles Lane, Loughton. IG10 2NL	0.98	36	40%	15	No PPD	
EPF/0339/13	1-28 King Harold Lodge (formerly The Green Man Public House), Broomstick Hall Road, Waltham Abbey. EN9 1NH	0.22	28 (C2)	40%	0	Built out	
EPF/1103/15	Former tennis courts site, Junction of Alderton Hill and Roding Road. Loughton.	0.44	38 (C2)	40%	0	Built out	
EPF/2473/16	Woodview, Lambourne Road, Chigwell. IG7 6HX	1.34	72 bed carehome, 25 C2 flats	40%	0	£2,970,149	
EPF/0739/10	Threshers, Hastingwood Road, Hastingwood, North Weald. CM17 9JS	0.3	14	40%	0	No PPD	

Source: EFDC and Land Registry (October 2019)

- 6.15 These values are on a whole site (gross area) basis and range considerably. Overall the average is £2,100,000/ha and the median is £1,300,000/ha. When the policy compliant schemes are considered and the outliers are disregarded, the average is £965,000/ha and the median is £898,000/ha. In considering the above it is important to note that the PPG 10-014-20190509 says:

*Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*

*This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. 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.*

- 6.16 The price paid is the maximum the landowner could achieve. The landowner is unlikely to suggest a buyer may be paying an unrealistic amount. The BLV is not the price paid (or the average of prices paid).
- 6.17 Almost all the above sites are smaller sites, with just one of the sites being over 1 ha. In relation to larger sites, and, in particular, larger greenfield sites, these have their own characteristics and are often subject to significant infrastructure costs and open space requirements which result in lower values. In the case of non-residential uses we have taken a similar approach to that taken with residential land, except in cases where there is no change of use. Where industrial land is being developed for industrial purposes, we have assumed a BLV of the value of industrial land.
- 6.18 A developer<sup>66</sup> expressed a concern about the lack of transactional evidence (but did not submit any further examples). We have some sympathy with this comment, however have not been able to source further information. This situation is recognised and anticipated in the updated PPG that says (with added emphasis):

*This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. 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.*

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- 6.19 The approach in this assessment is to draw on the available evidence and also to identify the costs of policy compliance (see Chapter 8 below) as suggested by the PPG.

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<sup>66</sup> Catherine Williams, Savills for Redrow

- 6.20 It is necessary to make an assumption about the value of residential land. In this assessment a value of £1,000,000/ha is assumed.

### Industrial Land

- 6.21 *Land value estimates for policy appraisal* provides value figures for commercial land as follows:

<b>Table 6.3 Industrial Land Values (£/ha)</b>		
	Hemel Hempstead	Redbridge
Industrial Land	£525,000	£3,000,000
Commercial Land: Office Edge of City Centre	£2,580,000	£2,470,000
Commercial Land: Office Out of Town – Business Park	£1,930,000	£1,800,000

Source: Land value estimates for policy appraisal (DCLG, May 2018)

- 6.22 CoStar (a property market data service) includes details of industrial land. These are summarised in **Appendix 10**. The average is about £1,900,000/ha and the median is more at £2,667,000/ha.

- 6.23 In this study, a value of £2,000,000/ha is assumed for industrial land.

### Agricultural and Paddocks

- 6.24 *Land value estimates for policy appraisal* provides a value figure for agricultural land in the area of £22,500/ha. The *RICS/RAU Rural Land Market Survey* reports agricultural land values. The most recent report<sup>67</sup> suggests values of £23,500/ha (£9,500/acre) for arable land and £17,300/ha (£7,000/acre) for pasture.

- 6.25 For agricultural land, a benchmark of £22,500/ha is assumed to apply here.

- 6.26 Sites on the edge of a town or village may be used for an agricultural or grazing use but have a value over and above that of agricultural land due to their amenity use. They are attractive to neighbouring households for pony paddocks or simply to own to provide some protection and privacy. A higher value of £50,000/ha for sites on the edge of the built up area.

### Glasshouses

- 6.27 Parts of the district have significant amounts of glasshouses. The value of glasshouse sites depends very much on the specific circumstances of the buildings. A modern, relatively new set-up with automation, will command a price that is very much higher than an older facility that is not suited to modern production methods.

<sup>67</sup> <http://www.rics.org/Global/RICS%20RAU%20Rural%20Land%20Market%20Survey%20H2%202015.pdf>

- 6.28 A typical glasshouse of more than 2 ha for food production would cost around £500,000/ha; whilst a similar area for young plant production may cost over £1,000,000/ha to build. Most agricultural business would write the value down over time – although the costs can vary widely depending on the specifics. In this assessment glasshouses have been treated as having the same value as Industrial Land.

### Existing Use Values

- 6.29 In this assessment the following Existing Use Value (EUV) assumptions are used.

<b>Table 6.4 Existing Use Value Land Prices £/ha</b>	
<b>October 2019</b>	
<b>Brownfield Land</b>	£1,000,000
<b>Greenfield Land</b>	
Agricultural	£25,000
Paddock	£50,000

Source: HDH (October 2019)

- 6.30 Through the consultation it was suggested<sup>68</sup> that residential land should be taken as an existing use. 6 of the non-strategic sites, with a capacity of 112 units are on sites where the existing use is predominantly residential. This comprises less than 4% of the plan. Rather than model specific sites on this basis we have considered an alternative Residential based BLV.

### Benchmark Land Values

- 6.31 The setting of the Benchmark Land Values (BLV) is one of the more challenging parts of a plan-wide viability assessment. The updated PPG makes specific reference to BLV so it is necessary to address this. As set out in Chapter 2 above, the updated PPG says:

*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*

*Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*

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<sup>68</sup> Sanjeev Shah

*This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. 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.*

*Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option agreement).*

PPG 10-014-20190509

6.32 With regard to the landowner's premium the PPG says:

*How should the premium to the landowner be defined for viability assessment?*

*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. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. 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. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).*

PPG 10-016-20190509

6.33 This is the approach taken in the Harlow and Gilston Garden Town Strategic Viability Assessment (HDH, April 2019) and in the EFDC Stage 2: Update Assessment of the Viability of Affordable Housing, CIL and the Local Plan (Dixon Searle, November 2017).

6.34 In the 2019 Garden Town Viability Study the following assumptions were used:

- a. On brownfield and non-agricultural land an assumption of EUV plus 20%. This only relates to the part of Water Lane – West Katherines<sup>69</sup> that is under glasshouse use.

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<sup>69</sup> The BLV for West Katherines is taken to be £585,553/ha.

- b. On the agricultural land an assumption of EUV (£22,500/ha) plus £300,000/ha is used. This provides a very substantial uplift for a landowner selling a greenfield site with consent for development. In the event of the grant of planning consent they would receive over ten times the value compared with before consent was granted. This approach is the one suggested in the Harman Guidance (see Chapter 2 above) and by the Planning Advisory Service (PAS).

6.35 In the 2017 Viability Update the following assumptions were used:-

*2.11.14 As can be seen in Appendix IIa (main residential scenario test results) and taking into account the various information available, we have made indicative comparisons focussing on land value levels in a range between £250,000/ha (large scale greenfield sites) through £800,000/ha (small amenity land / greenfield or similar sites) and up to £3.5m/ha so that we can see where our RLVs fall in relation to these levels (including both above and below); how the wide range of appraisal outcomes may be viewed in comparison with this overall range. The comparisons are referred to within our assessment as 'viability tests'. They act as land value 'benchmarks'. This approach does not prevent the presentation and review of results that fall outside this range, however.*

*2.11.16 The figure that we consider to represent the minimum land value likely to incentivise release for development under any circumstances in the Epping Forest District context is around £250,000/ha as above, based on gross (overall) site area for large scale greenfield development. 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) and therefore potentially relatively commonly occurring within the land supply picture in the case of settlement extensions, where applicable, and any urban area greenfield land.*

*2.11.17 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.*

- 6.36 It is useful to consider the assumptions used in other studies in other parts of England. We have reviewed Benchmark Land Values used by other councils in England in development plans (albeit from before the PPG was updated in July 2018). These are set out in the table below.

	ha	EUV		Uplift		Plus %	Add Plus
Glasshouses	19	1,000,000	19,000,000	20.00%		3,800,000	0
Agricultural	44.38	22,500	998,571		300,000	0	13,314,286
	63.38		19,998,571				17,114,286
			315,530				270,023

<b>Table 6.5 Benchmark Land Values Used Elsewhere</b>	
<b>Local Authority</b>	<b>Threshold Land Value</b>
Babergh	£370,000/ha
Cannock Chase	£100,000-£400,000/ha
Christchurch & East Dorset	£308,000/ha (un-serviced) £1,235,000/ha (serviced)
East Hampshire	£450,000/ha
Erewash	£300,000/ha
Fenland	£1-2m/ha (serviced)
Greater Norwich DP	£370,000-£430,000/ha
Reigate & Banstead	£500,000/ha
Stafford	£250,000/ha
Staffordshire Moorlands	£1.26-£1.41m/ha (serviced)
Warrington	£100,000-£300,000/ha

Source: Planning Advisory Service (collated by URS)

- 6.37 Care has to be taken drawing on such general figures without understanding the wider context and other assumptions in the studies.
- 6.38 In the pre-consultation iteration of this Viability Assessment, the following Benchmark Land Value assumptions are used:
- Brownfield Sites: EUV Plus 20%.
- Greenfield Sites: EUV Plus £300,000/ha.
- 6.39 This approach carries forward the approach from the Council's earlier viability work.
- 6.40 Through the consultation it was suggested<sup>70</sup> that until the issues around air quality were resolved it was premature to undertake this update as until this was known the BLV could not be determined. This is not accepted, whilst in an ideal world, this would be done it is beyond the Council's control. This risk is mitigated through sensitivity testing.
- 6.41 A developer<sup>71</sup> suggested that an approach could be to take the figure from the VOA and apply this to the area developed as market housing, assuming the 40% affordable housing requirement and a net developable area of 60%. This gives a figure of about £3,400,000/ha<sup>72</sup>. This figure is substantially above the transactional evidence and does not allow for., probably because no allowance is made for the costs of strategic infrastructure.

<sup>70</sup> Julie Morgan for Barwood Land

<sup>71</sup> Julie Morgan for Barwood Land

<sup>72</sup> £7,565,000/ha per ha that is 80% net developable = £9,456,250. Assume 60% net developable = £5,673,750. Allow 40% of area for affordable housing = £5,673,750 x 60% = £3,404,250/ha

6.42 A site promoter said:

*In our comments on the earlier EFDC and Garden Town viability assessments, we have noted our evidence of strategic residential sites of the size of the Latton Priory scheme showing land values of circa £432,500 per gross ha (£175,000 per acre). We consider there must be further discussion between the promoters of the Garden Town sites in Epping Forest and the Council and HDH to determine an appropriate evidence base figure for BLV.*

*The BLV based on EUV plus £300,000 does not reflect market transactions over the past 18 months. As this is a key variable in the viability assessment, we would very much welcome a meeting to provide the opportunity for EFDC officers and HDH to discuss BLV with our viability consultants and reach an agreed position. We consider that a BLV should be derived for each site including for Latton Priory based on site specific considerations.*

*The current assumed BLV is not sufficiently evidence based to provide a key reference point for Financial Viability Assessments that will be necessary at the application stage for strategic sites.*

6.43 And a housebuilder<sup>73</sup> said:

*7.18-7.23: Suggests that abnormal costs should be deducted from the land appraisal and the benchmark land value. This isn't reasonable because it is taking away from the EUV.*

6.44 It is agreed that the BLV must be above the EUV if a landowner is to be incentivised to sell. There is no intention, through the planning system for owners of sites with abnormal costs to receive the same as the sites without abnormal costs though the lessening of policy requirements. All other things being equal, the owner of a complicated site will receive less than the owner of a straightforward site. It is therefore correct that the abnormal costs are deducted from the BLV – there must however be a minimum return.

6.45 A housebuilder<sup>74</sup> suggested that the BLV was too low and referred to other study that HDH had carried out (in Kent) where a higher figure was used<sup>75</sup>.

6.46 A landowner<sup>76</sup> agreed with the approach but pointed out that it could lead to negative values which could lead to negative values on some sites and the not developability of housing.

6.47 Having considered the above comments a range of alternative BLVs have been tested.

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<sup>73</sup> Catherine Williams, Savills for Redrow

<sup>74</sup> Andy Butcher, Strutt and Parker for Countryside Properties (P6 North Weald Bassett and NWBR3)

<sup>75</sup> It is important to note that the consultee said that an assumption of £400,000 per net acre (£990,000/net ha) was used. This is not the case – this was suggested by a developer but not used.

<sup>76</sup> TLF with regard to the carpark sites.

## 7. Development Costs

- 7.1 This chapter considers the costs and other assumptions required to produce financial appraisals for the development typologies. These assumptions were presented to stakeholders at the consultation event in November 2019.

### Development Costs

#### *Construction costs: baseline costs*

- 7.2 The cost assumptions are derived from the Building Cost Information Service (BCIS)<sup>77</sup> data – using the figures re-based for Epping Forest. The median cost figure for ‘Estate Housing – Generally’ is £1,326/m<sup>2</sup> at the time of this study. This is 3.7% higher than the equivalent figure (£1,278/m<sup>2</sup>) used in the 2017 Viability Update and 5.8% higher than the equivalent figure at the time of the 2019 Garden Town Study (1,253/m<sup>2</sup>).
- 7.3 The use of the BCIS data is suggested in the PPG (paragraph 10-012-20180724), however, it is necessary to appreciate that the volume housebuilders are likely to be able to achieve significant saving due to their economies of scale.
- 7.4 The appropriate cost is used for the relevant building type, so the figure for flatted development (of the appropriate height) is used for flatted development, the figure used for terraced development is that for terraced housing and so on. Likewise, the appropriate figures are used for non-residential development types and the figure for ‘supported housing’ is used for Extracare housing.
- 7.5 In August 2015, a report was published that considered the construction costs on smaller sites. *Housing development: the economics of small sites – the effect of project size on the cost of housing construction* (August 2015) was carried out by BCIS, having been commissioned by the Federation of Small Businesses. This study concluded that the construction price for schemes of 1 to 5 units was about 13% higher than for schemes of over 10 units, and that the construction price for schemes of 6 to 10 units was about 6% higher than for schemes of over 10 units. These adjustments have been made to the small schemes modelled in this report.

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<sup>77</sup> BCIS is the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

<b>Table 7.1 BCIS Costs- £/m<sup>2</sup> Gross Internal Floor Area</b>						
Rebased to Epping Forest ( 106; sample 27 ) Edit						
<b>Description:</b> Rate per m2 gross internal floor area for the building Cost including prelims.						
The cost of the building with preliminaries apportioned, excluding external works, contingencies and design fees. The sample is from actual building contracts and represents a price including the contractors' overheads and profits included in the contract. The buildings sampled represent projects submitted to BCIS and will not necessarily be representative.						
Last updated: 26-Oct-2019 00:38						
Building function	£/m <sup>2</sup> gross internal floor area					
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest
<b>282. Factories</b>						
Generally (20)	1,136	262	639	946	1,354	4,279
Up to 500m2 GFA (20)	1,462	917	1,067	1,236	1,829	2,519
500 to 2000m2 GFA (20)	1,179	262	711	1,045	1,340	4,279
Over 2000m2 GFA (20)	1,010	382	559	782	1,291	2,483
<b>284. Warehouses/stores</b>						
Generally (15)	1,027	371	623	852	1,204	4,637
Up to 500m2 GFA (15)	1,828	664	1,012	1,272	2,154	4,637
500 to 2000m2 GFA (15)	980	484	733	936	1,165	1,708
Over 2000m2 GFA (15)	811	371	599	691	936	1,558
284.1 Advance warehouses/stores (15)	819	453	604	877	991	1,318
<b>320. Offices</b>						
Generally (15)	2,003	879	1,459	1,831	2,365	6,028
<b>447. Care homes for the elderly</b>						
Generally (15)	1,920	1,252	1,458	1,838	2,101	3,921
<b>810.1 Estate housing</b>						
Generally (15)	1,371	658	1,173	1,326	1,505	4,753
810.11 Estate housing detached (15)	1,735	1,016	1,339	1,522	1,801	4,753
<b>810.12 Estate housing semi detached</b>						
Generally (15)	1,365	792	1,174	1,329	1,503	2,530
<b>810.13 Estate housing terraced</b>						
Generally (15)	1,408	861	1,174	1,330	1,556	4,300
<b>816. Flats (apartments)</b>						
Generally (15)	1,609	813	1,343	1,525	1,816	5,443
1-2 storey (15)	1,536	937	1,312	1,464	1,690	2,809
3-5 storey (15)	1,584	813	1,327	1,515	1,800	3,446
6 storey or above (15)	1,978	1,195	1,630	1,842	2,106	5,443
<b>843. Supported housing</b>						
Generally (15)	1,724	897	1,451	1,600	1,886	3,540
852. Hotels (15)	2,210	1,271	1,842	2,112	2,601	3,295
853. Motels (20)	1,483	1,106	1,370	1,402	1,743	1,796

Source: BCIS (October 2019)

7.6 One housebuilder<sup>78</sup> suggest that 'real time costs' are used when assessing the planning application viability. Such an approach would not be in accordance with the updated PPG that says at 10-012-20180727 that '*costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. ... build costs based on appropriate data, for example that of the Building Cost Information Service*' and then at 10-008-20190509 '*Where a viability assessment is submitted to*

<sup>78</sup> Catherine Williams, Savills for Redrow

*accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then'.*

- 7.7 The base assumption in this report is that homes are built to the basic Building Regulation Part L 2013 Standards (as amended in 2016) but not to higher environmental standards. This is in line with the Government announcement, made at the time of the Summer 2015 Budget (see Chapter 2 above) in the *Fixing the foundations productivity report*<sup>79</sup>, of its intention not to proceed with the zero carbon buildings policy. As a result, there was no uplift to Part L of the Building Regulations during 2016, and both the 2016 zero carbon homes target and the 2019 target for non-domestic zero carbon buildings were dropped, including the Allowable Solutions programme.
- 7.8 As this report was being prepared (October 2019), the Government was undertaking a Consultation on 'The Future Homes Standard'<sup>80</sup>. This is linked to achieving the 'net zero' greenhouse gas emissions by 2050. Epping Forest District Council is considering how to react to this and at this stage policy has not been drafted but is likely to include provisions to encourage reduced energy usage.
- 7.9 There are a wide range of ways of lowering the greenhouse gas emissions on a scheme, although these do alter depending on the nature of the specific project. These can include simple measures around the orientation of the building, and measures to enable natural ventilation, through to altering the fundamental design and construction. The extent of the costs will depend on the specific changes made and are considered in Chapter 8 below.
- 7.10 In this report the lower quartile BCIS costs is used for developments over 100 units, with the median costs for smaller developments.

### **Other normal development costs**

- 7.11 In addition to the BCIS £/m<sup>2</sup> build cost figures described above, allowance needs to be made for a range of site costs (roads, drainage and services within the site, parking, footpaths, landscaping and other external costs). Many of these items will depend on individual site circumstances and can only properly be estimated following a detailed assessment of each site. This is not practical within this broad-brush study and the approach taken is in line with the PPG and the Harman Guidance.
- 7.12 Nevertheless, it is possible to generalise. Drawing on experience and the comments of stakeholders, it is possible to determine an allowance related to total build costs. This is normally lower for higher density than for lower density schemes since there is a smaller area

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<sup>79</sup> <https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>

<sup>80</sup> [https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm\\_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

of external works, and services can be used more efficiently. Large greenfield sites would also be more likely to require substantial expenditure on bringing mains services to the site.

- 7.13 A scale of allowances has been developed for the residential sites, ranging from 5% of build costs for the smaller sites and flatted schemes, to 15% for the larger greenfield schemes.
- 7.14 One developer<sup>81</sup> suggested that 15% may be too low for the strategic sites, although they did not set out or propose an alternative approach. No change has been made in this regard as this approach is consistent with the earlier viability work.
- 7.15 A housebuilder<sup>82</sup> (promoting a strategic site) suggested that an allowance of between £988,000/ha and £1,235,000/ha be used to cover site costs, including on-site infrastructure. This has been rested as an alternative scenario.

#### *Garden Town Principles*

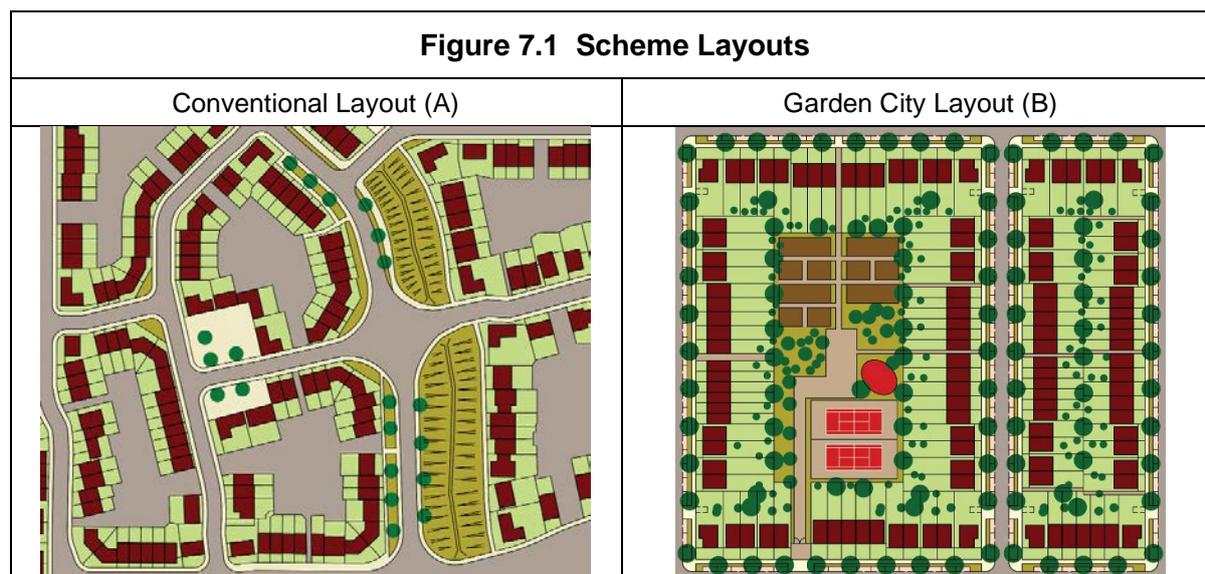
- 7.16 The strategic sites associated with the Harlow and Gilston Garden town are to be developed under Garden Town principles.
- 7.17 The difference between the Garden Town and the conventional approach is in two main parts. The first being the total land requirement and the second being the layout.
- 7.18 In this assessment the construction costs are based on the BCIS costs. The BCIS costs include the costs of the building but not the costs of services and external works. For this assessment we have had regard to the work carried out by URS (now AECOM) to support the TCPA's *Nothing gained by overcrowding!* paper<sup>83</sup>. In that paper, two 4ha schemes were modelled as per the layouts below (at 2012 prices) to ascertain the estimated site costs. It found that the site costs on the Garden Town scheme, on a per unit basis, are about 65% of the costs on the conventional scheme.

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<sup>81</sup> Julie Morgan for Barwood Land

<sup>82</sup> Andy Butcher, Strutt and Parker for Countryside Properties (P6 North Weald Bassett and NWBR3) – Turner Morum Appendix

<sup>83</sup> See footnote 1.



Source: Nothing gained by overcrowding! TCPA 2012

- 7.19 The reason for this is set out in the report as follows (where Scheme A is the Conventional scheme and Scheme B adopts the Garden City principles):

*... the real difference between the two approaches becomes apparent when we then take into account the substantially larger plot size of homes in Scheme B. It can be seen that the cost per square metre is more than 40% less for homes in Scheme B, and more than 50% less if one includes a share of the communal open space area. Aside from the adoption of the highway and footways, no additional cost has been included for the long-term management and maintenance of communal areas in either scheme. However, there are significant differences between the two approaches. In Scheme A only 31% of the total area is looked after by the individual property owners or tenants, leaving almost 70% of the area to be maintained by the highway authority or management company. In contrast, in Scheme B the area to be maintained communally is just 39%, and would be reduced to just 24% if the communal gardens were managed directly by the residents.*

- 7.20 Under a conventional scheme it is generally assumed that the site costs would be about of 15% of the construction (i.e. BCIS based) costs. This was discussed in some detail through the consultation on the 2019 Garden Town Viability Study. In the pre-consultation notes site costs were assumed to be 13% of the BCIS based construction cost. As a result of the consultation this was amended to a 15% assumption, which is carried forward into this update.. These costs are included in the 15% allowance used.

#### *Abnormal development costs and brownfield sites*

- 7.21 With regard to abnormal, paragraph 10-012-20180724 of the PPG says:

*abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value*

- 7.22 This needs to be read with paragraph 10-014-20180724 of the PPG that says that:

*Benchmark land value should: ... reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and ...*

- 7.23 The consequence of this, when considering viability in the planning system, is that abnormal costs should be added to the cost side of the viability assessment, but also reflected in (i.e. deducted from) the BLV. This has the result of balancing the abnormal costs on both elements of the appraisal.
- 7.24 This approach is consistent with the treatment of abnormals that was considered at Gedling Council's Examination in Public. There is an argument, as set out in Gedling, that it may not be appropriate for abnormals to be built into appraisals in a high-level assessment of this type. Councils should not plan for the worst-case option – rather for the norm. For example, if two similar sites were offered to the market and one was previously in industrial use with significant contamination, and one was 'clean' then the landowner of the contaminated site would have to take a lower land receipt for the same form of development due to the condition of the land. The Inspector said:
- ... demolition, abnormal costs and off site works are excluded from the VA, as the threshold land values assume sites are ready to develop, with no significant off site secondary infrastructure required. While there may be some sites where there are significant abnormal construction costs, these are unlikely to be typical and this would, in any case, be reflected in a lower threshold land value for a specific site. In addition such costs could, at least to some degree, be covered by the sum allowed for contingencies.*
- 7.25 In some cases, where the site involves redevelopment of land which was previously developed, there is the potential for abnormal costs to be incurred. Abnormal development costs might include demolition of substantial existing structures; flood prevention measures at waterside locations; remediation of any land contamination; remodelling of land levels; and so on. An additional allowance is made for abnormal costs associated with brownfield sites of 5% of the BCIS costs.
- 7.26 In summary, abnormal costs will be reflected in land value. Those sites that are less expensive to develop will command a premium price over and above those that have exceptional or abnormal costs. It is not the purpose of an assessment of this type to standardise land prices across an area.

#### *Fees*

- 7.27 For residential and non-residential development, we have assumed a base professional fee cost of 8% of build costs. Separate allowances are made for planning fees, acquisition, sales and finance costs and for meeting Epping Forest District Council's planning policy requirements (see Chapter 8 below).
- 7.28 A developer<sup>84</sup> suggested that on large sites a 10% assumption should be used. Another<sup>85</sup> suggested 8% was detached from the market (although did not suggest an alternative assumption). Several years ago we would have used a 10% assumption to cover fees. Since then there has been considerable inflation in the construction sector, however, whilst the levels

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<sup>84</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

<sup>85</sup> TLF with regard to the carpark sites.

of fees have increased a little, they have not been in line with the substantial increase in construction costs. It is therefore appropriate to use 8% as the norm. The appraisals submitted through the development management process (see Chapter 3 above) cover a range. 8% is within this range. Having considered this further, a 10% assumption is used on the strategic sites and the brownfield sites.

- 7.29 An allowance for buyers' fees is made within the non-residential appraisals.

#### *Contingencies*

- 7.30 For previously undeveloped and otherwise straightforward sites, a contingency of 2.5% has been allowed for, with a higher figure of 5% on more risky types of development, previously developed land. So, the 5% figure was used on the brownfield sites and the 2.5% figure on the remainder (a blended contingency is used on mixed use sites).
- 7.31 A landowner<sup>86</sup> suggested at a higher contingency should be used (although no figure was put forward). A developer<sup>87</sup> suggested a 5% contingency should be used. This is not accepted, the contingency should reflect the risks (unknowns costs) associated with a project. These are more on previously developed land.

#### *S106 Contributions and the costs of infrastructure*

- 7.32 For many years, EFDC has sought payments from developers to mitigate the impact of the development through improvements to the local infrastructure.
- 7.33 In the 2017 Viability Update a £3,000/unit assumption was used. In the 2019 Garden Town Study the site specific assumptions were used. This has been reviewed by Epping Forest District Council, particularly in relation to payments that are required in relation to the impact on the Epping Forest<sup>88</sup>. In this update a base cost of £31,000/unit has been used in relation to the modelled typologies<sup>89 90 91</sup>. The following assumptions used in relation to the Strategic Sites. These assumptions include allowances for contingencies<sup>92 93 94</sup>:

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<sup>86</sup> TLF with regard to the carpark sites.

<sup>87</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

<sup>88</sup> The Epping Forest SAC payments are expected to be in the range of £250 to £550 per unit depending on the impact (assessed on the location).

<sup>89</sup> Justification of this figure was sought by Catherine Williams, Savills for Redrow

<sup>90</sup> Justification of this figure was sought by Lois Partridge, Sworders (ONG.R1 and ONG.R2)

<sup>91</sup> Justification of this figure was sought by Lois Partridge, Sworders (SHR.R1 and SHR.R2)

<sup>92</sup> Clarification sought by Mike Newton, Boyer Planning for CEG and Hallam Land (Latton Priory).

<sup>93</sup> Clarification sought by Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

<sup>94</sup> Clarification sought by Rachel Bryan, Sworders for Mr Eldred (NWB.R1 and NWB.T1)

<b>Table 7.2 Strategic Infrastructure and Mitigation Costs</b>			
	Units	Total	Cost/unit
East of Harlow (North)	750	£23,218,799	£48,153
Latton Priory	1,050	£32,359,828	£48,014
Water Lane Area (Sumners)	807	£26,016,628	£49,434
Water Lane Area (Katherine's)	1,331	£42,832,457	£49,375
South Epping MPA	450	£18,895,129	£41,989
North Weald Bassett MPA	1,050	£38,126,617	£36,311
Waltham Abbey North MPA	720	£23,425,725	£32,536

Source: Arup, (November 2019)

- 7.34 Through the consultation<sup>95 96 97 98</sup> it was observed that these figures were different to those used in the 2019 Garden Town Study. The above figures include the following open space costs. These have now been deducted to avoid double counting with the site cost assumption.

<b>Table 7.3 Open Space Costs</b>			
	Units	Total	Cost/unit
East of Harlow (North)	750		
Latton Priory	1,050		
Water Lane Area (Sumners)	807		
Water Lane Area (Katherine's)	1,331		
South Epping MPA	450		
North Weald Bassett MPA	1,050		
Waltham Abbey North MPA	720		

Source: Arup, (November 2019)

- 7.35 As noted by a land promoter<sup>99</sup> and a housebuilder<sup>100</sup> the timing of payments can have a real impact on cash flow and the results. The base modelling is based on the Council's ideal delivery, and then alternative are tested.

**INSERT TABLE OF TRAJECTORY AND PAYMENTS**

- 7.36 As set out in Chapter 8 below, a range of costs have also been tested.

<sup>95</sup> Olivier Spencer, Andrew Martin Planning for Miller Homes.

<sup>96</sup> Geoff Armstrong, Armstrong Rigg Planning for Manor Oak Homes (Water Lane South)

<sup>97</sup> Mike Newton, Boyer Planning for CEG and Hallam Land (Latton Priory).

<sup>98</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

<sup>99</sup> Mike Newton, Boyer Planning for CEG and Hallam Land (Latton Priory).

<sup>100</sup> Catherine Williams, Savills for Redrow

- 7.37 In this regard a site promoter's agent<sup>101</sup> raised the relationship between abnormals and sites costs saying.

*We have commented previously that the base build cost and the externals allowance do not allow for on-site infrastructure and abnormals such as utility upgrades, surface water drainage, structural landscaping, habitat and ecological mitigation. The allowance for abnormal costs in the consultation document is £2,300 per plot.*

*We have commented previously that this does not reflect the Harman guidance which recommends an allowance of between £17,000 and £23,000 per plot albeit at 2012 prices.*

*We do not agree that the cost of on-site infrastructure and abnormals should be a cost deducted from the Benchmark Land Value as stated in paragraph 7.18. This is perverse. The more costly the site is to develop then the less the landowner would receive. You cannot arrive at a position where the land owners receive nothing for their land. They will simply not sell. The draft RICS guidance "Assessing financial viability in planning under the NPPF for England, guidance note, 1st Edition" issued on 12 December 2019 confirms that the BLV is "therefore a minimum return that would persuade a reasonable landowner to sell the land". Examples of where these costs have been taken into account include Swindon £27,000 per dwelling, West Whitney at £31,000 per dwelling and Aylesbury Vale at £32,000 per dwelling. These costs cover the usual infrastructure items of on and off-site highway works, foul and surface water drainage, service reinforcement, green infrastructure, play areas, etc. These are the costs that are not included in the External cost which relates specifically to dwellings (drives, normal estate road and drainage, laying out gardens, standard service connections).*

- 7.38 The Harman Guidance actually says:

*2. Strategic infrastructure and utility costs*

*Many models use construction cost information provided by BCIS or other sources. While this is regarded as a legitimate starting point, care is needed in understanding what is both included and excluded from such cost indices. Cost indices rarely provide data on the costs associated with providing serviced housing parcels, ie. strategic infrastructure costs which are typically in the order of £17,000 - £23,000 per plot for larger scale schemes.*

- 7.39 In this assessment rather than use the range suggested in the Harman Guidance, or based on an assumption used elsewhere, we have used the best available site specific estimates from the Council's IDP (see above). These are very much higher than the examples given.
- 7.40 Whilst we note the concern raised over the derivation of the BLV, we believe that when assessing viability in a study of this type it is necessary to closely follow the PPG.

### **Financial and Other Appraisal Assumptions**

#### **VAT**

- 7.41 It has been assumed throughout, that either VAT does not arise, or that it can be recovered in full<sup>102</sup>.

<sup>101</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

<sup>102</sup> VAT is a complex area. Sales of new residential buildings are usually zero-rated supplies for VAT purposes (subject to various conditions). VAT incurred as part of the development can normally be recovered. Where an

### *Interest rates*

- 7.42 Our appraisals assume 6%p.a. for total debit balances, we have made no allowance for any equity provided by the developer. This does not reflect the current working of the market nor the actual business models used by developers. In most cases the smaller (non-plc) developers are required to provide between 30% and 40% of the funds themselves, from their own resources, so as to reduce the risk to which the lender is exposed. The larger plc developers tend to be funded through longer term rolling arrangements across multiple sites.
- 7.43 The 6% assumption may seem high given the very low base rate figure (0.75% July 2019). Developers that have a strong balance sheet, and good track record, can undoubtedly borrow less expensively than this, but this reflects banks' view of risk for housing developers in the present situation. In the residential appraisals, a simple cashflow is used to calculate interest.
- 7.44 The relatively high assumption of the 6% interest rate, and the assumption that interest is chargeable on all the funds employed, has the effect of overstating the total cost of interest as most developers are required to put some equity into most projects. In this study a cautious approach is being taken.
- 7.45 An arrangement fee of 1% of the peak borrowing requirement is also allowed for.
- 7.46 A developer<sup>103</sup> suggested that a 6.5% blended rate to cover both fees and interest be used.

### *Developers' return*

- 7.47 An allowance needs to be made for developers' return and to reflect the risk of development. Paragraph 10-018-20190509 of the updated PPG says:

*How should a return to developers be defined for the purpose of viability assessment?*

*Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.*

*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.*

- 7.48 The purpose of including a developers' return figure is not to mirror a particular business model, but to reflect the risk a developer is taking in buying a piece of land, and then expending

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appropriate 'election' is made, VAT can also be recovered in relation to commercial development – although VAT must then be charged on the income from the development.

<sup>103</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

the costs of construction before selling the property. The use of developers' return in the context of area wide viability testing of the type required by the NPPF and CIL Regulation 14, is to reflect that level of risk.

- 7.49 Broadly there are four different approaches that could be taken:
- a. To set a different rate of return on each site to reflect the risk associated with the development of that site. This would result in a lower rate on the smaller and simpler sites – such as the greenfield sites, and a higher rate on the brownfield sites.
  - b. To set a rate for the different types of unit produced – say 20% for market housing and 6% for affordable housing, as suggested by the HCA.
  - c. To set the rate relative to costs – and thus reflect the risks of development.
  - d. To set the rate relative to the gross development value.
- 7.50 In deciding which option to adopt, it is important to note that the intention is not to re-create any particular developer's business model. Different developers will always adopt different models and have different approaches to risk.
- 7.51 The argument is sometimes made that financial institutions require a 20% return on development value and if that is not shown they will not provide development funding. In the pre-Credit Crunch era there were some lenders who did take a relatively simplistic view to risk analysis but that is no longer the case. Most financial institutions now base their decisions behind providing development finance on sophisticated financial modelling that it is not possible to replicate in a study of this type. They require a developer to demonstrate a sufficient margin, to protect the lender in the case of changes in prices or development costs. They will also consider a wide range of other factors, including the amount of equity the developer is contributing (both on a loan to value and loan to cost basis), the nature of development and the development risks that may arise due to demolition works or similar, the warranties offered by the professional team, whether or not the directors will provide personal guarantees, and the number of pre-sold units.
- 7.52 This is a high-level study where it is necessary and proportionate to take a relatively simplistic approach, so, rather than apply a differential return (i.e. site by site or split), it is appropriate to make some broad assumptions and as set out above the updated PPG says '*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies ... A lower figure may be more appropriate in consideration of delivery of affordable housing*'.
- 7.53 In the 2017 Viability Update and the 2019 Garden Town Viability Study the developers' return was assumed to be 20% of the value of market housing (being the top end of the range suggested by the PPG) and 6% of the value of affordable housing. This assumption is carried forward into this update.

### *Voids*

- 7.54 On a scheme comprising mainly individual houses, one would normally assume only a nominal void period as the housing would not be progressed if there was no demand. In the case of apartments in blocks this flexibility is reduced. Whilst these may provide scope for early marketing, the ability to tailor construction pace to market demand is more limited.
- 7.55 For the purpose of the present study, a three-month void period is assumed for residential developments.

### *Phasing and timetable*

- 7.56 Each dwelling is assumed to be built over a nine-month period. The phasing programme for an individual site will reflect market take-up and would, in practice, be carefully estimated taking into account the site characteristics and, in particular, the size and the expected level of market demand. The rate of delivery will be an important factor when Epping Forest District Council is considering the allocation of sites so as to manage the delivery of housing and infrastructure. Two aspects are relevant, firstly the number of outlets that a development site may have, and secondly the number of units that an outlet may deliver.
- 7.57 On the whole, it is assumed a maximum, per outlet, delivery rate of 50 units per year. On a site with 40% affordable housing this equates to 30 market units per year. On the smaller sites, we have assumed much slower rates to reflect the nature of the developer that is likely to be bringing smaller sites forward. The higher density flatted schemes are assumed to come forward more quickly. These assumptions are conservative and do, properly, reflect current practice. This is the appropriate assumption to make to be in line with the PPG and the Harman Guidance.

## **Site Acquisition and Disposal Costs**

### *Site holding costs and receipts*

- 7.58 A pre-construction period of six months is assumed for all sites. A developer<sup>104</sup> commented that this was not sufficient on strategic sites and a 12 month period should be used. A housebuilder<sup>105</sup> supported this comment, although they did not suggest an alternative period. A landowner<sup>106</sup> expressed concern about this assumption
- 7.59 Other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

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<sup>104</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

<sup>105</sup> Catherine Williams, Savills for Redrow

<sup>106</sup> TLF with regard to the carpark sites.

*Acquisition costs*

- 7.60 A simple approach is taken, it is assumed an allowance of 1.5% for acquisition agents' and legal fees. A housebuilder<sup>107</sup> suggested that a 1.8% assumption was more appropriate.
- 7.61 Stamp duty is calculated at the prevailing rates.

*Disposal costs*

- 7.62 For market and for affordable housing, sales and promotion and legal fees are assumed to amount to 3.5% of receipts. For disposals of affordable housing, these figures can be reduced significantly depending on the category, so in fact the marketing and disposal of the affordable element is probably less expensive than this.

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<sup>107</sup> Catherine Williams, Savills for Redrow

## 8. Local Plan Policy Requirements

- 8.1 As set out at the start of this report, the Local Plan Submitted Version 2017<sup>108</sup> (LPSV / submitted Local Plan) was submitted for Independent Examination in September 2018 and hearing sessions were held between February 2019 and June 2019. The submitted Local Plan sets out the approach and detailed policies including the future distribution of housing growth and requirements for affordable housing and the future distribution for new employment land. The Inspector appointed to examine the submitted Local Plan issued her 'Inspector's Advice After Hearings' on the 2<sup>nd</sup> August 2019.
- 8.2 Subject to the Inspector's final report, it is anticipated that the local Plan will be adopted by Epping Forest District Council in late 2019/early 2020.
- 8.3 The specific purpose of this report is to bring together and update the various documents that comprise the '*the viability assessment that informed the plan*'. Part of this process is to apply the costs of the policies in the Plan. Many of the policies are either general enabling policies or policies that restrict development to particular areas or situations. These do not directly impact on viability. Only those policies that add to the costs of development over and above the normal costs of development are mentioned. These policies are grouped as per the chapters in the emerging Plan.

### The Strategic Policies

#### *Policy SP 1 Presumption in favour of sustainable development*

- 8.4 This is a general enabling policy that does not add to the costs of development, over than above those covered in the BCIS costs or reflected elsewhere in this assessment.

#### *Policy SP 2 Spatial Development Strategy 2011-2033*

- 8.5 The modelling of the typologies and strategic sites reflects distribution of development set out in this policy.

#### *Policy SP 3 Place Shaping*

- 8.6 This is a general policy that does not add to the costs of development, over than above those covered in the BCIS costs or reflected elsewhere in this assessment.

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<sup>108</sup> <http://www.efdclocalplan.org/wp-content/uploads/2018/03/EB114-Epping-Forest-District-Local-Plan-Submission-Version-2017.pdf>

*Policy SP 4 Development and Delivery of Garden Communities in the Harlow and Gilston Garden Town*

- 8.7 The development of these sites was specifically considered in the *Harlow and Gilston Garden Town Strategic Viability Assessment* (HDH, April 2019). This is updated, as required, in this report.

*Policy SP 5 Garden Town Communities*

- 8.8 See SP4.

*Policy SP 6 Green Belt and District Open Land*

- 8.9 This is a policy that directs and restricts development, rather than impacting on viability.

*Policy SP 7 The Natural Environment, Landscape Character and Green and Blue Infrastructure*

- 8.10 This is a high level policy that is expanded on below.

## Housing

*Policy H 1 Housing mix and accommodation types*

- 8.11 This policy has several specific requirements.
- 8.12 Epping Forest District Council's Strategic Housing Market Assessment provides the following breakdown of the overall requirement for market housing (following a comment made through the consultation<sup>109</sup> it is confirmed that these mixes are correct and applied to the appraisals).

<b>Table 8.1 Market Housing by Size</b>			
Flat	1 bed	430	5%
	2+ bed	450	6%
House	2 bed	1,020	13%
	3 bed	4,090	51%
	4 bed	1,580	20%
	5+ bed	510	6%
		8,080	

Source: Figure 76 *Strategic Housing Market Assessment* (Opinion Research Services, 2015)

- 8.13 The affordable housing requirement is also broken down.

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<sup>109</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

	Flat		House			All
	1 bed	2+ bed	2 bed	3 bed	4+ bed	
Affordable rent	20%	13%	21%	36%	11%	<b>82%</b>
Intermediate	9%	18%	28%	40%	5%	<b>18%</b>
<b>All Affordable</b>	<b>18%</b>	<b>14%</b>	<b>22%</b>	<b>37%</b>	<b>10%</b>	

Source: Figure 63 *Strategic Housing Market Assessment* (Opinion Research Services, 2015)

- 8.14 All new homes are to be built to accessible and adaptable standards. The additional costs of the further standards (as set out in the draft Approved Document M amendments included at Appendix B4<sup>110</sup>) are set out below. The key features of the 3 level standard (as summarised in the DCLG publication *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015)<sup>111</sup>, reflect accessibility as follows:
- Category 1 – Dwellings which provide reasonable accessibility
  - Category 2 – Dwellings which provide enhanced accessibility and adaptability
  - Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair.
- 8.15 The cost a wheelchair adaptable dwelling based on the Wheelchair Housing Design Guide for a 3 bed house, is taken to be £10,111 per dwelling<sup>112</sup>. The cost of Category 2 is taken to be £521<sup>113</sup> (this compares with the £1,097 cost for the Lifetime Homes Standard).
- 8.16 Through the consultation it was suggested<sup>114</sup> that rather than using the published governmental figures, it would be preferable to use those that were used by Dixon Searle in their work for High Wycombe. It is not clear why this has been done, however bearing in mind the governmental figures are based in March 2015 the above costs have now been indexed in line with the BCIS General Building Cost Index (plus 12.6%).
- 8.17 The modelling assumes all new homes are built to the Category 2 standard.
- 8.18 This policy encourages the inclusion of self and custom build plots on larger sites. It does not include a specific requirement. Epping Forest District Council have asked us to test a 5% requirement on sites of 20 units and larger.

<sup>110</sup> <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

<sup>111</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418414/150327\\_-\\_HSR\\_IA\\_Final\\_Web\\_Version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/418414/150327_-_HSR_IA_Final_Web_Version.pdf)

<sup>112</sup> Paragraph 153 *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015).

<sup>113</sup> Paragraph 157 *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015).

<sup>114</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

*Policy H 2 Affordable housing*

8.19 Policy H2 Affordable Housing of the submitted Local Plan seeks:

*On development sites which provide for 11 or more homes, or residential floorspace of more than 1,000 sq m (combined gross internal area), the Council will require 40% of those homes to be for affordable housing provided on site. The mix of affordable homes will be required to reflect the latest available housing need. All new homes will be required to meet accessible and adaptable homes standards as defined by the Building Regulations applicable at the time of the application.*

8.20 The modelling is in line with the housing mix set out in the SHMA (see Policy H1 above).

8.21 It is assumed that such housing is constructed by the site developer and then sold to a Registered Provider (RP). This is a simplification of reality as there are many ways in which affordable housing is delivered, including the transfer of free land to RPs for them to build on or the retention of the units by the scheme's overall developer.

8.22 In this context it is important to have regard to paragraph 64 of the 2019 NPPF that says:

*64. Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:*

- a) provides solely for Build to Rent homes;*
- b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
- c) is proposed to be developed by people who wish to build or commission their own homes; or*
- d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.*

8.23 This is tested.

8.24 It is necessary to consider the Build to Rent separately as the sector is treated differently to mainstream housing within the PPG.

*What provision of affordable housing is a build to rent development expected to provide?*

*The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.*

*20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.*

*National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a*

*discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development.*

*PPG: 60-002-20180913*

*How should affordable private rent be calculated?*

*Affordable private rent should be set at a level that is at least 20% less than the private market rent (inclusive of service charges) for the same or equivalent property. Build to rent developers should assess the market rent using the definition of the International Valuations Standard Committee as adopted by the Royal Institute of Chartered Surveyors.*

*PPG: 60-003-20180913*

*Is affordable private rent the only form of affordable housing permitted on build to rent schemes?*

*It is expected that developers will usually meet their affordable housing requirement by providing affordable private rent homes. However, if agreement is reached between a developer and a local authority, this requirement can be met by other routes, such as a commuted payment and/or other forms of affordable housing as defined in the National Planning Policy Framework glossary. The details of this must be set out in the section 106.*

*PPG: 60-004-20180913*

*How can the proportion of affordable private rent and level of discount be flexed?*

*Both the proportion of affordable private rent units, and discount offered on them can be varied across a development, over time. Similarly it should be possible to explore a trade off between the proportion of discounted units and the discount(s) offered on them, with the proviso being that these should accord with the headline affordable housing contribution agreed through the planning permission. All options should be agreed jointly between the local authority and the developer as part of the planning permission, and set out in a section 106 agreement. Guidance on viability confirms that viability studies for build to rent schemes can be customised in this way.*

*PPG: 60-005-20180913*

- 8.25 In line with this, 20% private affordable rent at a 20% discount to market rent has been tested in the base modelling.

*Policy H 3 Rural exceptions*

- 8.26 This is an enabling policy that does not add to the costs of development.

*Policy H 4 Traveller site development*

- 8.27 This is an enabling policy that does not add to the costs of development.

**The Economy and Town Centres**

- 8.28 These policies direct and enable development. The modelling of the typologies and strategic sites reflects distribution of development set out in this policy.

**Transport**

- 8.29 These policies encourage sustainable transport and for the impact of new development in the transport system. These are generally covered through the s106 / s278 regime.

- 8.30 In the 2017 Viability Update a £3,000/unit assumption was used in this respect and in the 2019 Garden Town Study an estimate of the site-specific costs was used.
- 8.31 In this update an s106 assumption of £31,000/unit has been used on the typologies and the assumptions for the strategic sites have been updated.

### **Natural Environment and Green Infrastructure**

- 8.32 Two of the policies under this heading impact on viability.

#### *Policy DM 1 Habitat protection and improving biodiversity*

- 8.33 Epping Forest District Councils policy seeks that development should seek to deliver net biodiversity gain in addition to protecting existing habitat and species. We have considered this with the Government's announcements in this regard.
- 8.34 In March 2019 the Government announced that new developments must deliver an overall increase in biodiversity. Following a consultation the Chancellor confirmed in the Spring Statement that the Government will use the forthcoming Environment Bill to mandate 'biodiversity net gain'.
- 8.35 At this stage no details have been published, however biodiversity net gain requires developers to ensure habitats for wildlife are enhanced and left in a measurably better state than they were pre-development. They must assess the type of habitat and its condition before submitting plans, and then demonstrate how they are improving biodiversity – such as through the creation of green corridors, planting more trees, or forming local nature spaces.
- 8.36 Green improvements on site would be encouraged, but in the rare circumstances where they are not possible, developers will need to pay a levy for habitat creation or improvement elsewhere.
- 8.37 The costs of this type of intervention are modest and will be achieved through the use of more mixed planting plans, that use more locally appropriate native plants. To a large extent the costs of grass seeds and plantings will be unchanged. More thought and care will however go into the planning of the landscaping. There will be an additional cost of establishing the base line 'pre-development' situation as a survey will need to be carried out. The Government's impact assessment<sup>115</sup> suggests an average cost in the region of £20,000 per hectare. This would represent an increase in the site costs of about 5%. We have increased the site cost assumption to reflect this<sup>116</sup>.

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<sup>115</sup> <https://www.gov.uk/government/consultations/biodiversity-net-gain-updating-planning-requirements>

<sup>116</sup> This is an emerging area of practice without a broad range of completed schemes from which to draw data. Epping Forest District Council has recently received a planning application for a large scale non-residential scheme, where all the provision is to be off-site. This gives rise to a commuted sum payment that is significantly less than this.

- 8.38 In Chapter 7 the main development cost assumptions were set out and these included an allowance for fees. Having considered this policy (and the other policies) the base assumption has been increased from 8% to 9%.

*Policy DM 2 Epping Forest SAC and the Lee Valley SPA*

- 8.39 This policy requires development to contribute towards mitigating the impact of development on the Epping Forest Special Area of Conservation (SAC) and the Lee Valley Special Protection Area (SPA).
- 8.40 These are generally covered through payments under the s106 regime. In the 2017 Viability Update a £3,000/unit assumption was used in this respect and in the 2019 Garden Town Study an estimate of the site-specific costs was used.
- 8.41 In this update an s106 assumption of £31,000/unit has been used on the typologies and the assumptions for the strategic sites have been updated.
- 8.42 Through the consultation it was suggested<sup>117</sup> that until the issues around air quality were resolved it was premature to undertake this update. This is not accepted, whilst in an ideal world, this would be done it is beyond the Council's control. This risk is mitigated through sensitivity testing.

**Historic Environment**

- 8.43 These policies do not impact directly on the delivery of the development identified in Plan.

**Design**

*Policy DM 6 Designated and Undesignated Open Spaces*

- 8.44 This policy is non-specific saying that '*development proposals will be required to provide open space, or links to open space in accordance with the guidance contained within the Infrastructure Delivery Plan and Open Space Strategy. Nationally adopted space standards will be used as a starting point for provision*' rather than requiring a specific amount of space (for example m<sup>2</sup>/dwelling or ha/1000 residents). It is assumed that these requirements were reflected in the determining the capacity of sites.

*Policy DM 9 High quality design*

- 8.45 This is a policy that sets out general principles of design. It crosses over several other policy areas. On its own it does not add to the costs of development, over and above those covered in the BCIS costs or reflected elsewhere in this assessment.

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<sup>117</sup> Julie Morgan for Barwood Land

*Policy DM 10 Housing design and quality*

- 8.46 For the purpose of this update, the main requirement is that it requires the Nationally Described Space Standard (NDSS) technical requirements. The NDSS standards are assumed to apply. In March 2015 the Government published *Nationally Described Space Standard – technical requirements*. This says:

*This standard deals with internal space within new dwellings and is suitable for application across all tenures. It sets out requirements for the Gross Internal (floor) Area of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height.*

- 8.47 The following unit sizes are set out<sup>118</sup>:

<b>Table 8.1 National Space Standards. Minimum Gross Internal Floor Areas and Storage (m<sup>2</sup>)</b>					
number of bedrooms	number of bed spaces	1 storey dwellings	2 storey dwellings	3 storey dwellings	built-in storage
1b	1p	39 (37)*			1
	2p	50	58		1.5
2b	3p	61	70		2
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4
	8p	125	132	138	

Source: Table 1, Technical housing standards – Nationally Described Space Standard (March 2015)

- 8.48 In this study the units are assumed to be in line with the NDSS or larger.

<sup>118</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/524531/160519\\_Nationally\\_Described\\_Space\\_Standard\\_Final\\_Web\\_version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard_Final_Web_version.pdf)

*Policy DM 11 Waste recycling facilities on new development*

- 8.49 On its own it does not add to the costs of development, over than above those covered in the BCIS costs or reflected elsewhere in this assessment.

**Environmental policies**

- 8.50 This group of policies are general and direct development rather than add to the costs of development, over than above those covered in the BCIS costs or reflected elsewhere in this assessment. There are some factors that do add to the costs
- 8.51 For this study Sustainable Urban Drainage Systems (SUDS) are a policy requirement as and when needed. SUDS aim to limit the waste of water, reduce water pollution and flood risk relative to conventional drainage systems. It is anticipated that new major development (10 units or more) will be required to incorporate SUDS. SUDS and the like can add to the costs of a scheme – although in larger projects these can be incorporated into public open space. It is assumed that the costs of SUDS are included within the additional costs on brownfield sites, however on the larger greenfield sites it is assumed that SUDS will be incorporated into the green spaces (subject to local ground conditions), and be delivered through soft landscaping within the wider site costs.
- 8.52 The plan seeks sustainable water use, with development being expected to meet a water efficiency standard of 110l/day. The costs are modest, likely to be less than £100/dwelling<sup>119</sup>.

8.53 *Policy DM 20 Low carbon and renewable energy seeks to encourage the incorporation of low carbon and renewable energy measures in new and existing development. As this report was being written (November 2019), the Government launched a Consultation on ‘The Future Homes Standard’<sup>120</sup>. This is linked to achieving the ‘net zero’ greenhouse gas emissions by 2050. Epping Forest District Council is exploring the policy options in this regard. At this stage a policy has not been drafted but is likely to include provisions to encourage reduced energy usage.*

- 8.54 There are a wide range of ways of lowering the greenhouse gas emissions on a scheme, although these do alter depending on the nature of the specific project. These can include simple measures around the orientation of the building, and measures to enable natural ventilation, through to altering the fundamental design and construction. The extent of the costs will depend on the specific changes made and are considered in Chapter 3 of the Government Consultation<sup>121</sup>:

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<sup>119</sup> Table 26 – Water standards costs summary, ‘DCLG publication Housing Standards Review – Cost Impacts’ (EC Harris, September 2014).

<sup>120</sup> [https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm\\_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

<sup>121</sup> The Future Homes Standard 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings (MHCLG, October 2019)

3.9. *Following discussion with our technical working group and assessment of the modelling analysis, two options for the 2020 CO<sub>2</sub> and primary energy targets are proposed for consultation. The options below are presented in terms of CO<sub>2</sub> reduction to aid comparison with current standards. We plan to use either option 1 or option 2 as the basis of the new primary energy and CO<sub>2</sub> targets for new dwellings, with option 2 as the government's preferred option:*

a. **Option 1 - 'Future Homes Fabric'**. *This would be a 20% reduction<sup>25</sup> in CO<sub>2</sub> from new dwellings, compared to the current standards. This performance standard is based on the energy and carbon performance of a home with:*

- i. *Very high fabric standards to minimise heat loss from windows, walls, floors and roofs (typically with triple glazing). This would be the same fabric requirement as we currently anticipate for the Future Homes Standard*
- ii. *A gas boiler*
- iii. *A waste water heat recovery system*

*This would add £2557 to the build-cost of a new home and would save households £59 a year on energy bills. The estimated impact on housebuilding is discussed in the impact assessment.*

b. **Option 2 - 'Fabric plus technology'**. *This would be a 31% reduction<sup>26</sup> in CO<sub>2</sub> from new dwellings, compared to the current standards. This option is likely to encourage the use of low-carbon heating and/or renewables. The performance standard is based on the energy and carbon performance of a home with:*

- i. *an increase in fabric standards (but not as high an increase as in Option 1, likely to have double rather than triple glazing)*
- ii. *a gas boiler*
- iii. *a waste water heat recovery system.*
- iv. *iv. Photovoltaic panels*

*Meeting the same specification would add £4847 to the build-cost of a new home and would save households £257 a year on energy bills. The estimated impact on housebuilding is discussed in the impact assessment.*

3.10. *The option 2 specification would give a CO<sub>2</sub> saving of only 22% for flats due to the standard including solar panels and flats having a smaller roof area per home. The additional cost per flat is also less at £2256.*

3.11. *In practice, we expect that some developers would choose less costly ways of meeting the option 2 standard, such as putting in low-carbon heating now. This would cost less than the full specification, at £3134 for a semi-detached house.*

8.55 Very approximately, Option 1 would add about 2.5% to the base cost of construction, and Option 2 would add about 3.1% to the base cost of construction. In addition to the above, it may (depending on the outcome of the consultation), be necessary for all new houses to be heated off the gas grid.

8.56 Through the consultation it was suggested<sup>122</sup> that Option 2 should be costed at £5,000/dwelling. It is unclear how this is derived – in this figure the costs set out in the government consultation are used.

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<sup>122</sup> Gabrielle Rowan, Pegasus for Martin Grant Homes, Persimmon Homes and Taylor Wimpey (West of Katherines)

- 8.57 The above relates to residential development. The performance of non-residential development is normally assessed using the BREEAM system<sup>123</sup>. The additional cost of building to BREEAM Very Good standard is negligible as outlined in research<sup>124</sup> by BRE. The additional costs of BREEAM Excellent standard ranges from just under 1% and 5.5%, depending on the nature of the scheme with offices being a little under 2%. It is assumed that new non-residential development will be to BREEAM Excellent and this increases the construction costs by 2% or so.
- 8.58 As neither the outcome of the Government's Consultation, nor the details of Epping Forest District Council's specific policy aims are known, rather than test a specific cost, a range of cost change scenarios have been tested.
- 8.59 It is timely to note that building to higher standards that result in lower running costs does result in higher values<sup>125</sup>.

### Places

- 8.60 This chapter of the plan sets out the allocations. The modelling of the typologies and strategic sites reflects distribution of development set out in this policy.

### Delivery of Infrastructure

- 8.61 These policies require the timely provision of infrastructure (including transport). These are generally covered through the s106 / s278 regime.
- 8.62 In the 2017 Viability Update a £3,000/unit assumption was used in this respect and in the 2019 Garden Town Study an estimate of the site-specific costs was used.
- 8.63 In this update an s106 assumption of £31,000/unit has been used on the typologies and the assumptions for the strategic sites have been updated.
- 8.64 From a viability point of view, *Policy H10-dp Delivering affordable housing on phased or cumulative developments* does not add to the requirements of *Policy CS4 – Delivering affordable housing*. A range of affordable housing requirements and tenure mixes have been tested.

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<sup>123</sup> Building Research Establishment Environmental Assessment Method (BREEAM) was first published by the Building Research Establishment (BRE) in 1990 as a method of assessing, rating, and certifying the sustainability of buildings.

<sup>124</sup> *Delivering sustainable buildings: Savings and payback*. Yetunde Abdul, BRE and Richard Quartermaine, Sweett Group. Published by IHS BRE Press, 7 August 2014

<sup>125</sup> See *EPCs & Mortgages, Demonstrating the link between fuel affordability and mortgage lending* as prepared for Constructing Excellence in Wales and Grwp Carbon Isel / Digarbon Cymru (funded by the Welsh Government) and completed by BRE and *An investigation of the effect of EPC ratings on house prices* for Department of Energy & Climate Change (June 2013)



## 9. Modelling

- 9.1 In the previous chapters, the general assumptions to be inputted into the development appraisals are set out. In this chapter, the modelling is set out. It is stressed that this is a high-level study that is seeking to capture the generality rather than the specific.
- 9.2 The purpose of this report is to bring together and update the various documents that comprise the *'the viability assessment that informed the plan'*.
- 9.3 The approach is to model a set of development sites that are broadly representative of the unconsented development sites that are likely to come forward under submitted Local Plan.

### Residential Development

- 9.4 This study is based on modelling typologies. In addition, the following Strategic Sites are modelled separately:

<b>Table 9.1 Strategic Sites</b>		
	Units	Site Area (ha)
East of Harlow (North)	750	128.24
Latton Priory	1,050	102.37
Water Lane Area (Sumners)	2,100	117.04
Water Lane Area (Katherine's)		
South Epping MPA	950	43.55
North Weald Bassett MPA	1,050	45.98
Waltham Abbey North MPA	740	32.28
	<b>6,640</b>	<b>469.46</b>

Source: EFDC (November 2019)

- 9.5 The Water Lane site is made up several parcels of land that have a total capacity of 2,100 units. In this assessment the two main elements are modelled as separate sites as they will be delivered by separate promoters and have different infrastructure requirements. The Water Lane (Sumners) site is modelled with 807 units and Water Lane Area (Katherine's) is modelled with 1,331 units – so 2,138 in all.
- 9.6 A land promoter<sup>126</sup> suggested that the flowing sites should also be considered separately as their delivery was discussed out the Local Plan hearings:

- South Epping (EPP.R1 and EPP.R2)
- Loughton London Underground Car Park (LOU.R1)

<sup>126</sup> Brian Flynn, Carter Jonas for Pigeon (East of Epping)

- Debden London Underground Car Park (LOU.R2)

9.7 ..... To inform the modelling we have considered the allocations in the Local Plan Submitted Version 2017. Excluding the Strategic Sites there are 76 allocations (having discounted the two sites the Local Plan Inspector has suggested are removed from the Plan. These are at various stages of the planning process.

	Sites	Capacity	Total Area
Appeal Pending	1	33	1.28
Awaiting s106	1	29	0.86
Complete	2	40	0.33
Decision pending	5	197	4.36
Pre-App	12	805	21.63
Other	55	1,818	44.67
<b>All</b>	<b>76</b>	<b>2,922</b>	<b>73.13</b>

Source: EFDC (November 2019)

9.8 The distribution and existing use of the sites is also considered.

	Count		Capacity		Total Area		Average	
	Sites		Unts		ha		Units	Ha
Buckhurst Hill	3	3.95%	87	2.98%	1.57	2.15%	29.00	0.52
Chigwell	9	11.84%	265	9.07%	8.45	11.55%	29.44	0.94
Chigwell Row	1	1.32%	11	0.38%	0.21	0.29%	11.00	0.21
Coopersale	1	1.32%	6	0.21%	0.16	0.22%	6.00	0.16
Epping	9	11.84%	355	12.15%	5.74	7.85%	39.44	0.64
Fyfield	1	1.32%	14	0.48%	0.81	1.11%	14.00	0.81
Harlow	1	1.32%	11	0.38%	0.38	0.52%	11.00	0.38
High Ongar	2	2.63%	40	1.37%	2.27	3.10%	20.00	1.14
Loughton	17	22.37%	867	29.67%	12.75	17.43%	51.00	0.75
Lower Nazeing	4	5.26%	122	4.18%	4.14	5.66%	30.50	1.04
Lower Sheering	1	1.32%	14	0.48%	0.63	0.86%	14.00	0.63
Ongar	8	10.53%	590	20.19%	17.11	23.40%	73.75	2.14
Roydon	4	5.26%	62	2.12%	3.29	4.50%	15.50	0.82
Sheering	3	3.95%	84	2.87%	3.85	5.26%	28.00	1.28
Stapleford Abbots	3	3.95%	47	1.61%	2.68	3.66%	15.67	0.89
Theydon Bois	3	3.95%	57	1.95%	1.39	1.90%	19.00	0.46
Thornwood	2	2.63%	172	5.89%	5.70	7.79%	86.00	2.85
Waltham Abbey	4	5.26%	118	4.04%	2.00	2.73%	29.50	0.50
<b>All</b>	<b>76</b>	<b>100.00%</b>	<b>2,922</b>	<b>100.00%</b>	<b>73.13</b>	<b>100.00%</b>	<b>38.45</b>	<b>0.96</b>

Source: EFDC (November 2019)

<b>Table 9.4 Average Capacity of Allocations by Land Use</b>					
	Brownfield	Greenfield	Mixed	N/A	All
Buckhurst Hill	28.00	31.00			29.00
Chigwell	21.50	105.00	28.00	15.33	29.44
Chigwell Row	11.00				11.00
Coopersale	6.00				6.00
Epping	39.44				39.44
Fyfield		14.00			14.00
Harlow		11.00			11.00
High Ongar		10.00		30.00	20.00
Loughton	45.00	217.00		10.00	51.00
Lower Nazeing	29.00	31.00			30.50
Lower Sheering		14.00			14.00
Ongar	9.00	83.00			73.75
Roydon		15.50			15.50
Sheering		28.00			28.00
Stapleford Abbots	8.00	33.00		6.00	15.67
Theydon Bois	9.00	39.00			19.00
Thornwood		86.00			86.00
Waltham Abbey	36.67			8.00	29.50
<b>All</b>	<b>33.79</b>	<b>52.36</b>	<b>28.00</b>	<b>13.75</b>	<b>38.45</b>

Source: EFDC (November 2019)

<b>Table 9.5 Average Density of Allocations by Land Use</b>					
	Brownfield	Greenfield	Mixed	N/A	All
Buckhurst Hill	113.50	38.00			88.33
Chigwell	82.00	50.00	20.00	#DIV/0!	66.33
Chigwell Row	62.00				62.00
Coopersale	83.00				83.00
Epping	92.33				92.33
Fyfield		17.00			17.00
Harlow		32.00			32.00
High Ongar		31.00		#DIV/0!	31.00
Loughton	81.50	101.00		#DIV/0!	82.80
Lower Nazeing	35.00	35.00			35.00
Lower Sheering		23.00			23.00
Ongar		39.00			39.00
Roydon		23.75			23.75
Sheering		28.33			28.33
Stapleford Abbots	8.00	17.00		#DIV/0!	12.50
Theydon Bois	49.50	44.00			47.67
Thornwood		35.00			35.00
Waltham Abbey	80.67			#DIV/0!	80.67
<b>All</b>	<b>80.42</b>	<b>35.04</b>	<b>20.00</b>	<b>#DIV/0!</b>	<b>60.55</b>

Source: EFDC (November 2019)

- 9.9 We acknowledge that modelling cannot be totally representative, however the aim of this work is to test the viability of sites likely to come forward over the plan-period. This will enable Epping Forest District Council to assess whether the Plan is deliverable and the effect that the policies in the Core Strategy may have on development viability. The work is broad brush, so there are likely to be sites that will not be able to deliver the affordable housing target and developer contributions, indeed as set out at the start of this report, there are some sites that will be unviable even without any policy requirements from the Council (for example brownfield sites with high remediation costs), but there will also be sites that can afford more. The modelled sites are reflective of development sites in the study area that are likely to come forward during the Plan period.
- 9.10 The modelled sites are informed by the sites in Epping Forest District Council's Strategic Housing Land Viability Study (SHLAA) (2012).

- 9.11 A landowner<sup>127</sup> suggested that all the sites in the plan should be modelled separately. Such an approach would not be in line with the PPG, which suggests the use of typologies.

*Development assumptions*

- 9.12 In arriving at appropriate assumptions for residential development on each site, we have ensured that the built form used in our appraisals is appropriate to the current development practices. Most council areas in which we have carried out studies such as this one display a range of development situations and corresponding variety of densities. We have developed a typology which responds to that variety, which is used to inform development assumptions for sites (actual, or potential allocations). That typology enables us to form a view about floorspace density – the amount of development, measured in net floorspace per hectare, to be accommodated upon the site. This is a key variable because the amount of floorspace which can be accommodated on a site relates directly to the residual value, and is an amount which developers will normally seek to maximise (within the constraints set by the market).
- 9.13 The typology uses as a base or benchmark a typical post-PPG3/PPS3 built form which would provide development at around 3,550 m<sup>2</sup>/ha on a substantial site, or sensibly shaped smaller site. A representative housing density might be 30-55 dwellings per ha. This has become a common development format. It provides for a majority of houses but with perhaps 10% flats, in a mixture of two storey and two and a half to three storey form, with some rectangular emphasis to the layout.
- 9.14 There will be some schemes of appreciably higher density development providing largely or wholly apartments, in blocks of three storeys or higher, with development densities of 6,900 m<sup>2</sup>/ha and dwelling densities of 100 units/ha upwards; and schemes of lower density, in the rural edge situations.
- 9.15 When the SHLAA<sup>128</sup> was prepared a range of assumptions were made with regard to densities. These were as follows:
- a. 30 dwellings per hectare on rural sites
  - b. 30-50 dwellings per hectare on sites within the main settlements either in lower density areas or in more suburban locations
  - c. 50 to 100 dwellings per hectare on built-up urban and town centre sites (e.g. where flatted developments may be suitable)
- 9.16 As the allocations were refined the capacity of the sites was tailored to the specific sites. Some of the densities in the urban situation are somewhat more than those shown above.

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<sup>127</sup> Sanjeev Shah

<sup>128</sup> Paragraph 5.3, *EFDC Strategic Land Availability Assessment* (Nathaniel Lichfield & Partners, July 2017)

- 9.17 We have followed the following general mix of housing identified as being best suited to meet the need over the plan period, taken from the SHMA and set out in Chapter 8 above.
- 9.18 We have set out the main characteristics of the modelled sites in the tables below. Allowance is made for circulation space within flatted schemes. These have been updated as a result of the consultation process. Several comments were made with regard to land areas and the inclusion of an extra typology to represent the TLF carparks that are included in the new Plan

<b>Table 9.1 Summary of Typologies</b>				
1	Flats 100 HD	Units	100	Higher density flatted scheme. Assumes 80% net developable (0.91ha) in sustainable location. Limited parking and open space.
		Area	1.14	
		Units/ha	110.00	
2	Flats 100 PRS	Units	100	Higher density flatted scheme as <b>Build to Rent</b> . Assumes 80% net developable (0.91ha) in sustainable location. Limited parking and open space.
		Area	1.14	
		Units/ha	110.00	
3	Flats 40 HD	Units	40	Higher density flatted scheme . Assumes 80% net developable (0.4ha) in sustainable location. Limited parking and open space.
		Area	0.50	
		Units/ha	100.00	
4	Flats 40 PRS	Units	40	Higher density flatted scheme as <b>Build to Rent</b> . Assumes 80% net developable (0.4ha) in sustainable location. Limited parking and open space.
		Area	0.50	
		Units/ha	100.00	
5	Urban 60 HD	Units	60	Mix of houses and flats. Assumes 80% net developable (1.2ha).
		Area	1.50	
		Units/ha	50.00	
6	Urban 60	Units	60	Mainly houses. Assumes 75% net developable (1.71ha).
		Area	2.29	
		Units/ha	35.00	
7	Urban 30	Units	30	Mainly houses. Assumes 80% net developable (1.07ha).
		Area	1.07	
		Units/ha	35.00	
8	Urban 15 HD	Units	15	Mix of houses and flats. Assumes 100% net developable.
		Area	0.30	
		Units/ha	50.00	
9	Urban 15	Units	15	Mainly houses. Assumes 100% net developable.
		Area	0.43	
		Units/ha	35.00	
10	Large Greenfield 200	Units	200	Greenfield site with SHMA housing mix/ Assumes 80% net developable (5.71ha).
		Area	7.14	
		Units/ha	35.00	
11	Large Greenfield 100 HD	Units	100	Greenfield site with SHMA housing mix/ Assumes 85% net developable (2.22ha).
		Area	2.61	
		Units/ha	45.00	
12	Large Greenfield 100	Units	100	Greenfield site with SHMA housing mix/ Assumes 80% net developable (2.86ha).
		Area	3.57	
		Units/ha	35.00	
13	Greenfield 60	Units	60	Greenfield site with SHMA housing mix/ Assumes 85% net developable (1.71a).
		Area	2.02	
		Units/ha	35.00	
	Greenfield 60 LD	Units	60	

14	Area	3.20	Greenfield site with SHMA housing mix/ Assumes 75% net developable (2.4ha).
	Units/ha	25.00	
Greenfield 20 HD	Units	20	Greenfield. Assumes 100% net developable.
	Area	0.44	
15	Units/ha	45.00	
	Greenfield 20	Units	20
16	Area	0.71	
	Greenfield 20 LD	Units	20
Area		1.07	
17	Units/ha	25.00	
	Greenfield 15	Units	15
18	Area	0.43	
	East of Harlow (North)	Units/ha	35.00
Units		750	Strategic Site modelled as per the H&GGT Viability Assessment.
	Area	35.71	
19	Units/ha	35.00	
	Latton Priory	Units	1,050
Area		50.00	
20	Units/ha	35.00	
	Water Lane (Sumners)	Units	807
Area		36.04	
21	Units/ha	35.00	
	Water Lane (Katherines)	Units	1,331
Area		63.38	
22	Units/ha	35.00	
	South Epping MPA	Units	950
Area		43.55	
23	Units/ha	35.00	
	North Weald Bassett MPA	Units	1,050
Area		45.98	
24	Units/ha	35.00	
	Waltham Abbey North MPA	Units	740
Area		32.28	
25	Units/ha	35.00	

Source: HDH (November 2019)

9.19 It is important to note that some of the above typologies could have significant amounts of existing floor space. This can have a significant impact the level of affordable housing (through Vacant Building Credit). The rules in this regard are complex and depend of the extent of the existing use of the building. Very few developments will be eligible to pay no CIL and make no affordable housing contribution.

9.20 The modelling is further summarised below.

**Table 9.7 Summary of Typologies – Areas and Densities**

Source: HDH (November 2019)

- 9.21 The above density assumptions are consistent with Epping Forest District Council's wider evidence base assumptions.

### Older People's Housing

- 9.22 In the initial iteration of this report, a private Sheltered/retirement and an Extracare scheme were modelled, each on a 0.5ha site as follows.

- a. A private Sheltered/retirement scheme of 30 x 1 bed units of 50m<sup>2</sup> and 30 x 2 bed units of 75m<sup>2</sup> to give a net saleable area (GIA) of 3,750m<sup>2</sup>. We have assumed a further 20% non-saleable service and common areas to give a scheme GIA of 4,500m<sup>2</sup>.
- b. An Extracare scheme of 36 x 1 bed units of 65m<sup>2</sup> and 24 x 2 bed units of 80m<sup>2</sup> to give a net saleable area (GIA) of 4,260m<sup>2</sup>. We have assumed a further 30% non-saleable service and common areas to give a scheme GIA of 5,538m<sup>2</sup>.

- 9.23 This modelling was broadly based on *Briefing Note on Viability Prepared For Retirement Housing Group* (Three Dragons, May 2013, Updated February 2016)<sup>129</sup>. This suggests a typical site size of 0.5ha and typical schemes of Sheltered housing having between 50 to 60 units (100-120/ha) and typical schemes of Extracare housing having between 40 and 50 units (80-100/ha). A typical mix of 60:40 1 bed: 2 bed, to 40:60 1 bed: 2 bed apartments is suggested, as are the following development assumptions:

<b>Table 9.8 RHG Suggested Development Assumptions</b>			
	Sheltered	Extra Care	Net Saleable
1 Bed	50	65	20%-30%
2 Bed	75	80	35%-40%

Source: Briefing Note on Viability Prepared for Retirement Housing Group (Three Dragons, May 2013, Updated February 2016)

### Employment Uses

- 9.24 In line with the CIL Regulations, we have only assessed developments of over 100m<sup>2</sup>. There are other types of development (such as petrol filling stations and garden centres etc). We have not included these in this high-level study due to the great diversity of project that may arise.

- 9.25 For this study, we have assessed a number of development types. We have based our modelling on the following development types:

<sup>129</sup> <https://retirementhousinggroup.com/rhg-publications/>

- a. **Offices.** These are more than 250m<sup>2</sup>, will be of steel frame construction, be over several floors and will be located on larger business parks. Typical larger units in the EFDC area are around 2,000m<sup>2</sup> – we will use this as the basis of our modelling.

We have made assumptions about the site coverage and density of development on the sites. We have assumed 80% coverage on the office sites in the urban situation and 25% elsewhere. We have assumed two storey construction in the business park situation, and six-storey construction in the urban situation.

- b. **Large Industrial.** Modern industrial units of over 4,000m<sup>2</sup>. There is little new space being constructed. This is used as the basis of the modelling. We have assumed 40% coverage which is based on the single storey construction.
- c. **Small Industrial.** Modern industrial units of 400m<sup>2</sup>. We have assumed 40% coverage which is based on the single storey construction.

9.26 We have not looked at the plethora of other types of commercial and employment development beyond office and industrial/storage uses in this study.

## 10. Residential Appraisals

- 10.1 At the start of this chapter it is important to stress that the purpose of this assessment is to bring together Epping Forest District Council's existing viability evidence and so to be the benchmark for any further consideration of viability at the Development Management stage. The results of this study are one of a number of factors that EFDC will consider, including the need for infrastructure and the track record in delivering affordable housing and collecting payments under s106.
- 10.2 The appraisals use the residual valuation approach – they assess the value of a site after taking into account the costs of development, the likely income from sales and/or rents and a developers' return. The Residual Value represents the maximum bid for the site where the payment is made in a single tranche on the acquisition of a site. In order for the proposed development to be viable, it is necessary for this Residual Value to exceed the EUV by a satisfactory margin, being the Benchmark Land Value (BLV).
- 10.3 Several sets of appraisals have been run based on the assumptions provided in the previous chapters of this report, including the affordable housing requirement and developer contributions. Development appraisals are sensitive to changes in price, so appraisals have been run with various changes in the cost of construction and an increase and decrease in prices.
- 10.4 As set out above, for each development type the Residual Value is calculated. The results are set out and presented for each site and per gross hectare to allow comparison between sites. In the tables in this chapter, the results are colour coded using a traffic light system:
- a. **Green** **Viable** – where the Residual Value per hectare exceeds the BLV per hectare (being the EUV plus the appropriate uplift to provide a landowners' premium).
  - b. **Amber** **Marginal** – where the Residual Value per hectare exceeds the EUV but not the BLV per hectare. These sites should not be considered as viable when measured against the test set out – however, depending on the nature of the site and the owner, they may come forward.
  - c. **Red** **Non-viable** – where the Residual Value does not exceed the EUV.
- 10.5 It is important to note that a report of this type applies relatively simple assumptions that are broadly reflective of an area to make an assessment of viability. The fact that a site is shown as viable does not necessarily mean that it will come forward and vice versa. An important part of any final consideration of viability will be relating the results of this study to what is actually happening on the ground in terms of development.

- 3.33 Through the consultation several stakeholders<sup>130 131 132</sup> commented on the early results. These comments are not addressed. The early results presented through the consultation were heavily caveated and on the basis that they should be given little weight. The purpose of the consultation was to ensure that this update was well grounded and that the assumptions that feed into the analyses (costs, values etc) were tested and in the expected range.

#### **Base Appraisals – full policy requirements**

- 10.6 These appraisals are based on the full ‘policy on’ scenario, including full compliance with the affordable housing policies and the full provision of the strategic infrastructure and mitigation costs (as identified through the IDP process) set out in Chapter 7 above. The full appraisals are included in **Appendix 12**.

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<sup>130</sup> Olivier Spencer, Andrew Martin Planning for Miller Homes.

<sup>131</sup> Mike Newton, Boyer Planning for CEG and Hallam Land (Latton Priory).

<sup>132</sup> Clifford Mitchell

**Table 10.1a Residential Development, Typologies – Residual Values**

40% Affordable (82% Affordable Rent / 18% Intermediate)

s106, Typologies - £31,000/unit, Strategic Sites – as per IDP

							Area (ha)		Units	Residual Value (£)				
							Gross	Net		Gross ha	Net ha	Site		
Site 1	Flats 100 HD	##												
Site 2	Flats 100 PRS	##	Brown	Industrial		1.14	0.91	100		4,724,055	5,905,069	5,368,244		
Site 3	Flats 40 HD	##	Brown	Industrial		1.14	0.91	100		1,180,559	1,475,699	1,341,544		
Site 4	Flats 40 PRS	##	Brown	Industrial		0.50	0.40	40		4,337,364	5,421,705	2,168,682		
Site 5	Urban 60 HD	##	Brown	Industrial		0.50	0.40	40		1,057,945	1,322,432	528,973		
Site 6	Urban 60	##	Brown	Industrial		1.50	1.20	60		4,078,674	5,098,343	6,118,011		
Site 7	Urban 30	##	Brown	Industrial		2.29	1.71	60		2,644,663	3,526,217	6,044,944		
Site 8	Urban 15 HD	##	Brown	Industrial		1.07	0.86	30		2,887,295	3,609,118	3,093,530		
Site 9	Urban 15	##	Brown	Industrial		0.30	0.30	15		4,481,733	4,481,733	1,344,520		
Site 10	Large Greenfield 200	##	Green	Agricultural		0.43	0.43	15		4,347,441	4,347,441	1,863,189		
Site 11	Large Greenfield 100 HD	##	Green	Agricultural		7.14	5.71	200		2,557,531	3,196,914	18,268,082		
Site 12	Large Greenfield 100	##	Green	Agricultural		2.61	2.22	100		3,577,589	4,208,928	9,353,174		
Site 13	Greenfield 60	##	Green	Agricultural		3.57	2.86	100		2,667,722	3,334,653	9,527,580		
Site 14	Greenfield 60 LD	##	Green	Agricultural		2.02	1.71	60		2,802,226	3,296,736	5,651,548		
Site 15	Greenfield 20 HD	##	Green	Paddock		3.20	2.40	60		2,089,283	2,785,711	6,685,707		
Site 16	Greenfield 20	##	Green	Agricultural		0.44	0.44	20		4,031,169	4,031,169	1,791,631		
Site 17	Greenfield 20 LD	##	Green	Agricultural		0.71	0.57	20		2,876,764	3,595,955	2,054,832		
Site 18	Greenfield 15	##	Green	Paddock		1.07	0.80	20		2,098,684	2,798,245	2,238,596		
Site 19	East of Harlow (North)	##	Green	Paddock		0.43	0.43	15		4,320,475	4,320,475	1,851,632		
Site 20	Latton Priory	##	Green	Agricultural	Harlow	35.71	21.43	750		152,493	254,154	5,446,165		
Site 21	Water Lane (Summers)	##	Green	Agricultural	Harlow	50.00	30.00	1050		328,961	548,269	16,448,068		
Site 22	Water Lane (Katherines)	##	Green	Agricultural	Harlow	36.04	23.06	807		251,044	392,399	9,047,609		
Site 23	South Epping MPA	##	Green	Ag / glass	Harlow	63.38	38.03	1331		-9,364,663	-15,607,772	-593,541,267		
Site 24	North Weald Bassett MPA	##	Green	Agricultural	Epping	43.55	27.14	950		2,067,731	3,317,620	90,049,682		
Site 25	Waitham Abbey North MPA	##	Green	Agricultural	North Weald	45.98	30.00	1050		1,738,569	2,664,647	79,939,408		
			Green	Agricultural	Waitham Abbey	32.28	21.14	740		1,941,327	2,963,935	62,666,049		

Source: HDH (November 2019)

10.7 Results for price areas to be added following consultation.

- 10.8 The results..... vary across the modelled sites, although this is largely due to the different assumptions around the nature of each typology. The additional costs associated with brownfield sites result in lower values.
- 10.9 The Residual Value is not an indication of viability by itself, simply being the maximum price a developer may bid for a parcel of land, and still make an adequate return.
- 10.10 In the following tables the Residual Value is compared with the BLV. The Benchmark Land Value being an amount over and above the Existing Use Value that is sufficient to provide the willing landowner with a premium, and induce them to sell the land for development as set out in Chapter 6 above.

<b>Table 10.2a Residual Value v Benchmark Land Value - Typologies</b>					
<b>40% Affordable (70% Social Rent / 30% Intermediate), CIL, s106 £2,500/unit</b>					
			Existing Use Value	Benchmark Land Value	Residual Value
Site 1	Flats 100 HD	##	1,000,000	1,200,000	4,724,055
Site 2	Flats 100 PRS	##	1,000,000	1,200,000	1,180,559
Site 3	Flats 40 HD	##	1,000,000	1,200,000	4,337,364
Site 4	Flats 40 PRS	##	1,000,000	1,200,000	1,057,945
Site 5	Urban 60 HD	##	1,000,000	1,200,000	4,078,674
Site 6	Urban 60	##	1,000,000	1,200,000	2,644,663
Site 7	Urban 30	##	1,000,000	1,200,000	2,887,295
Site 8	Urban 15 HD	##	1,000,000	1,200,000	4,481,733
Site 9	Urban 15	##	1,000,000	1,200,000	4,347,441
Site 10	Large Greenfield 200	##	22,500	322,500	2,557,531
Site 11	Large Greenfield 100 HD	##	22,500	322,500	3,577,589
Site 12	Large Greenfield 100	##	22,500	322,500	2,667,722
Site 13	Greenfield 60	##	22,500	322,500	2,802,226
Site 14	Greenfield 60 LD	##	22,500	322,500	2,089,283
Site 15	Greenfield 20 HD	##	5,000	305,000	4,031,169
Site 16	Greenfield 20	##	22,500	322,500	2,876,764
Site 17	Greenfield 20 LD	##	22,500	322,500	2,098,684
Site 18	Greenfield 15	##	50,000	350,000	4,320,475
Site 19	East of Harlow (North)	Harlow	22,500	322,500	152,493
Site 20	Latton Priory	Harlow	22,500	322,500	328,961
Site 21	Water Lane (Sumners)	Harlow	22,500	322,500	251,044
Site 22	Water Lane (Katherines)	Harlow	315,530	585,553	-9,364,663
Site 23	South Epping MPA	Epping	22,500	322,500	2,067,731
Site 24	North Weald Bassett MPA	North Weald	22,500	322,500	1,738,569
Site 25	Waltham Abbey North MPA	Waltham Abbey	22,500	322,500	1,941,327

Source: HDH (November 2019)

10.11 On all of the sites.....

10.12 There is no doubt that the delivery of any large site is challenging. Regardless of these results, it is recommended that that Epping Forest District Council continues to engage with the owners in line with the advice set out in the Harman Guidance (page 23):

*Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage.*

*This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.*

10.13 In this context we particularly highlight paragraph 10-006 of the PPG:

*... It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan....*

*PPG 10-006-20180724*

10.14 To assist Epping Forest District Council, a range of other appraisals have been run.

10.15 A consultee<sup>133</sup> suggested that the above evidence supported a lower affordable housing target of 30% on the East Harlow Strategic site..... The purpose of this assessment is to bring the existing evidence together into a single updated document, rather than recommend changes to the Council's policies.

10.16 Scenario testing to be added following consultation.

### **Commuted Sums**

10.17 EFDC's preference is for affordable housing to be delivered on-site. This approach is in line with Paragraph 62 of the 2019 NPPF that says:

*Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:*

- a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
- b) the agreed approach contributes to the objective of creating mixed and balanced communities.*

*Paragraph 62, 2019 NPPF*

10.18 It is sensible for councils to set out guidance as to how a commuted sum would be calculated so as to provide transparency, and to avoid the undue delays that might arise during s106 negotiations if details of a payment had to be developed from first principles on each occasion. The analysis provides a basis on which it would be possible to formulate appropriate arrangements for calculating the commuted sum. Across the country different councils have taken different approaches, sometimes calculating contributions on a site by site basis, other times setting out a predetermined 'commuted sum'.

### *Review of plan policy formulae*

10.19 Some time ago we researched the nature of commuted sum formulations in then approved or emerging local planning policies. Whilst some relied on generalities, the vast majority which

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<sup>133</sup> Olivier Spencer, Andrew Martin Planning for Miller Homes.

had developed a specific formula, had used one which derived from the Housing Corporation's<sup>134</sup> Total Cost Indicator (TCI) system. This system was designed to provide cost discipline, so as to ensure that affordable housing was procured by Registered Social Landlords on terms which produced value for money for the public subsidy, Social Housing Grant (SHG), which had been the normal funding basis through which it was provided.

10.20 Given that this was its purpose, the TCI was useful in providing a basis for calculating commuted sums. It was designed to provide cost guidance specifically related to each local council area; contained such guidance for each of a large number of different dwelling size bands; and was updated through indexing and readjustment each year, so remained current.

10.21 Unfortunately, the Housing Corporation replaced the TCI system with an approach which does not provide these benefits. This reflected, to some extent, the move towards a more targeted use of SHG and a greater reliance on developer subsidy. However, from the viewpoint of commuted sum formulation, the change is, in some respects, to be regretted.

*Alternative approach*

10.22 We have adopted an approach to the calculation of the developer contribution, utilising the site viability analysis. It is based upon the contribution that the developer would have made if an on-site affordable contribution were delivered.

10.23 The calculation works as follows:

- a. Estimate the value of the site with 100% market housing.
- b. Estimate the Residual Value of the site with the target level (i.e. the 40%) of affordable housing.

10.24 The difference between (a) and (b) is the reduction in site value due to the affordable housing policy contribution. This is set out in the following table:

<b>Table 10.15 Affordable Housing Contribution: Calculations</b>

Source: HDH (November 2019)

10.25 Taking the appraisal for Site ##,.

10.26 The calculated contributions in the tables above vary, but the average is about £##/unit.

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<sup>134</sup> The Housing Corporation was the non-departmental public body that funded new affordable housing and regulated housing associations in England. It was abolished in 2008 with its responsibilities being split between the Homes and Communities Agency and the Tenant Services Authority. In January 2018 Homes and Communities Agency was replaced by Homes England and Regulator of Social Housing.

### *Suggested guidance*

- 10.27 Paragraph 62 of the 2018 NPPF is clear that off site provision or financial contribution in lieu 'can be robustly justified'. On this basis, the above calculations provide a sound basis for determining a commuted sum figure. There are two alternatives open to EFDC. The first is to work to a published 'standard commuted sum payment'. If EFDC were to take this option, we would recommend a £####/unit payment per affordable unit not delivered on-site.
- 10.28 EFDC is currently preparing a new Local Plan. This document will be long lived and is likely to be in place across several economic cycles. We would therefore recommend that EFDC prepares separate guidance setting out the amount of the payment, and to allow a simple review should viability change.
- 10.29 Alternatively, EFDC may prefer to calculate the commuted sum scheme by scheme as it does now. This has the advantage of being an up to date figure, but the disadvantage of a lack of clarity for developers. The methodology used is to assess the Open Market Value of the units that would be affordable units, and then deduct from that the amount that a housing association would pay for those units as affordable units – the difference being the commuted sum.

### **Self and Custom Build**

- 10.30 We have considered a 5% requirement on sites of 20 and larger. It is assumed that this policy would be implemented on a 'whole plot' basis, so sites over 20 units would be required to provide 1 plot, sites over 40 units would be required to provide 2 plots and so on.
- 10.31 If a developer is to sell a plot as a serviced self-build plot they would not receive the profit from building the unit, they would however receive the price for the plot. If they were to provide the plot as a custom-build plot (i.e. where the developer designs and builds to the buyer's design and specifications) they would receive a payment for the land, the costs of construction and the price paid would incorporate the developer's return. The impact on viability is therefore the balance between the profit foregone and the receipt for the serviced plot.

10.32 .....To be added following consultation.

### **Impact of Change in Values and Costs**

- 10.33 Whatever policies are adopted, the Plan should not be unduly sensitive to future changes in prices and costs. In this report, the analysis is based on the build costs produced by BCIS. As well as producing estimates of build costs, BCIS also produce various indices and forecasts to track and predict how build costs may change over time. The BCIS forecasts an increase in prices of 10.08% over the next 3 years<sup>135</sup>. We have tested a scenario with this increase in build costs.

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<sup>135</sup> See Table 1.1 (Page 7) of in *Quarterly Review of Building Prices*

- 10.34 As set out in Chapter 4, we are in a current period of uncertainty in the property market. It is not the purpose of this report to predict the future of the market. We have tested four price change scenarios, minus 10% and 5%, and plus 10% and 5%. In this analysis, we have assumed all other matters in the base appraisals remain unchanged. It is important to note that, in the following table, only the costs of construction and the value of the market housing are altered.

<b>Table 10.16 Impact of Price and Cost Change</b>

Source: HDH (November 2019)

- 10.35 .....To be added following consultation.
- 10.36 The analysis demonstrates that a relatively small increase in build costs will adversely impact on viability, although this is unlikely to be sufficient to impact on the deliverability of the Plan.

#### *Review*

- 10.37 The direction of the market, as set out in Chapter 4 above, is improving, and there is an improved sentiment that the economy and property markets are improving. There is however some level of uncertainty. Bearing in mind EFDC's wish to develop housing, and the requirements to fund infrastructure, it is recommended that EFDC keeps viability under review; should the economics of development change significantly it should consider undertaking a limited review of the Plan to adjust the affordable housing requirements or levels of developer contribution.
- 10.38 In this regard it is timely to highlight paragraph 10-009-20180724 of the PPG.

*How should viability be reviewed during the lifetime of a project?*

*Plans should set out circumstances where review mechanisms may be appropriate, as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development to ensure policy compliance and optimal public benefits through economic cycles.*

*Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be achieved over time. As the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project.*

*PPG 10-009-20180724*

- 10.39 The above results indicate .....

#### **Older People's Housing**

- 10.40 As well as mainstream housing, we have considered the sheltered and extracare sectors separately. Appraisals were run for a range of affordable housing requirements. The results

of these are summarised as follows. In each case allowance has been made for a s106 developer contribution of £25,000 (across the whole site). CIL is assumed to apply. The full appraisals are set out in **Appendix 13** below:

10.41 .....To be added following consultation.

10.42

10.43 Based on this analysis, greenfield sites and brownfield sites are able to bear ###% affordable housing, CIL and £25,000 of additional s106 contribution under the sheltered housing model.

10.44 The results are .....

10.45 When considering the above, it is important to note that paragraph 10-007-20180724 of the updated PPG specifically anticipates that the viability of specialist older people's housing will be considered at the development management stage. It is therefore not considered necessary to develop a specific policy for extracare housing.



# 11. Non-Residential Appraisals

11.1 To be added following consultation





## 12. Findings and Recommendations

12.1 To be added following consultation.



# Appendix 1 – Project Specification

## Tender Brief for Planning Viability Assessment Services

### Background

1. The Epping Forest District Council [Local Plan Submitted Version 2017](#) ('LPSV') was submitted for Independent Examination in September 2018 and hearing sessions were held between February 2019 and June 2019. The Local Plan Submission Version sets out the strategy for meeting the District's needs from 2011 up to 2033. The Local Plan sets out the approach and detailed policies including the future distribution of housing growth and requirements for affordable housing and the future distribution for new employment land. The Local plan provides for 11,400 additional homes and 10,800 jobs in the District, over the plan period 2011-2033. The Inspector appointed to examine the plan is due to provide initial advice shortly. Subject to this advice it is anticipated that the local plan will be adopted by the Council in late 2019/early 2020.
2. The principal outstanding stages of the examination now that the hearings have closed are as follows:
  - a) Preparation of a schedule of potential Main Modifications (MMs) required to make the Plan sound;
  - b) Sustainability Appraisal (SA) and Habitats Regulations Assessment (HRA) of the effects of the MMs if required;
  - c) Consultation upon the MMs and any associated SA and HRA; and
  - d) Inspector to finalise her report for the Council, having regard to the above and all other relevant matters.
3. The LPSV has identified site allocations which should be subject to the Strategic Masterplanning approach (see LPSV para 2.90 and 2.91) and Concept Frameworks (see LPSV paras 2.99 and 2.100) for sites in West Ongar and South Nazeing.
4. Strategic Masterplans and Concept Frameworks provide an overarching framework to ensure that development is brought forward in a coordinated and coherent way in accordance with high quality place making principles. The planning applications which follow must demonstrate general conformity with an endorsed Masterplan or Concept Framework. Such an approach is an important step towards boosting the timely delivery of high quality development and infrastructure within the District.
5. A [Strategic Masterplanning Briefing note](#) covers the Masterplan Areas identified within the Local Plan (including relevant sites within the Harlow and Gilston Garden Town) and will ensure that development proposals are brought forward in accordance with the Council's priorities and policies and facilitate the delivery of necessary infrastructure.
6. A [Concept Framework Briefing note](#) covers the concept frameworks. These are designed to be more 'light-touch' in comparison with Strategic Masterplans but should set out high-level development principles which will ensure that a comprehensive and cohesive approach is taken to the planning and delivery of development and infrastructure in the locality.
7. The places policies of the LPSV set out the vision and policies for settlements, town and small District centres that are suitable for development throughout the District. Appendix

6 of the LPSV sets out the site-specific requirements for each of the proposed allocation sites outside the masterplan areas.

8. In January 2017 the Government announced its support for Harlow and Gilston Garden Town which covers development sites in the Epping Forest, Harlow and East Hertfordshire Districts. This Garden Town status makes clear the aspiration to accelerate delivery of growth within the first five years of Epping Forest District plan period and the delivery of appropriate levels of infrastructure is integral to this aspiration.

### **Evidence based studies relevant to this brief**

9. Alongside the production of the Epping Forest District Local Plan, the Council has produced a number of evidence based reports which support the policy and infrastructure requirements for future development. These include the Epping Forest District Council [Infrastructure Delivery Plan](#) (Arup, 2017) and the Epping Forest District Council Assessment of the Viability of Affordable Housing, Community Infrastructure Levy and Local Plan ([Stage 1](#) and [Stage 2](#)) (Dixon Searle, 2015 and 2017). The 2017 viability study took into account relevant national policy and the draft policies in the LPSV; development cost and revenue assumptions and was used to provide an assessment of the viability of the Draft Local Plan policies.
10. Since the publication of the above documents, the Council has continued to undertake supplementary work to support the delivery and implementation of the sites proposed for allocation in the Local Plan Submission Version 2017. These relate both to Epping Forest District and the Harlow and Gilston Garden Town. In addition, the Government has published the [National Planning Policy Framework](#) 2019 and has provided up to date associated guidance through the [Planning Practice Guidance](#) in relation to the role and scope of viability assessment in both plan-making and decision-taking.
11. On 15 October 2018 the Council published an Infrastructure Delivery Plan [Topic Paper](#) for the District. The IDP Topic Paper provides a high-level framework for apportionment and pooling arrangements to be taken forward for key infrastructure. This paper provides more information on those external funding sources outlined in the IDP, including the work currently ongoing to progress/secure funding, and any risks of funding not being in place and contingency measures for this. It also considered the potential role of the Community Infrastructure Levy in the future, should the Council decide to pursue its introduction. The Council has not yet made a decision on whether to introduce CIL and will need to consider this in the light of the introduction of regulations in September 2019 which will lift the pooling restrictions on S106.
12. On 18 April 2019, the Council published the following supplementary documentation in relation to the Harlow and Gilston Garden Town:
  - Harlow and Gilston Garden Town [Guidance Note](#);
  - Harlow and Gilston Garden Town [Infrastructure Delivery Plan](#) and [Appendix A](#); and
  - Harlow and Gilston Garden Town [Strategic Viability Assessment](#) and [Appendices](#)
13. In Spring 2019, the Council also published supplementary up to date evidence in relation to infrastructure delivery requirements across the remainder of the District (outside of the Garden Town) in the form of the IDP Topic Paper [Addendum on Education and Highways](#). Further work is also ongoing to provide further detailed requirements for other forms of infrastructure, including the provision of sports facilities (currently out to consultation) and health facilities (to be drafted).
14. At the examination session on the 23 May 2019 (Matter 14, Infrastructure and Delivery) the Inspector suggested that a consolidated Infrastructure Delivery Plan be

prepared to bring together the evidence published by the Council and to undertake viability work to reflect the new NPPF and latest PPG, whilst taking into account, the latest infrastructure requirements.

15. As part of this work the Council is now seeking to appoint a suitably qualified consultant to update the 2017 Viability study similar to the work recently undertaken for the Garden Town (see paragraph 14 above). This would cover the housing and employment allocations in the LPSV for Epping Forest District (outside of the Garden Town) and include the further detailed infrastructure requirements established by the Council, since the publication of the Infrastructure Delivery Plan 2017 and that reflects the latest National Planning Policy Framework and National Planning Practice Guidance. The Council and Land Promoters have a responsibility, through the planning process, to manage the impact of the growth and ensure that any harm caused, that results from development, is mitigated and necessary infrastructure is provided. The Council therefore expects new development to contribute to site related and other infrastructure needs.
16. Once finalised, the Council will use this Viability Assessment as the starting point for development management purposes for development in Epping Forest District (outside of the Garden Town) in accordance with paragraph 57 of the National Planning Policy Framework 2019. With the addition of the latest available infrastructure and viability evidence in relation to the Harlow and Gilston Garden Town, the Council will use the Harlow and Gilston Garden Town Strategic Viability Assessment as the starting point for development management purposes for locations within the Garden Town and applications should be determined with significant weight in accordance with paragraph 57 of the National Planning Policy Framework 2019.
17. The up to date viability assessment will also provide a robust basis for future Local Plan review in accordance with paragraph 33 of the NPPF 2019 and allow further consideration of the scope to introduce CIL (although the Council has no current plans to do this at the time of this tender).

### **Viability and Decision-Making**

18. In accordance with the transitional arrangements set out within paragraph 214 of the NPPF (2019) the LPSV is subject to independent examination under the NPPF (2012). However, the Council is and will be determining planning applications with reference to the 'Decision-Making' guidance included with section 4 of the NPPF (2019).
19. In the future, planning applications will be determined with reference to the policies in the LPSV and paragraph 57 of the NPPF, which states:
 

*“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”*
20. The viability assessment will need to factor in further details that are being identified through the Strategic Masterplanning and planning applications. The

Strategic Masterplans and Concept Frameworks are firmly linked to the timely delivery of high quality development and infrastructure, a key requirement of central government policy and the Local Plan. Applicants, agents and developers are encouraged to seek pre-application advice prior to the formal submission of major development proposals within the district. The pre-application process offers the opportunity for the applicant and Council officers to discuss, without prejudice, the acceptability of the proposed scheme. This will enable informed and detailed discussions on the types of obligations to be entered, and further discussions can be undertaken relating to 'in kind' either on or off site, or if a financial contribution is needed.

21. The Council has produced guidance on the approach to seeking developer contributions. At the Cabinet meeting on 11 July 2019 the [Delivering infrastructure in the District: Developer Contributions Strategy](#) was adopted. The strategy has been put in place to ensure consistent delivery of infrastructure in the District and sets out the approach and the arrangements required to ensure the sustainability and long-term stewardship of the development. It provides a framework for the consideration of proposals to ensure that the appropriate infrastructure is realised in accordance with the policies in the Local Plan.
22. The Councils approach to viability for contributions in accordance with national policy is included at Appendix D of the Strategy. The need to deliver strategic infrastructure items across the District and Garden Town through coordinated contributions of land and/or infrastructure costs, mean that it is important to adopt a consistent and transparent approach to viability assessment. The Strategy confirms that where applicants seek to flex full compliance with policy requirements through reasons of viability they will be required to provide detailed information (in line with paragraphs 10-007 and 10-008 of the PPG) in order that the Council can assess the case. The applicant will also be required to commit to re-appraisal and agree a clear process and terms of engagement for how and when viability will be reassessed over the lifetime of the development. This largely mirrors the approach set out within the Garden Town guidance: The Harlow and Gilston Garden Town 'How To' Guide for Planning Obligations, Land Value Capture and Development Viability (ED33). <http://www.efdclocalplan.org/wp-content/uploads/2019/04/ED33-and-EB1416-Harlow-and-Gilston-Garden-Town-Guidance-Note-Weightmans-LLP-HDH-Planning-Development-Ltd-BPS-Chartered-Surveyors-and-East-Herts-April-2019.pdf>
23. For sites within the Harlow and Gilston Garden Town the Garden Town IDP and Viability Study provide up to date details of specific developer contributions required and associated viability for the Garden Town Communities across East Herts, Harlow and Epping Forest Districts. Both reports were prepared to comply with the updated National Planning Policy Framework (2019) and Planning Practice Guidance.
24. Section 2 of the Garden Town Viability Study sets out the policy context for the production of the Study. It confirms how the Study has been prepared to accord with the NPPF (2019) and PPG:
 

*“the assessment takes a proportionate approach, building on the Councils’ existing evidence, and considers all the local and national policies that will apply to new development” (paragraph 2.12).*

*“Consultation forms an important part of this assessment. A series of meetings were held with the site promoters in August and September 2018 and a further round of meetings was held in mid-February 2019” (paragraph 2.13).*

25. Ongoing engagement and consultation with the Epping Forest District Developer Forum and specific site promoters has been central to informing the production of both the Infrastructure Delivery Plan and Viability Study. It is important that consultation and engagement (in accordance with the PPG) is similarly carried out to inform this study and that site promoters are given every possible opportunity to engage with and inform the process. The PPG states:
- “It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan”*  
(Paragraph: 006 Reference ID: 10-006-20180724).
26. This work must give the Council the strongest possible starting point in terms of viability, and therefore whilst the viability assessment cannot and should not be at a detailed level, it needs to incorporate the latest assumptions and information available (at a point in time), recognising that things will continue to evolve.
27. The work will update the Viability Study Stage 2 published in November 2017 (which updated the Stage 1 Assessment of viability published in 2015) to reflect the new NPPF and latest PPG, whilst taking into account the latest details available in relation to infrastructure requirements.
28. The Viability Assessment must provide a robust starting point for decision-making in line with NPPF para 57 and best practice. In doing so, it should sit alongside the HGGT Strategic Viability Assessment (which the Council considers to be an up to date assessment and comprehensive study).
29. The Viability Assessment should be provided in a form to enable Council Officers to make adjustments at the decision-making stage without having to commission further work. For instance, if the level of developer contributions ends up being 10% higher than anticipated by the Viability Assessment, EFDC officers should be able to gauge the impact on affordable housing provision. The HGGT to a large extent already does this by incorporating sliding scales, ideally this further work should adopt a similar approach.
30. As part of the commission, consultants are asked to include as a separate item the production of guidance for Council officers in order for them to undertake assessments on proposals and planning applications and to provide training to enable them to do so.

### **Scope and objectives of the work**

31. The objectives for the work are set out below:
- i) To provide an up to date District wide viability assessment to determine the maximum level of developer contributions to be sought to ensure the required infrastructure is provided, allowing delivery of the sites to remain viable taking account of the latest IDP work undertaken by the District as set out above.
  - ii) The viability assessment must take into consideration the ability to provide policy compliant levels of affordable housing and other policy requirements as set out in the Local Plan. The assessment must also take into account the importance of land value capture for the benefit of the community.
  - iii) If the individual site is not viable, the consultant should make recommendations on how the site could be made viable, for example looking at the trigger payments of

infrastructure (including affordable housing), reviewing the housing mix along with other measures. If the site still remains unviable the consultant should review what percentage of affordable housing is achievable on the site (however the reduction in affordable housing should be a last resort).

- iv) Appraisals should be tailored for appropriate deferred contributions should a scheme's viability increase.
- v) Guidance on the application of the viability work and appropriate training for members and officers on the guidance.
- vi) Ensuring an appropriate engagement strategy in accordance with national guidance., to support the production of the viability assessment.

## Outputs

32. The outputs required are:

- i) A viability appraisal for all proposed allocations in the LPSV (outside the Garden Town) for residential and employment sites, taking into consideration Local Plan policies and affordable housing needs. Viability appraisals must be robust and stand up to scrutiny from third party consultants. The Council will use the documents as part of the negotiation of S106 agreements and viability discussions held with individual developers/applicants.
- ii) The individual appraisals should make recommendations on the level of contributions the site can make towards infrastructure items. It must take into consideration Policies P 1- P 15 set out in the LPSV 2017, Epping Forest District IDP and associated Topic Papers and addendum, the on-site infrastructure items required to bring the sites forward as identified in Appendix 6 of the LPSV and the wider strategic infrastructure priorities set out for the Local Plan.
- iii) The individual appraisals must make recommendations on the level of affordable housing provision and housing mix the site can provide
- iv) Recommendations on how land value capture mechanisms and uplift in land value impact on the site's ability to provide infrastructure and affordable housing.
- v) Recommendations on how to treat windfall sites to seek developer contributions in accordance with policies in the plan.
- vi) Production of guidance for use by the Council in the application of the viability assessment and appropriate training for officers. The Bidder is asked to separately cost for the provision of training on the work undertaken and its application for members and officers.

33. All documents and outputs must provide the Council with clear conclusions and recommendations to enable the authorities to engage meaningfully with developers during the negotiation phases.

## Approach to commission and engagement/consultation

34. This commission will involve the appointed consultancy working collaboratively alongside the lead officers and officers of the Council which will form a Steering Group for the project. Bidders will be required to demonstrate experience of effective facilitation, brokerage and collaborative working and will also need to be able to interpret, analyse, assess and present complex information in a clear and concise manner and

which is fit for purpose. Engagement with the community and with the site promoters of the key strategic sites will also be required at all stages of the project.

Bidder must also:

35. Declare that there is no conflict of interest with any of its current or likely future clients that could impair its ability to provide the services provided;
36. Confirm their attendance at an inception meeting (programmed for 17 September 2019 PM) up to four engagement events that include:
  - Developers/site promoters
  - The County Council;
  - Other consultants working on behalf of the Council, as appropriate

In addition bidders should also allow for appropriate steering group meetings to discuss draft outputs.

37. Bidders will be required to demonstrate:
  - Experience of effective facilitation and collaborative working
  - Excellent negotiation skills
  - Excellent knowledge and understanding of current legislation and emerging best practise in relation to infrastructure, delivery, developer contributions and viability
  - Excellent knowledge and understanding of development viability testing and in preparing viability reports and statements for local authorities/public sector – with 80-100% of the company's work to be for the public sector.
  - Detailed experience of working with a range of development appraisal models and a sound and up to date understanding of development finance
  - An ability to obtain, analyse, interpret and disseminate complex information
  - An understanding of complex large scale residential led growth projects and the various positions/drivers of stakeholders involved



## Appendix 2 – Consultees



## Appendix 3 – Consultation Presentation

*The pages in this appendix are not numbered.*

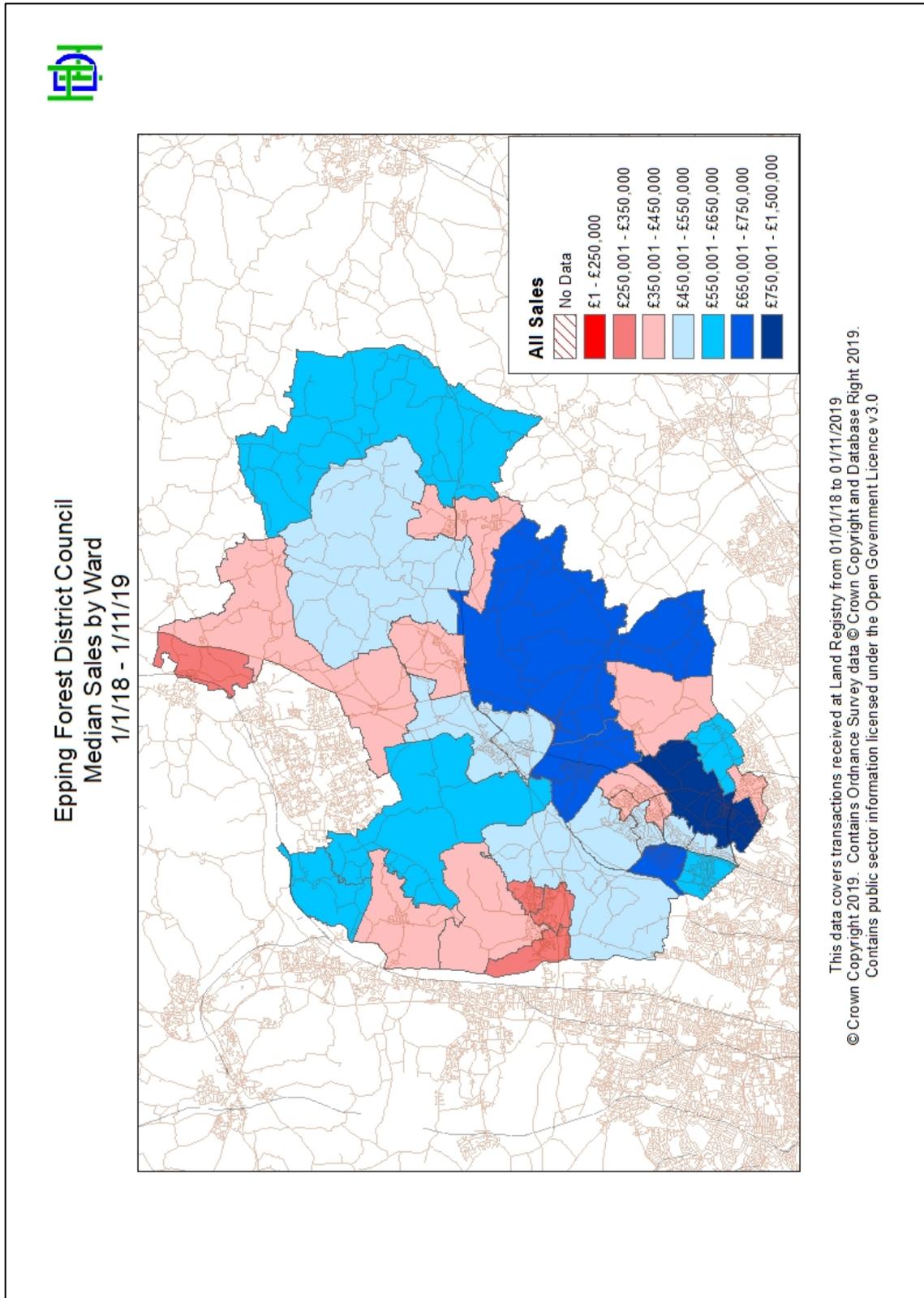


## Appendix 4 – Consultation Notes

To be added following consultation.

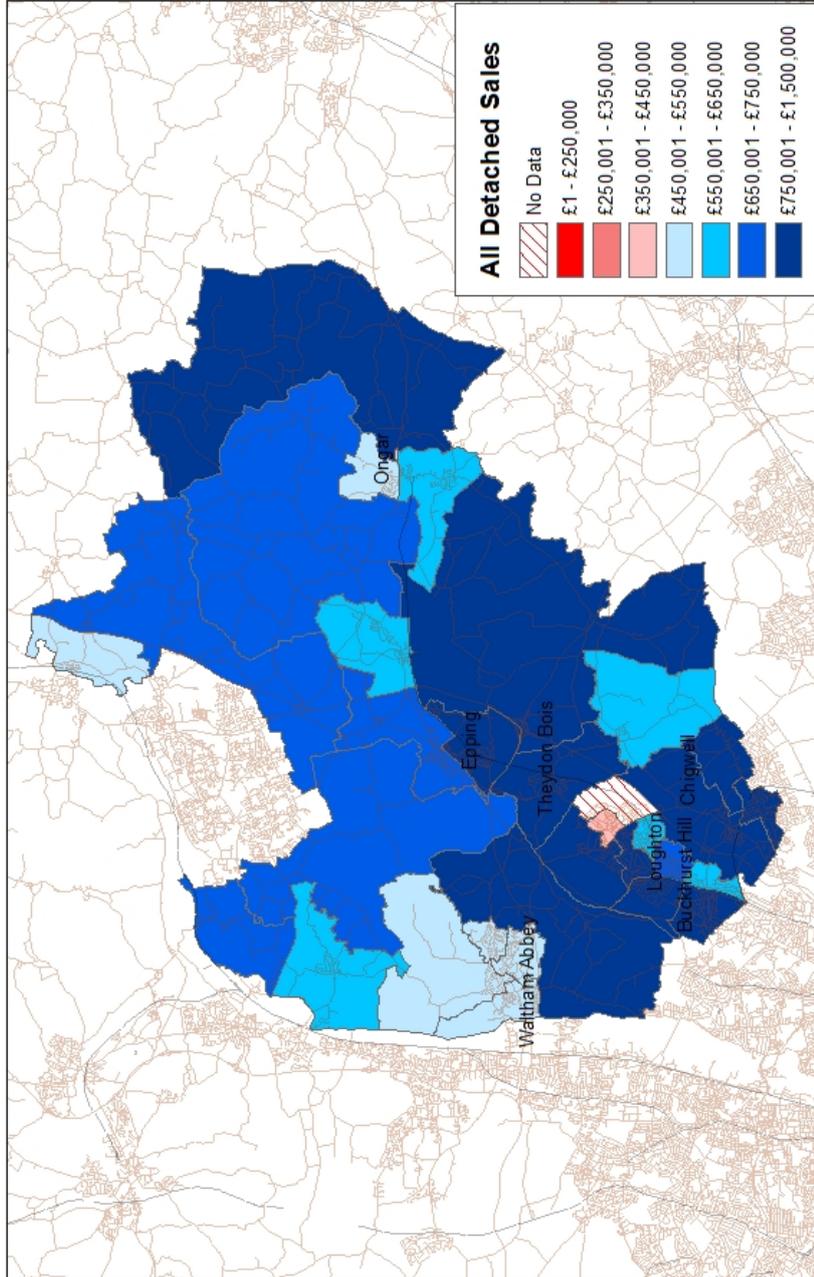


# Appendix 5 – Price Maps





Epping Forest District Council  
Median All Detached Sales by Ward  
1/1/18 - 1/11/19



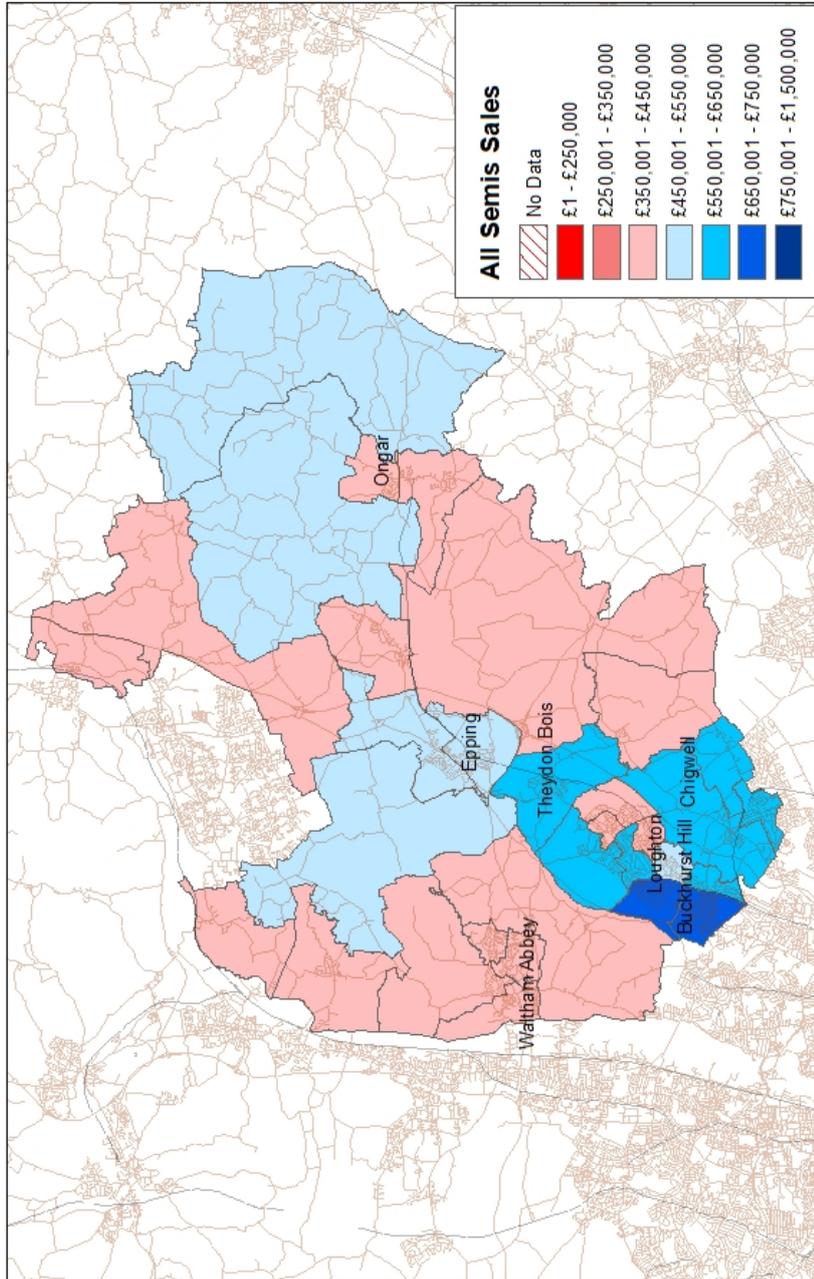
This data covers transactions received at Land Registry from 01/01/18 to 01/11/2019  
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Epping Forest District Council  
 Median All Semis Sales by Ward  
 1/1/18 - 1/11/19

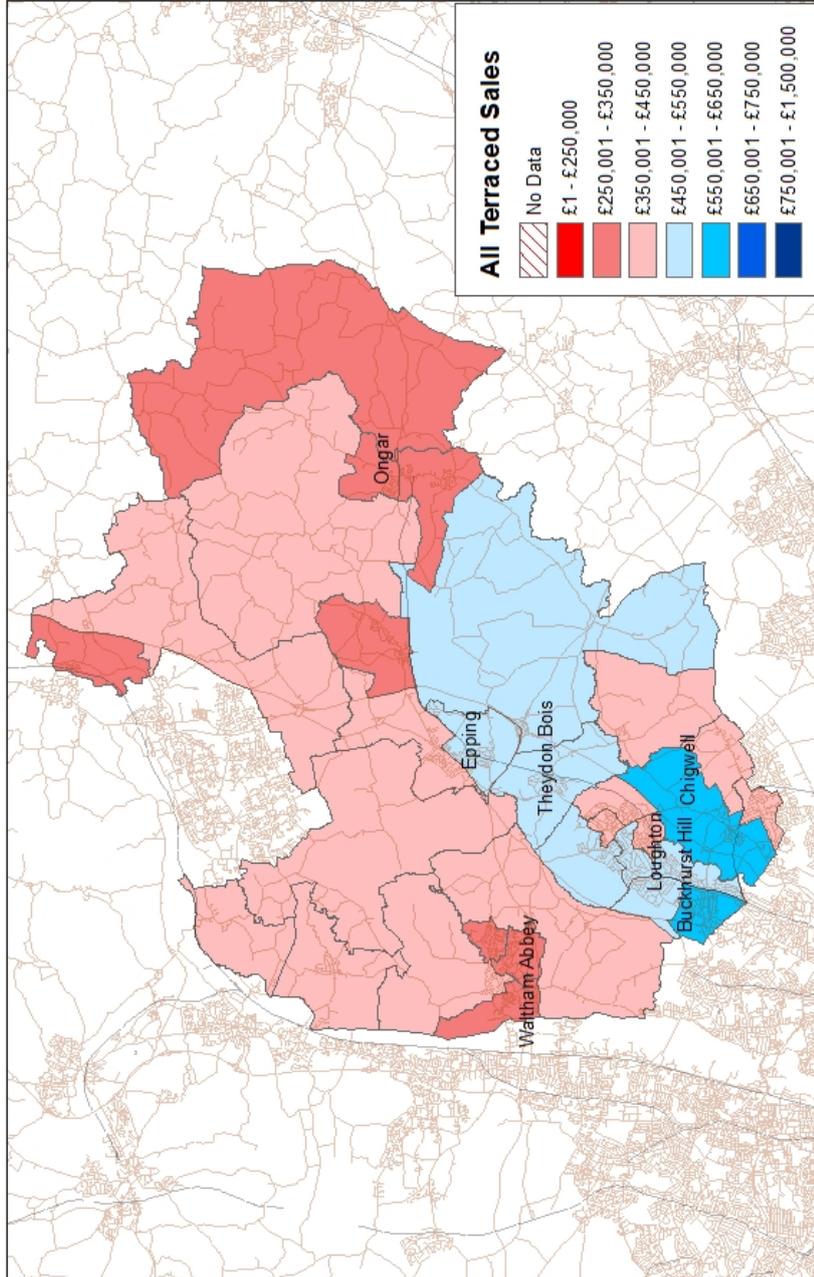


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Epping Forest District Council  
Median All Terraced Sales by Ward  
1/1/18 - 1/11/19

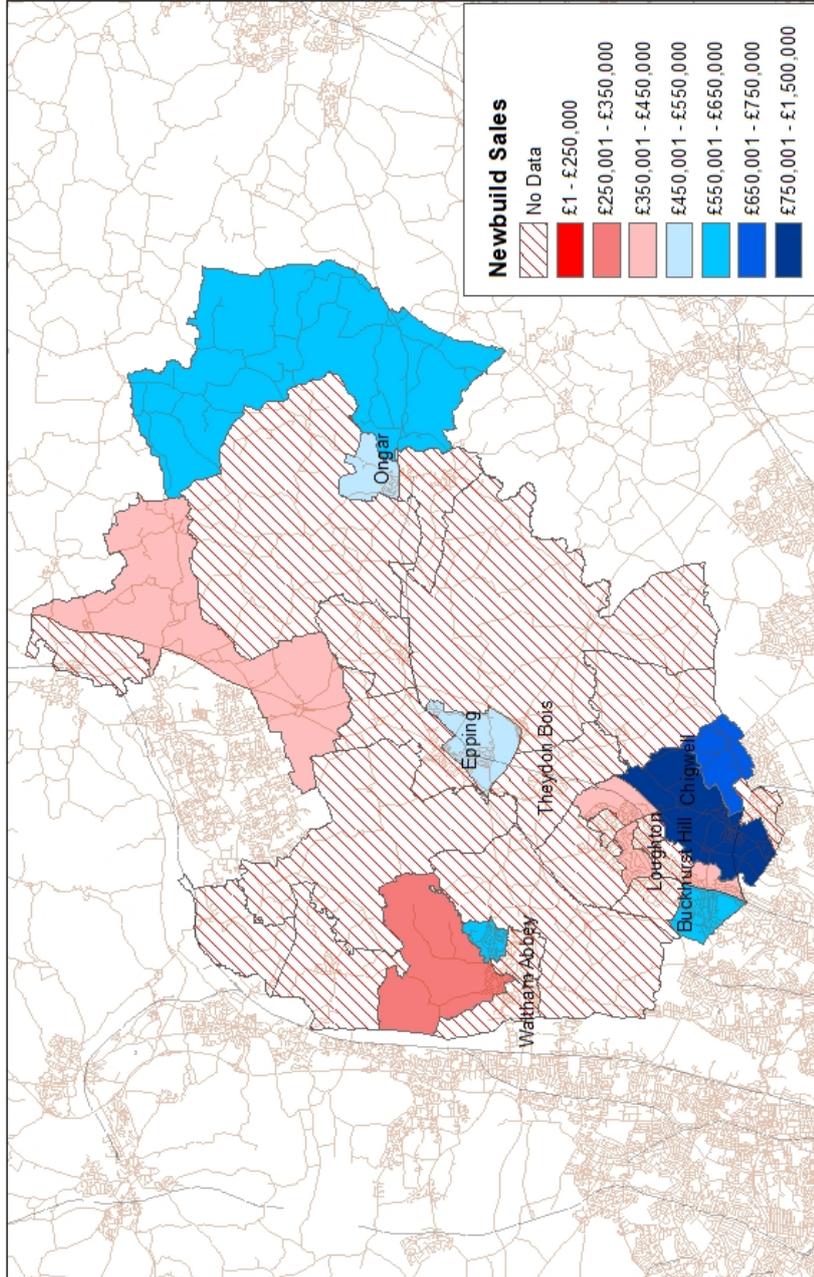


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Epping Forest District Council  
 Median Newbuild Sales by Ward  
 1/1/18 - 1/11/19

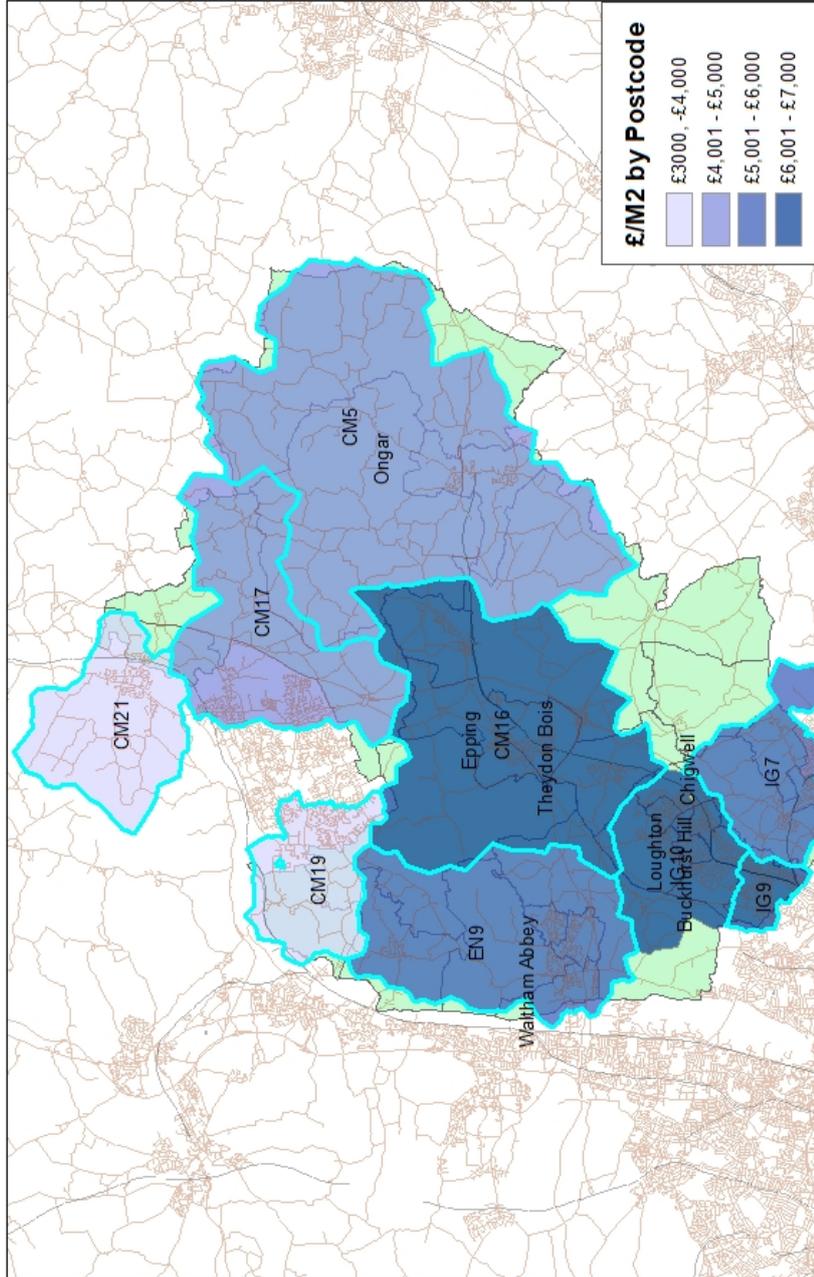


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Epping Forest District Council  
£/M2 by Postcode Area  
1/1/18 - 1/11/19



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## Appendix 6 – Land Registry PPD and EPC Data

Date	Price Paid	Type	saon	paon	street	locality	town	postcode	m2	£/m2
17/10/2018	£460,000	F		1	THE OLD COURT HOUSE	STAR LANE	EPPING	CM16 4FA	77	£5,974
14/02/2018	£475,000	F		2	THE OLD COURT HOUSE	STAR LANE	EPPING	CM16 4FA	81	£5,864
13/07/2018	£528,000	F		4	THE OLD COURT HOUSE	STAR LANE	EPPING	CM16 4FA	94	£5,617
25/07/2018	£555,000	F		5	THE OLD COURT HOUSE	STAR LANE	EPPING	CM16 4FA	83	£6,687
01/08/2018	£500,000	F		6	THE OLD COURT HOUSE	STAR LANE	EPPING	CM16 4FA	79	£6,329
22/02/2018	£695,000	F		8	THE OLD COURT HOUSE	STAR LANE	EPPING	CM16 4FA	101	£6,881
21/12/2017	£395,000	F	APARTMENT 13	LINDEN HOUSE, 54	CENTRE DRIVE		EPPING	CM16 4JE	69	£5,725
07/06/2018	£405,000	F	APARTMENT 14	LINDEN HOUSE, 54	CENTRE DRIVE		EPPING	CM16 4JE	69	£5,870
10/11/2017	£405,000	T		1	HAZELWOOD PARK	HASTINGWOOD ROAD	HASTINGWOOD	CM17 9SS	93	£4,355
14/11/2017	£422,500	T		12	HAZELWOOD PARK	HASTINGWOOD ROAD	HASTINGWOOD	CM17 9SS	96	£4,401
31/10/2017	£430,000	T		14	HAZELWOOD PARK	HASTINGWOOD ROAD	HASTINGWOOD	CM17 9SS	94	£4,574
06/11/2017	£390,000	T			2	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	93	£4,194
03/11/2017	£390,000	T			3	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	93	£4,194
15/03/2018	£415,000	T			4	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	96	£4,323
09/03/2018	£430,000	T			5	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	94	£4,574
21/09/2018	£386,000	T			6	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	91	£4,242
21/06/2018	£400,000	T			7	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	93	£4,301
13/07/2018	£409,000	T			8	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	96	£4,260
29/03/2019	£385,000	T			9	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	93	£4,140
24/08/2018	£420,000	T			10	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	93	£4,516
19/06/2018	£452,500	T			11	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	87	£5,201
21/02/2018	£410,000	T			13	HAZELWOOD PARK	HASTINGWOOD	CM17 9SS	93	£4,409
31/03/2017	£900,000	D			2	LANGLAND PLACE	ROYDON	CM19 5FS	207	£4,348
28/04/2017	£1,090,000	D			3	LANGLAND PLACE	ROYDON	CM19 5FS	371	£2,938
04/09/2017	£930,000	D			4	LANGLAND PLACE	ROYDON	CM19 5FS	207	£4,493
29/06/2017	£1,150,000	D			5	LANGLAND PLACE	ROYDON	CM19 5FS	371	£3,100
30/11/2017	£835,000	D			6	LANGLAND PLACE	ROYDON	CM19 5FS	197	£4,239
30/06/2017	£930,000	D			7	LANGLAND PLACE	ROYDON	CM19 5FS	197	£4,721
21/06/2017	£995,000	D			19	LANGLAND PLACE	ROYDON	CM19 5FS	207	£4,807
24/08/2017	£1,206,000	D			20	LANGLAND PLACE	ROYDON	CM19 5FS	371	£3,251
15/12/2017	£1,099,995	D			21	LANGLAND PLACE	ROYDON	CM19 5FS	371	£2,965
31/05/2017	£895,000	D			22	LANGLAND PLACE	ROYDON	CM19 5FS	197	£4,543
21/12/2017	£891,000	D			23	LANGLAND PLACE	ROYDON	CM19 5FS	207	£4,304
17/08/2017	£415,000	S		1	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	103	£4,029
22/09/2017	£265,000	F		10	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	76	£3,487

13/11/2017	£315,000	F	11	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	111	£2,838	
08/09/2017	£327,000	F	12	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	111	£2,946	
04/09/2017	£300,000	F	14	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	103	£2,913	
17/08/2017	£420,000	S	2	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	119	£3,529	
21/08/2017	£295,000	F	3	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	98	£3,010	
21/08/2017	£295,000	F	4	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	89	£3,315	
21/08/2017	£290,000	F	5	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	98	£2,959	
21/08/2017	£295,000	S	6	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	91	£3,242	
07/09/2017	£275,000	F	7	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	76	£3,618	
04/09/2017	£250,000	F	8	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	76	£3,289	
04/09/2017	£275,000	F	9	ROSINA COURT	HATFIELD HEATH ROAD	SAWBRIDGEWORTH	CM21 9LD	76	£3,618	
16/11/2017	£689,200	S			1 CORN BARN CLOSE	BEAUCHAMP RODING	ONGAR	CM5 OFP	168	£4,102
29/03/2018	£650,000	S			2 CORN BARN CLOSE	BEAUCHAMP RODING	ONGAR	CM5 OFP	168	£3,869
04/05/2018	£642,000	S			3 CORN BARN CLOSE	BEAUCHAMP RODING	ONGAR	CM5 OFP	168	£3,821
14/09/2018	£652,500	S			4 CORN BARN CLOSE	BEAUCHAMP RODING	ONGAR	CM5 OFP	168	£3,884
26/01/2018	£670,000	S			5 CORN BARN CLOSE	BEAUCHAMP RODING	ONGAR	CM5 OFP	168	£3,988
12/01/2018	£640,000	S			6 CORN BARN CLOSE	BEAUCHAMP RODING	ONGAR	CM5 OFP	168	£3,810
17/05/2019	£600,000	D			10 ELSTAR ROAD		ONGAR	CM5 OFQ	124	£4,839
21/12/2018	£395,000	S			12 ELSTAR ROAD		ONGAR	CM5 OFQ	79	£5,000
21/12/2018	£425,000	S			14 ELSTAR ROAD		ONGAR	CM5 OFQ	79	£5,380
21/12/2018	£510,000	D			16 ELSTAR ROAD		ONGAR	CM5 OFQ	91	£5,604
28/06/2019	£503,000	D			1 ELSTAR ROAD		ONGAR	CM5 OFR	91	£5,527
29/03/2019	£600,000	D			4 ELSTAR ROAD		ONGAR	CM5 OFR		#DIV/0!
28/06/2019	£529,995	D			5 ELSTAR ROAD		ONGAR	CM5 OFR	91	£5,824
28/06/2019	£590,000	D			9 ELSTAR ROAD		ONGAR	CM5 OFR	111	£5,315
27/06/2019	£534,995	D			19 ELSTAR ROAD		ONGAR	CM5 OFR	91	£5,879
31/05/2019	£590,000	D			1 PIPPIN ROAD		ONGAR	CM5 OFS	111	£5,315
21/12/2018	£600,000	D			2 PIPPIN ROAD		ONGAR	CM5 OFS	111	£5,405
28/02/2019	£399,995	S			3 PIPPIN ROAD		ONGAR	CM5 OFS	79	£5,063
21/12/2018	£440,995	S			4 PIPPIN ROAD		ONGAR	CM5 OFS	79	£5,582
11/01/2019	£460,000	D			5 PIPPIN ROAD		ONGAR	CM5 OFS	91	£5,055
19/12/2018	£520,000	D			6 PIPPIN ROAD		ONGAR	CM5 OFS	91	£5,714
10/12/2018	£430,000	S			7 PIPPIN ROAD		ONGAR	CM5 OFS	79	£5,443
12/12/2018	£430,000	S			8 PIPPIN ROAD		ONGAR	CM5 OFS	79	£5,443
30/11/2018	£524,950	D			9 PIPPIN ROAD		ONGAR	CM5 OFS	91	£5,769
20/12/2018	£600,000	D			10 PIPPIN ROAD		ONGAR	CM5 OFS	111	£5,405
12/04/2019	£590,000	D			11 PIPPIN ROAD		ONGAR	CM5 OFS	111	£5,315
28/06/2019	£815,000	D			13 PIPPIN ROAD		ONGAR	CM5 OFS	222	£3,671
21/12/2018	£477,900	D			14 PIPPIN ROAD		ONGAR	CM5 OFS	111	£4,305
21/12/2018	£403,983	D			15 PIPPIN ROAD		ONGAR	CM5 OFS	91	£4,439

10/04/2019	£500,000	D		27	PIPPIN ROAD	ONGAR	CM5 OFS	91	£5,495
21/12/2018	£380,600	S		28	PIPPIN ROAD	ONGAR	CM5 OFS	79	£4,818
20/12/2018	£430,000	S		29	PIPPIN ROAD	ONGAR	CM5 OFS	79	£5,443
06/06/2019	£589,995	D		33	PIPPIN ROAD	ONGAR	CM5 OFS	111	£5,315
30/06/2017	£303,950	F	1	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	49	£6,203
28/09/2018	£353,450	F	14	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	85	£4,158
03/02/2017	£292,950	F	2	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	45	£6,510
29/03/2017	£279,450	F	23	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	62	£4,507
15/06/2018	£257,950	F	24	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	54	£4,777
25/08/2017	£306,950	F	26	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	53	£5,792
26/05/2017	£282,950	F	6	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	51	£5,548
02/06/2017	£289,950	F	8	KING HAROLD LODGE	BROOMSTICK HALL ROAD	WALTHAM ABBEY	EN9 1LN	48	£6,041
15/12/2017	£620,000	D		2	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	123	£5,041
20/10/2017	£545,000	S		4	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	106	£5,142
29/09/2017	£510,000	S		6	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	107	£4,766
29/09/2017	£504,250	S		8	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	106	£4,757
06/10/2017	£520,000	S		10	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	107	£4,860
27/10/2017	£580,000	D		12	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	122	£4,754
02/11/2017	£460,000	S		14	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	94	£4,894
06/11/2017	£450,000	S		16	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	91	£4,945
08/12/2017	£450,000	S		18	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	93	£4,839
15/12/2017	£565,000	D		19	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	91	£6,209
29/11/2017	£473,000	S		20	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	91	£5,198
27/10/2017	£545,000	D		21	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	92	£5,924
29/11/2017	£599,995	D		23	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	121	£4,959
15/12/2017	£599,995	D		25	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	121	£4,959
30/01/2018	£619,000	D		27	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	122	£5,074
24/11/2017	£595,000	D		29	NURSERY RISE	WALTHAM ABBEY	EN9 3FB	92	£6,467
26/10/2018	£340,000	F	1	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	58	£5,862
30/10/2018	£425,000	F	10	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	66	£6,439
18/02/2019	£408,000	F	11	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£6,000
30/10/2018	£450,000	F	12	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£6,618
25/01/2019	£416,500	F	13	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	60	£6,942
30/04/2019	£415,000	F	15	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	70	£5,929
26/10/2018	£430,000	F	16	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	69	£6,232
30/10/2018	£432,000	F	17	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£6,353
29/10/2018	£445,000	F	18	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£6,544
31/10/2018	£499,000	F	19	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	76	£6,566
30/10/2018	£501,500	F	20	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	88	£5,699
31/01/2019	£431,600	F	21	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£6,347

30/10/2018	£485,000	F	22	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£7,132
30/10/2018	£485,000	F	23	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	75	£6,467
31/10/2018	£420,000	F	3	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	69	£6,087
29/03/2019	£395,000	F	4	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£5,809
29/10/2018	£440,000	F	5	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	68	£6,471
24/05/2019	£400,000	F	6	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	60	£6,667
31/10/2018	£406,000	F	7	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	63	£6,444
31/10/2018	£445,000	F	9	LUNA COURT	NEWMANS LANE	LOUGHTON	IG10 1ES	70	£6,357
10/03/2017	£300,000	F	2	COBALT PLACE, 121	CHURCH HILL	LOUGHTON	IG10 1QR	49	£6,122
29/03/2018	£385,000	F	1	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,000
18/12/2017	£432,500	F	10	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	80	£5,406
09/08/2017	£392,500	F	11	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	64	£6,133
21/07/2017	£375,000	F	12	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	61	£6,148
24/11/2017	£393,000	F	13	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	65	£6,046
30/01/2018	£370,000	F	14	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	60	£6,167
06/04/2018	£395,000	F	15	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,182
23/02/2018	£397,500	F	16	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,227
24/08/2017	£305,000	F	17	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	34	£8,971
29/03/2018	£375,000	F	18	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	57	£6,579
26/01/2018	£400,000	F	19	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	68	£5,882
30/11/2017	£370,000	F	2	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£6,727
10/01/2018	£430,000	F	20	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£6,056
15/12/2017	£425,000	F	21	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£5,986
28/07/2017	£432,500	F	22	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£6,092
27/07/2017	£442,500	F	23	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	78	£5,673
21/07/2017	£457,500	F	24	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	80	£5,719
27/07/2017	£400,000	F	25	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	64	£6,250
01/12/2017	£395,000	F	26	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	61	£6,475
25/08/2017	£390,000	F	27	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	65	£6,000
21/07/2017	£380,000	F	28	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	60	£6,333
28/07/2017	£407,500	F	29	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,409
18/09/2017	£305,000	F	3	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	34	£8,971
15/11/2017	£405,000	F	30	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,364
28/07/2017	£407,500	F	31	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	62	£6,573
28/07/2017	£437,500	F	32	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£6,162
28/07/2017	£437,500	F	33	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£6,162
28/07/2017	£437,500	F	34	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£6,162
21/07/2017	£462,500	F	35	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	78	£5,929
21/07/2017	£417,500	F	36	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	80	£5,219
30/11/2017	£400,000	F	37	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	64	£6,250

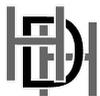
21/07/2017	£385,000	F	38	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	61	£6,311
21/07/2017	£385,000	F	39	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	65	£5,923
21/07/2017	£410,000	F	40	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	60	£6,833
16/02/2018	£396,000	F	41	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,200
06/04/2018	£397,500	F	42	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,227
28/07/2017	£442,500	F	43	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	70	£6,321
28/07/2017	£442,500	F	44	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	69	£6,413
21/07/2017	£452,500	F	45	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	76	£5,954
14/07/2017	£440,000	F	46	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	78	£5,641
21/07/2017	£427,500	F	47	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	62	£6,895
31/07/2017	£405,000	F	48	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	61	£6,639
01/11/2017	£420,000	F	49	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	65	£6,462
29/03/2018	£397,500	F	5	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	68	£5,846
14/07/2017	£385,000	F	50	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	60	£6,417
02/03/2018	£397,500	F	51	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,227
04/12/2017	£392,500	F	52	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,136
21/07/2017	£437,500	F	53	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	61	£7,172
19/02/2018	£410,000	F	54	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	61	£6,721
05/10/2017	£415,000	F	55	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	65	£6,385
21/07/2017	£472,500	F	56	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	88	£5,369
21/07/2017	£350,000	F	57	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	43	£8,140
14/07/2017	£422,500	F	58	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	64	£6,602
06/12/2017	£415,000	F	59	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,545
08/11/2017	£380,000	F	6	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£5,352
21/07/2017	£422,500	F	60	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	55	£7,682
12/10/2017	£424,500	F	61	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	68	£6,243
29/03/2018	£410,000	F	62	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	52	£7,885
21/07/2017	£452,500	F	63	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	70	£6,464
14/07/2017	£468,000	F	64	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	70	£6,686
17/11/2017	£400,000	F	7	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£5,634
25/09/2017	£410,000	F	8	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	71	£5,775
06/09/2017	£442,500	F	9	LANDMARK HOUSE, 1	THE BROADWAY	LOUGHTON	IG10 2FA	78	£5,673
31/08/2017	£320,490	F	1	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	59	£5,432
31/08/2017	£305,059	F	10	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	55	£5,547
31/08/2017	£594,950	F	11	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	83	£7,168
31/08/2017	£385,644	F	12	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	79	£4,882
31/08/2017	£589,950	F	13	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	81	£7,283
31/08/2017	£411,397	F	14	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	79	£5,208
31/08/2017	£403,052	F	15	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	83	£4,856
31/08/2017	£306,773	F	16	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	55	£5,578

31/08/2017	£306,773	F	17	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	55	£5,578
31/08/2017	£389,296	F	18	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	81	£4,806
31/08/2017	£372,956	F	19	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	73	£5,109
31/08/2017	£464,950	F	2	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	56	£8,303
31/08/2017	£411,363	F	20	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	86	£4,783
31/08/2017	£407,934	F	21	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	81	£5,036
13/08/2017	£583,950	F	22	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	78	£7,487
31/08/2017	£306,019	F	23	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	58	£5,276
31/08/2017	£268,927	F	24	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	53	£5,074
31/08/2017	£289,627	F	25	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	53	£5,465
31/08/2017	£407,934	F	26	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	88	£4,636
31/08/2017	£308,488	F	27	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	56	£5,509
31/08/2017	£392,735	F	28	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	75	£5,236
31/08/2017	£403,052	F	29	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	79	£5,102
31/08/2017	£469,950	F	3	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	57	£8,245
31/08/2017	£411,363	F	30	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	83	£4,956
31/08/2017	£305,059	F	31	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	81	£3,766
31/08/2017	£305,059	F	32	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	55	£5,547
31/08/2017	£403,476	F	33	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS		#DIV/0!
31/08/2017	£368,661	F	34	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	75	£4,915
31/08/2017	£409,648	F	35	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	83	£4,936
31/08/2017	£329,131	F	36	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	80	£4,114
31/08/2017	£406,219	F	37	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	75	£5,416
31/08/2017	£389,382	F	38	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	81	£4,807
31/08/2017	£312,568	F	4	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	58	£5,389
31/08/2017	£394,107	F	5	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	81	£4,866
31/08/2017	£411,363	F	6	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	86	£4,783
31/08/2017	£368,661	F	7	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	73	£5,050
31/08/2017	£392,735	T	8	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	81	£4,849
31/08/2017	£305,059	F	9	POETS PLACE, 11	ALDERTON HILL	LOUGHTON	IG10 3FS	55	£5,547
10/07/2018	£795,000	F	1	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	103	£7,718
31/07/2018	£1,450,000	F	10	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	192	£7,552
28/06/2018	£1,550,000	F	12	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	202	£7,673
20/06/2018	£910,000	F	2	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	122	£7,459
19/06/2018	£925,000	F	3	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	123	£7,520
22/06/2018	£775,000	F	4	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	117	£6,624
19/07/2018	£790,000	F	5	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	103	£7,670
27/06/2018	£875,000	F	6	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	122	£7,172
27/06/2018	£875,000	F	7	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	137	£6,387
22/06/2018	£820,000	F	8	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	110	£7,455

09/11/2018	£1,385,000	F	9	KEY WEST COURT, 120	HIGH ROAD	CHIGWELL	IG7 5AR	184	£7,527
23/06/2017	£590,000	T		2	PARK VIEW	CHIGWELL	IG7 5DF	101	£5,842
07/03/2019	£579,995	T		4	PARK VIEW	CHIGWELL	IG7 5DF	100	£5,800
03/11/2017	£595,000	T		6	PARK VIEW	CHIGWELL	IG7 5DF	100	£5,950
04/12/2017	£630,000	T		8	PARK VIEW	CHIGWELL	IG7 5DF	111	£5,676
09/03/2018	£635,000	D		10	PARK VIEW	CHIGWELL	IG7 5DF	111	£5,721
27/04/2018	£585,000	T		12	PARK VIEW	CHIGWELL	IG7 5DF	100	£5,850
28/02/2019	£600,000	T		14	PARK VIEW	CHIGWELL	IG7 5DF	101	£5,941
10/08/2018	£800,000	D		16	PARK VIEW	CHIGWELL	IG7 5DF	159	£5,031
14/07/2017	£637,000	T		18	PARK VIEW	CHIGWELL	IG7 5DF	111	£5,739
25/07/2017	£575,000	T		20	PARK VIEW	CHIGWELL	IG7 5DF	100	£5,750
10/10/2018	£595,000	T		22	PARK VIEW	CHIGWELL	IG7 5DF	100	£5,950
25/05/2018	£590,000	T		24	PARK VIEW	CHIGWELL	IG7 5DF	101	£5,842
16/06/2017	£655,000	T		26	PARK VIEW	CHIGWELL	IG7 5DF	111	£5,901
22/05/2019	£800,000	D		30	PARK VIEW	CHIGWELL	IG7 5DF	159	£5,031
16/11/2017	£670,000	S		32	PARK VIEW	CHIGWELL	IG7 5DF	111	£6,036
21/06/2018	£620,000	S		34	PARK VIEW	CHIGWELL	IG7 5DF	100	£6,200
16/02/2018	£625,000	S		36	PARK VIEW	CHIGWELL	IG7 5DF	101	£6,188
12/01/2018	£665,000	S		38	PARK VIEW	CHIGWELL	IG7 5DF	111	£5,991
19/03/2019	£820,000	D		40	PARK VIEW	CHIGWELL	IG7 5DF	159	£5,157
31/01/2019	£1,270,000	D		42	PARK VIEW	CHIGWELL	IG7 5DF	217	£5,853
05/11/2018	£1,300,000	D		48	PARK VIEW	CHIGWELL	IG7 5DF	217	£5,991
14/12/2018	£840,000	D		60	PARK VIEW	CHIGWELL	IG7 5DF	133	£6,316
24/05/2019	£1,280,000	D		62	PARK VIEW	CHIGWELL	IG7 5DF	159	£8,050
29/03/2019	£840,000	D		64	PARK VIEW	CHIGWELL	IG7 5DF	159	£5,283
12/07/2018	£1,368,000	D		66	PARK VIEW	CHIGWELL	IG7 5DF	133	£10,286
25/05/2018	£665,000	S		1	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,991
19/12/2018	£560,000	S		3	PARK VIEW	CHIGWELL	IG7 5EF	101	£5,545
12/06/2018	£800,000	D		5	PARK VIEW	CHIGWELL	IG7 5EF	133	£6,015
23/03/2018	£640,000	T		7	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,766
14/11/2017	£612,000	T		9	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,514
30/06/2017	£635,000	T		11	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,721
16/11/2018	£775,000	D		13	PARK VIEW	CHIGWELL	IG7 5EF	133	£5,827
02/02/2018	£685,000	D		15	PARK VIEW	CHIGWELL	IG7 5EF	111	£6,171
21/08/2017	£900,000	D		17	PARK VIEW	CHIGWELL	IG7 5EF	133	£6,767
17/04/2019	£775,000	D		19	PARK VIEW	CHIGWELL	IG7 5EF	159	£4,874
05/01/2018	£630,000	T		21	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,676
11/07/2018	£595,000	T		23	PARK VIEW	CHIGWELL	IG7 5EF	101	£5,891
22/06/2018	£595,000	T		25	PARK VIEW	CHIGWELL	IG7 5EF	100	£5,950
04/09/2017	£650,000	T		27	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,856

22/09/2017	£640,000	T		29	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,766
27/07/2018	£595,000	T		31	PARK VIEW	CHIGWELL	IG7 5EF	101	£5,891
28/11/2017	£595,000	T		33	PARK VIEW	CHIGWELL	IG7 5EF	100	£5,950
29/09/2017	£640,000	T		35	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,766
01/02/2018	£655,000	T		39	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,901
20/10/2017	£595,000	T		41	PARK VIEW	CHIGWELL	IG7 5EF	101	£5,891
04/10/2018	£590,000	T		43	PARK VIEW	CHIGWELL	IG7 5EF	100	£5,900
20/09/2017	£640,000	T		45	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,766
30/11/2017	£540,000	T		47	PARK VIEW	CHIGWELL	IG7 5EF	111	£4,865
13/10/2017	£590,000	T		49	PARK VIEW	CHIGWELL	IG7 5EF	101	£5,842
09/03/2018	£595,000	T		51	PARK VIEW	CHIGWELL	IG7 5EF	100	£5,950
15/12/2017	£655,000	T		53	PARK VIEW	CHIGWELL	IG7 5EF	111	£5,901
14/02/2018	£530,000	T		55	PARK VIEW	CHIGWELL	IG7 5EF	111	£4,775
20/12/2017	£595,000	T		57	PARK VIEW	CHIGWELL	IG7 5EF	100	£5,950
23/05/2018	£600,000	S		59	PARK VIEW	CHIGWELL	IG7 5EF	159	£3,774
19/10/2018	£880,000	D		61	PARK VIEW	CHIGWELL	IG7 5EF	159	£5,535
23/02/2018	£1,300,000	D		63	PARK VIEW	CHIGWELL	IG7 5EF	217	£5,991
29/03/2019	£1,525,000	D	12	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	269	£5,669
14/02/2019	£1,133,500	D	14	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	198	£5,725
17/10/2018	£1,185,000	D	16	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	203	£5,837
14/05/2019	£1,750,000	D	18	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	294	£5,952
30/06/2017	£1,679,000	D	19	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	294	£5,711
31/03/2017	£1,610,000	D	2	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	300	£5,367
15/12/2017	£1,550,000	D	20	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	294	£5,272
17/09/2018	£1,400,000	D	21	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	258	£5,426
17/01/2019	£1,600,000	D	22	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	266	£6,015
29/03/2019	£1,525,000	D	24	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	269	£5,669
29/03/2019	£1,525,000	D	25	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	269	£5,669
15/02/2019	£1,395,000	D	26	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	258	£5,407
23/01/2019	£1,480,000	D	27	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	261	£5,670
28/09/2018	£1,675,000	D	28	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	294	£5,697
28/09/2018	£1,350,000	D	29	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	256	£5,273
14/06/2017	£1,750,000	D	3	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	266	£6,579
28/03/2018	£1,095,000	S	31	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	205	£5,341
29/03/2018	£1,068,500	S	32	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	205	£5,212
27/03/2018	£1,750,000	D	33	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	266	£6,579
19/09/2018	£1,225,000	D	35	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	203	£6,034
19/12/2018	£1,133,500	D	36	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	198	£5,725
12/06/2019	£1,110,000	D	37	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	198	£5,606
24/11/2017	£1,075,000	S	39	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	205	£5,244

30/06/2017	£1,450,000	D		4	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	258	£5,620
24/11/2017	£1,075,000	S		40	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	205	£5,244
25/07/2018	£1,645,000	D		41	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	266	£6,184
05/09/2017	£1,675,000	D		42	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	300	£5,583
30/08/2017	£1,720,000	D		43	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	294	£5,850
30/03/2017	£1,385,000	D		5	CHIGWELL GRANGE	HIGH ROAD	CHIGWELL	IG7 6BF	256	£5,410
13/07/2018	£1,220,000	D			CHIGWELL GRANGE, 38	HIGH ROAD	CHIGWELL	IG7 6BF	203	£6,010
04/04/2017	£515,000	F		13	WOOLSTON MANOR	ABRIDGE ROAD	CHIGWELL	IG7 6BX	129	£3,992
15/03/2017	£560,000	F		14	WOOLSTON MANOR	ABRIDGE ROAD	CHIGWELL	IG7 6BX	120	£4,667
28/04/2017	£535,000	F		26	WOOLSTON MANOR	ABRIDGE ROAD	CHIGWELL	IG7 6BX	115	£4,652
02/10/2017	£500,000	F			1 RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	80	£6,250
15/09/2017	£395,000	F		13	RODING HEIGHTS 5	STATION WAY	BUCKHURST HILL	IG9 6FA	77	£5,130
06/02/2019	£425,000	F		4	RODING HEIGHTS 5	STATION WAY	BUCKHURST HILL	IG9 6FA	80	£5,313
04/12/2017	£465,000	F		7	RODING HEIGHTS 5	STATION WAY	BUCKHURST HILL	IG9 6FA	80	£5,813
20/10/2017	£465,000	F		10	RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	84	£5,536
28/07/2017	£525,000	F		11	RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	80	£6,563
13/07/2017	£385,000	F		14	RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	84	£4,583
04/08/2017	£450,000	F		8	RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	80	£5,625
22/06/2017	£520,000	F		9	RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	77	£6,753
30/06/2017	£450,000	F	FLAT 12		RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	60	£7,500
01/06/2017	£485,000	F	FLAT 2		RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	59	£8,220
28/04/2017	£525,000	F	FLAT 3		RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	76	£6,908
11/07/2017	£450,000	F	FLAT 5		RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	60	£7,500
11/07/2017	£520,000	F	FLAT 6		RODING HEIGHTS, 5	STATION WAY	BUCKHURST HILL	IG9 6FA	77	£6,753



## Appendix 7 – Residential Newbuild Asking Prices (March 2019)

Developer / Agent	Scheme	Address	Address	Postcode	Beds	Type	Flat m2	Flat £	Flat £/m2	House m2	House £	House £/m2
Rainbow Estate Agents		Church Street	Waltham Abbey	EN9 1DX	2	f		£280,000				
Rainbow Estate Agents		Church Street	Waltham Abbey	EN9 1DX	3	f		£315,000				
Rainbow Estate Agents		Church Street	Waltham Abbey	EN9 1DX	2	f	44	£325,000	£7,386			
William H Brown	Station Place	Kings Road	Brentwood	CM5 9LA	2	f	71	£365,000	£5,141			
William H Brown	Station Place	Kings Road	Brentwood	CM5 9LA	2	f	78	£370,000	£4,744			
Bovis Homes	Livingstone Gardens		Chipping Ongar	CM5 0GS	5	d				173	£819,995	£4,740
Bovis Homes	Livingstone Gardens		Chipping Ongar	CM5 0GS	4	d				119	£649,995	£5,462
Bovis Homes	Livingstone Gardens		Chipping Ongar	CM5 0GS	4	d				105	£574,995	£5,476
Bovis Homes	Livingstone Gardens		Chipping Ongar	CM5 0GS	3	d				88	£529,995	£6,023
Bovis Homes	Livingstone Gardens		Chipping Ongar	CM5 0GS	3	d				83	£526,995	£6,349
Bovis Homes	Livingstone Gardens		Chipping Ongar	CM5 0GS	3	sd				78	£424,995	£5,449
Bovis Homes	Livingstone Gardens		Chipping Ongar	CM5 0GS	4	d				106		
Higgins Homes	Quercus	Langstone Road	Loughton	IG10 3SD								
Lawlors		Palmerston Road	Buckhurst Hill	IG9 5LW	1	f	47	£425,000	£9,131			
Lawlors		Palmerston Road	Buckhurst Hill	IG9 5LW	2	f	54	£495,000	£9,250			
Lawlors		Palmerston Road	Buckhurst Hill	IG9 5LW	2	f	62	£525,000	£8,434			
Lawlors		Palmerston Road	Buckhurst Hill	IG9 5LW	1	f	57	£525,000	£9,174			
Lawlors	The Cube	High Road	Chigwell	IG7 5JE	1	f	73	£595,000	£8,107			
Lawlors	The Cube	High Road	Chigwell	IG7 5JE	1	f	87	£675,000	£7,729			
Lawlors	The Cube	High Road	Chigwell	IG7 5JE	3	f	155	£1,450,000	£9,346			
Lawlors		Connaught Avenue	Loughton	IG10 4DP	2	f		£624,000				
Lawlors		Connaught Avenue	Loughton	IG10 4DP	2	f		£650,000				
Lawlors		Connaught Avenue	Loughton	IG10 4DP	2	f		£674,000				
Lawlors		Connaught Avenue	Loughton	IG10 4DP	2	f		£685,000				
Lawlors	Eden Lodges	Eden Avenue	Chigwell	IG7 5JE	2	f	114	£575,000	£5,044			
Lawlors	Eden Lodges	Eden Avenue	Chigwell	IG7 5JE	3	f	146	£725,000	£4,966			
Lawlors	Eden Lodges	Eden Avenue	Chigwell	IG7 5JE	4	f		£775,000				
Greystone King Developments	Mallards Place	Hastingwood	Epping	CM17 9JX	4	d					£595,000	
Greystone King Developments	Mallards Place	Hastingwood	Epping	CM17 9JX	4	d					£495,000	
Greystone King Developments	Mallards Place	Hastingwood	Epping	CM17 9JX	4	d					£595,000	
Savills	Hastingwood Park		Harlow Common	CM17 9JD	3	t				124	£525,000	£4,249
Savills	Hastingwood Park		Harlow Common	CM17 9JD	4	t				125	£495,000	£3,947
Savills	Hastingwood Park		Harlow Common	CM17 9JD	4	d				143	£595,000	£4,159
Savills	Hastingwood Park		Harlow Common	CM17 9JD	4	d				150	£695,000	£4,647
Troy Homes	Chestnut Mews	Coppice Row	Theydon Bois	CM16 7DS	2	f	112	£715,000	£6,376			
Troy Homes	Chestnut Mews	Coppice Row	Theydon Bois	CM16 7DS	2	f	108	£695,000	£6,432			
Troy Homes	Chestnut Mews	Coppice Row	Theydon Bois	CM16 7DS	2	f	75	£525,000	£7,029			
Troy Homes	Chestnut Mews	Coppice Row	Theydon Bois	CM16 7DS	2	d	0			96	£740,000	£7,726
Troy Homes	Chestnut Mews	Coppice Row	Theydon Bois	CM16 7DS	2	f	98	£660,000	£6,721			
Lyttons	The Carpenters	High Road	Thornwood Common	CM16	3	t				116	£555,000	£4,783
Lyttons	The Carpenters	High Road	Thornwood Common	CM17	3	t				123	£575,000	£4,664

Lyttons	The Carpenters	High Road	Thornwood Common	CM18	3	t				125		
Lanes	Greenview Grove	Holyfield Road	Waltham Abbey	EN9 2EW	3	d					£600,000	
Lawlors	Marydel Copthall Green	Upshire	Epping	EN9 2EW	3	sd				128	£600,000	£4,695
Lawlors	Marydel Copthall Green	Upshire	Epping	EN9 2EW	3	d				152	£700,000	£4,605
Intercounty	Queens Head Yard	Sheering	Bishop's Stortford	CM22 7LN	4	d					£650,000	
Savills	Groombridge	Kendal Avenue	Epping	CM16 4PN	2	f	88	£665,000	£7,551			
Savills	Groombridge	Kendal Avenue	Epping	CM16 4PN	2	f	91	£685,000	£7,555			
Savills	Groombridge	Kendal Avenue	Epping	CM16 4PN	2	f	155	£850,000	£5,488			
Savills	Groombridge	Kendal Avenue	Epping	CM16 4PN	3	f	177	£1,100,000	£6,206			
London Square	Chigwell Village	High Road	Chigwell	IG7 6BF	4	d					£1,220,000	
London Square	Chigwell Village	High Road	Chigwell	IG7 6BF	5	d					£1,700,000	
London Square	Chigwell Village	High Road	Chigwell	IG7 6BF	5	d					£1,225,000	
London Square	Chigwell Grove	Luxborough Lane	Chigwell	IG7 6BF	5	d				226	£1,300,000	£5,742
London Square	Chigwell Grove	Luxborough Lane	Chigwell	IG7 6BF	5	d				305	£1,700,000	£5,577
Fine & Country	Chigwell Stables	Grove Lane	Chigwell	IG7 6JQ	4	sd				131	£665,000	£5,076
Fine & Country		Hainault Road	Chigwell	IG7 6QU	4	t				194	£1,250,000	£6,433
Fine & Country		Hainault Road	Chigwell	IG7 6QU	5	d				252	£2,250,000	£8,929
Mullucks		High Road	North Weald	CM16	4	d				149	£700,000	£4,709
Mullucks	Herb Farm Granaries	London Road	Thornwood	CM17 9LH	4	d				187	£975,000	£5,221
William H Brown	Buxton Grange	Galley Hill	Waltham Abbey	EN9 2AD	4	sd				200	£700,000	£3,500
William H Brown	Buxton Grange	Galley Hill	Waltham Abbey	EN9 2AD	4	sd				200	£750,000	£3,750
William H Brown	Buxton Grange	Galley Hill	Waltham Abbey	EN9 2AD	4	d					£1,250,000	
Madison Fox	Abbotts Way	Oak Hill Road	Stapleford Abbots	RM4 1JL	5	d				141	£750,000	£5,319
Kurtis	The Gables	Matching Green	Harlow	CM17 0PZ	5	d				226	£825,000	£3,650
Elliott James	Montgomerie Lodge	High Road	Chigwell	IG7 5BQ	2	f	127				£875,000	
Elliott James	Oak Tree Close	Bumbles Green	Nazeing	EN9 2LN	4	d				172	£995,000	£5,789
Elliott James	Oak Tree Close	Bumbles Green	Nazeing	EN9 2LN	4	d				171	£995,000	£5,833
Elliott James	Oak Tree Close	Bumbles Green	Nazeing	EN9 2LN	4	d				171	£995,000	£5,833
Davis Homes	Forest Drive	Wellington Hill	High Beech	IG10 4AG	4	d				186	£1,175,000	£6,324
Westwood Leber		Hoe Lane	Nazeing	EN9 2RJ	6	d				279	£1,250,000	£4,485
Westwood Leber		Hoe Lane	Nazeing	EN9 2RJ	6	d				299	£1,250,000	£4,181
Savills		Stanmore Way	Loughton	IG10 2SA	5	d				231	£1,295,000	£5,605
Savills		Stanmore Way	Loughton	IG10 2SA	7	d				325	£1,795,000	£5,520
John Thoma		High Road	Chigwell	IG7 5BQ	4	d				240	£1,299,995	£5,417
Savills	Lake View	Coopersale Street	Epping	CM16 7FE	4	d				600	£4,750,000	£7,917

## Appendix 8 - CoStar Non-Residential Data

*The pages in this appendix are not numbered.*



## Appendix 9 – Land Registry Development Land Data

Planning reference number	Site address	Site Area (ha)	Units	Non-res development	Affordable Target (%)	Aff units		TOTAL s106 ex aff housing	s106/unit	Total Price Paid	Price Paid /ha	Price Paid / Unit	LR Title number	Date
EPF/1232/16	Chimes Garden Centre, Nazeing. EN10 6RJ	1.0	17	N/A	40%	0	0%	£108,216	£6,366	£700,000	£700,000	£41,176	EX538957	26.11.2012
EPF/2523/16	Brent House Farm, Harlow Common, North Weald. CM17 9JD	1.34	19	N/A	40%	2	11%	£50,000	£2,632	£2,170,000	£1,619,403	£85,232	EX720998	11.08.2014
EPF/3034/16	Norton Heath Riding Centre, Fingrith Hall Lane, High Ongar. CM4 0JP	2.2	30	N/A	40%	15	50%		£0	£3,700,000	£1,681,818	£56,061	EX960953	05.09.2017
EPF/2163/15	Allotments rear of 8 To 22 Institute Road, Coopersale, Epping. CM16 7QY	0.56	18	N/A	40%	6	33%		£0	£2,575,000	£4,598,214	£255,456	EX955474	10.01.2017
EPF/0259/16	Stoneshot Farm, Hoe Lane, Nazeing. EN9 2RW	1.3	17	N/A	40%	10	59%		£0	£495,000	£380,769	£22,398	EX697804	01.11.2002
EPF/0853/14	Tottenham Hotspur Training Ground, Luxborough Lane, Chigwell.	10.0	60	3800 sq metre school, a mixed use games area, playing fields and 100 parking spaces	40%	0	0%	£361,919	£6,032	£4,900,000	£490,000	£8,167	EX521814 EX540119	20.10.2015
EPF/1162/15	Knollys Nursery, Pick Hill, Waltham Abbey. EN9 3LF	3.58	79	N/A	40%	63	80%		£0	Built out			built out multiple owners	
EPF/1849/17	Chigwell County Primary School, High Road, Chigwell. IG7 6DW	4.76	59	N/A	40%	0	0%	£800,000	£13,559	£120,000	£25,210	£427	ex246022 (field)/ ex927032 (school)	07.09.2015

EPF/1862/15	Chigwell Grange, High Road, Chigwell. IG7 6DP	2.98	43	N/A	40%	0	0%	£2,292,495	£53,314	£18,780,000	£6,302,013	£146,558	ex818137	20.01.2015
EPF/2370/14	Netherhouse Farm, Sewardstone Road, Waltham Abbey. E4 7RJ	1.1	16	N/A	40%	8	50%		£0	£5,000,000	£4,545,455	£284,091	EX493334	24.08.2007
EPF/2535/14	Land at Barnfield, Epping Road, Roydon. CM19 5DP	4.05	23	N/A	40%	11	48%		£0	£3,250,000	£802,469	£34,890	EX935961	18.03.2016
EPF/3006/14	Fyfield Business and Research Park, Chipping Ongar. CM5 0GN	9.25	105	N/A	40%	44	42%		£0	£9,185,000	£992,973	£9,457	EX424319 and EX939517	23.06.2016 and 31.05.2016
EPF/1399/09	212 Manor Road, Chigwell. IG7 4JX	1.3	68	N/A	40%	52	76%		£0	Built out	#VALUE!	#VALUE!		built out multiple owners
EPF/2254/15	Pyrles Lane Nursery, Pyrles Lane, Loughton. IG10 2NL	0.98	36	N/A	40%	15	42%		£0	No PPD	#VALUE!	#VALUE!	EX755530	Owned by Council
EPF/0339/13	1-28 King Harold Lodge (formerly The Green Man Public House), Broomstick Hall Road, Waltham Abbey. EN9 1NH	0.22	28 (C2)	N/A	40%	0			#VALUE!	Built out	#VALUE!	#VALUE!		built out multiple owners
EPF/1103/15	Former tennis courts site, Junction of Alderton Hill and Roding Road. Loughton.	0.44	38 (C2)	N/A	40%	0			#VALUE!	Built out	#VALUE!	#VALUE!		built out multiple owners
EPF/2473/16	Woodview, Lambourne Road, Chigwell. IG7 6HX	1.34	72 bed care home, 25 C2 flats	N/A	40%	0		£55,720	#VALUE!	£3,980,000	£2,970,149	#VALUE!	EX951212 plus EX556992 and EX907440	24.02.17
EPF/0739/10	Threshers, Hastingwood Road, Hastingwood,	0.3	14		40%	0	0%		£0	No PPD	#VALUE!	#VALUE!	ex547500 plus built out	

	North Weald. CM17 9JS						Pink		Yellow	Yellow	Yellow	Blue	Blue
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## Appendix 10 – CoStar Industrial Land

*The pages in this appendix are not numbered.*



# Appendix 11 – Appraisals – Residential Development

*The pages in this appendix are not numbered.*



# Appendix 12 – Appraisals – Older People’s Housing

*The pages in this appendix are not numbered.*



## Appendix 13 – Appraisals – Non-Residential

*The pages in this appendix are not numbered.*





**HDH Planning and Development Ltd** is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- District wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments

HDH Planning and Development have clients throughout England and Wales.

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