

YORK

CITY OF YORK
Local Plan and Community
Infrastructure Levy Viability Assessment
September 2017

Preface

In June 2013 the City of York Local Plan Area Wide Viability Study was published. The aim of this study was to provide viability testing of the City of York Local Plan Preferred Options, 2013, in order to give an indication of the deliverability of the Plan at that early stage in its emergence. To achieve this, the high level, area-wide viability assessments across each of the key property market sectors were required to demonstrate whether the amount and distribution of development being planned for in the City of York Local Plan and the infrastructure to support this growth could be viably delivered, in the context of emerging policy requirements.

The amount and distribution of development being planned for in the current Pre Publication Draft Regulation 18 Consultation (2017) is different from that in the previous Local Plan Preferred Options (2013). Therefore, the following City of York Local Plan and CIL Viability Assessment has been prepared to reflect any significant changes in archetypes or Strategic site parameters, including infrastructure requirements, using the Residual Land Value methodology.

The City of York Local Plan and CIL Viability Assessment is a high level, area-wide viability assessments across each of the key property market sectors. It has determined the level of 'headroom ' for a range of residential and non-residential development typologies once all development costs, including the Local Plan policy 'costs' and developer profit have been subtracted from the likely sales value of the developed Local Plan sites.

The resultant headroom will inform the Council's decision as to whether to introduce a CIL, what CIL rate (or rates) could be applied. It should be stressed that at this point in time, the council has not made any decision in relation to whether a CIL charge should be introduced.

The City of York Local Plan and CIL Viability Assessment has been prepared for the purposes of consultation and the Council is seeking views on its general content and the assumptions and outputs therein. This will inform further work as the plan progresses towards Publication and subsequent Examination in Public.



City of York Local Plan and CIL Viability Assessment

Final Report

On behalf of



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	Name	Position	Signature	Date
Prepared by:	Tom Marshall/Russell Porter	Planner/ Senior Associate Economist	TM/RP	
Reviewed by:	Russell Porter	Senior Associate Economist	RP	
Approved by:	Bernard Greep	Partner	BG	
For and on behalf of Peter Brett Associates LLP				

Revision	Date	Description	Prepared	Reviewed	Approved

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1 Introduction

1.1 The Study Scope

- 1.1.1 Peter Brett Associates LLP (PBA) was commissioned by the City of York Council (CYC) to undertake a viability assessment at a strategic plan level. This report has been commissioned for two reasons.
- 1.1.2 Firstly, a plan viability (or PV) assessment helps provide evidence that the requirements of the National Planning Policy Framework (NPPF) are met. That is, the policy requirements in the Plan should not threaten the development viability of the plan as a whole. In assessing the Plan, this study will inform policy decisions based on the policy aspirations of achieving sustainable development and the realities of economic viability.
- 1.1.3 Secondly, this study, after taking into account the policy aspirations as set out in emerging Local Plan policies, provides an indication as to what the CYC could seek by way of a Community Infrastructure Levy (CIL).

Disclaimer

- 1.1.4 Whilst high level viability assessments have been carried out for identified sites, it would be inappropriate to use these for any commercial valuation purpose, since the viability models are for strategic purposes, and have been designed as a tool to test policy as opposed to being formal valuations of planning application sites, normally carried out by the Valuation Office, Chartered Surveyors and Valuers. Therefore, general assumptions have been made and these have been detailed in this report.
- 1.1.5 It should also be noted that as per **Professional Standards 1 of the RICS Valuation Standards – Global and UK Edition¹, the advice expressly given in the preparation for, or during the course of negotiations or possible litigation does not form part of a formal “Red Book” valuation and should not be relied upon as such. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report for such purposes.**

Defining Local Plan Level Viability

- 1.1.6 The 'Viability Testing Local Plans' advice for planning practitioners prepared by the Local Housing Delivery Group and chaired by Sir John Harman June 2012 (the Harman Report) defines whole plan viability (on page 14) as follows:

'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.'

'At a Local Plan level, viability is very closely linked to the concept of deliverability. In the case of housing, a Local Plan can be said to be deliverable if sufficient sites are viable (as defined in the previous paragraph) to deliver the plan's housing requirement over the plan period.'

- 1.1.7 It should be noted that the approach to Local Plan level viability assessment does not require all sites in the plan to be viable. The Harman Report says that a site typologies approach (i.e.

¹ RICS (January 2014) Valuation – Professional Standards, PS1 Compliance with standards and practice statements where a written valuation is provided

assessing a range of example development sites likely to come forward) to understanding plan viability is sensible. Whole plan viability:

'does not require a detailed viability appraisal of every site anticipated to come forward over the plan period... [we suggest] rather it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.'

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

- 1.1.8 The Harman Report states that the role of the typologies testing is not required to provide a precise answer as to the viability of every development likely to take place during the plan period.

'No assessment could realistically provide this level of detail...rather, [the role of the typologies testing] is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.'

- 1.1.9 Indeed, the Report also acknowledges that a:

'plan-wide test will only ever provide evidence of policies being 'broadly viable.' The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is one reason why our advice advocates a 'viability cushion' to manage these risks.'

- 1.1.10 The report later suggests that once the typologies testing has been done:

'it may also help to include some tests of case study sites, based on more detailed examples of actual sites likely to come forward for development if this information is available'.

- 1.1.11 The Harman Report points out the importance of minimising risk to the delivery of the plan. Risks can come from policy requirements that are either too high or too low. So, planning authorities must have regard to the risks of damaging plan delivery with excessive policy costs - but equally, they need to be aware of lowering standards to the point where the sustainable delivery of the plan is not possible. Good planning in this respect is about *'striking a balance'* between the competing demands for policy and plan viability.

1.2 Approach

- 1.2.1 The PBA development viability model was used to test Plan delivery based on viability. This involved high level testing of a number of hypothetical schemes that represent the future allocation of development land in York, and strategic sites where the bulk of delivery is expected.

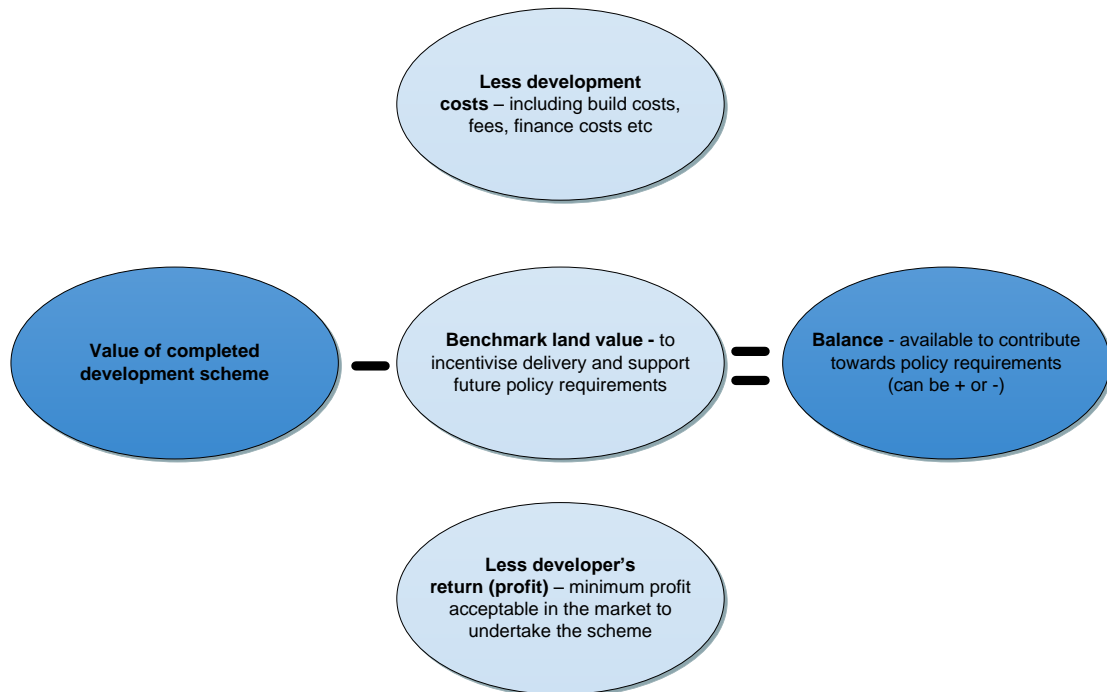
- 1.2.2 The viability testing and study results are based on establishing a residual land value for different land uses relevant to different parts of the city. The approach takes the difference between development values and costs, and compares the 'residual value' (i.e. what is left over after the cost of building the site is deducted from the potential sales value of the completed site/buildings) with a benchmark/threshold land value (i.e. the value over and above the existing use value a landowner would accept to bring the site to market for development) to determine the balance that could be available to support policy costs such as affordable housing and infrastructure. This is a standard approach, which is advocated by the Harman Report. The broad method is illustrated in the **Figure 1.1**.

- 1.2.3 The arithmetic of residual land value assessment is straightforward (PBA use bespoke spreadsheet models for the assessments). However, the inputs to the calculation are hard to

determine for a specific site (as demonstrated by the complexity of many S106 negotiations). The difficulties grow when making calculations that represent a typical or average site and/or where site specific conditions and infrastructure are not fully established, as might be the case for some larger strategic sites. Therefore, the viability assessments in this report are necessarily broad approximations, subject to a margin of uncertainty.

- 1.2.4 Examples of the residential and a non-residential site assessment sheets are set out in **Appendix A**.

Figure 1.1 Approach to residual land value assessment for whole plan viability



Consultation

- 1.2.5 The Council arranged a viability workshop for the local development industry to enable PBA to test the assumptions contained within this report. This took place in September 2016 and was attended by a mix of property and development experts, including local agents, house builders and land promoters. A copy of the meeting note is in **Appendix B**. Following the meeting, the Council circulated the meeting note around the attendees inviting comment on the assumptions.

1.3 Report Structure

- 1.3.1 The rest of this report is set out as follows:

- **Chapter 2** sets out the policy and legal requirements relating to whole plan viability and CIL, which the study assessment must comply with;
- **Chapter 3** sets out the currently emerging Local Plan policies, identifying any that may require testing for their potential impact on viability;
- **Chapter 4** describes the local residential and non-residential market and development context, including a review of past delivery;
- **Chapters 5 and 6** outlines the development scenarios to be tested, the site typologies and assumptions informing their viability; and

- **Chapter 7** reviews the viability findings for residential and non-residential sites and **Chapter 8** translates these findings into recommendations for Local Plan policies and CIL charging.

2 National Policy Context

2.1 National Framework

2.1.1 The National Planning Policy Framework (NPPF) recognises that the ‘developer funding pot’ or residual value is finite and decisions on how this funding is distributed between affordable housing, infrastructure, and other policy requirements have to be considered as a whole, they cannot be separated out.

2.1.2 The NPPF advises that cumulative effects of policy should not combine to render plans unviable:

*‘Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable’.*²

2.1.3 With regard to non-residential development, the NPPF states that local planning authorities ‘...should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should... understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.’³

2.1.4 The NPPF does not state that all sites must be viable now in order to appear in the plan. Instead, the NPPF is concerned to ensure that the bulk of the development is not rendered unviable by unrealistic policy costs. It is important to recognise that economic viability will be subject to economic and market variations over the Local Plan timescale. In a free market, where development is largely undertaken by the private sector, the local planning authority can seek to provide suitable sites to meet the needs of sustainable development. It is not within the local planning authority's control to ensure delivery actually takes place; this will depend on the willingness of a developer to invest and a landowner to release the land. So in considering whether a site is deliverable now or developable in the future, we have taken account of the local context to help shape our viability assumptions.

Deliverability and Developability Considerations in the NPPF

2.1.5 The National Planning Policy Framework (NPPF) does not state that all sites must be viable now in order to appear in Local Plans. But the first 5 year sites need to be available and achievable while meeting any Local Plan policy requirements, which are considered through the testing results in **Chapter 6** of this report. In addition, the national framework over the plan period as whole is concerned to ensure that the bulk of the development proposed in the plan is not rendered unviable by unrealistic policy costs⁴. Such policy costs, as set out in the

² DCLG (2012) National Planning Policy Framework (41, para 173)

³ Ibid (para 160)

⁴ See para 173, which notes that plans should be deliverable, but importantly this goes onto state that the plans should not be subject to such a scale of obligation and policy burdens that their ability to be developed viably is threatened. This is clearly about ensuring that policy burden does not threaten viability and not necessarily that the development has to be viable even if there is not a high policy burden. For example, infrastructure requirements are understood and will not impede delivery (see NPPF para 160).

CYC 'Pre Publication Draft Regulation 18' Local Plan document (PPDRC document (2017⁵)) are considered in **Chapter 3** of this report.

- 2.1.6 It is important to recognise that economic viability will be subject to economic and market variations over the Local Plan timescale. In a free market, where development is largely undertaken by the private sector, the Local Planning Authority can seek to provide suitable sites to meet the demand for sustainable development. It is not within the authority's control to ensure delivery actually takes place; this will depend on the willingness of a developer to invest and a landowner to release the land. So, in considering whether a site is deliverable with policy now or developable in the future, the assumptions underpinning our viability assessment should be informed by a review of local market conditions
- 2.1.7 Within these general principles, which apply to all development, the NPPF sets out more detailed policies relating to deliverability and viability, which vary between housing and employment uses. These two land uses are discussed in turn below.

Housing

- 2.1.8 In relation to housing development, the NPPF creates the two concepts of 'deliverability' (which applies to residential sites which are expected in years 0-5 of the plan) and 'developability' (which applies to year 6 of the plan onwards). The NPPF defines these two terms as follows:

To be deliverable, *'sites 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 and in particular that development of the site is viable.'*

To be developable, sites expected from year 6 onwards should be able to demonstrate a *'reasonable prospect that the site is available and could be viably developed at the point envisaged'*.⁶

- 2.1.9 The NPPF advises that a more flexible approach may be taken to the sites coming forward from year 6 onwards. These sites might not be viable now and might instead only become viable at a future point in time (e.g. when a lease for the land expires or property values improve). This recognises the impact of economic cycles, variations in values and policy changes over time. Consequently, some sites might be identified with marginal unviability however a small change in market conditions over the Plan may make them viable. Such sites could contribute to the Local Plan housing target in the later period of the Plan.
- 2.1.10 NPPF paragraph 14 makes very clear that there is a presumption in favour of sustainable development. This is set out in paragraph 49, which also says that the relevant policies for the supply of housing should not be considered up to date if the Local Planning Authority cannot demonstrate a five year supply of deliverable housing sites. The National Planning Practice Guidance (PPG) is clear that authorities should have an identified five-year housing supply at all points during the plan period, and that housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five-year land supply. However, where the evidence supporting that housing requirement has become outdated, the latest information provided in the assessment of housing needs should be considered or the latest household projections used as a starting point; but it is important to recognise that neither of these will have been tested.⁷

⁵ September 2017.

⁶ Ibid (para 47, footnote 12)

⁷ NPPG – 3-030-20140306

- 2.1.11 It will be important for the Council to ensure that all the sites identified in the housing target for the plan period and the 5-year land requirement are viable in meeting Local Policies as much as possible, to ensure that the plan is deliverable.

Economic Uses

- 2.1.12 With regard to economic land uses, the NPPF states that Local Planning Authorities:

'...should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should... understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability'.

- 2.1.13 This is quite different to housing. Local authorities are expected to have a general understanding of possible obstacles to delivering employment uses, including viability. But they are not under specific requirements to predict the timing of delivery, or demonstrate that sites are deliverable / developable according to precise criteria or within a given time frame.
- 2.1.14 In relation to employment uses specifically, the NPPF also advises that '*...planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose*⁸. Again this is a less demanding test than for housing. It implies that authorities should allocate sites for employment only if they expect those sites to be viable to develop (or, if already built up, viable to maintain) for employment uses. But for economic uses, unlike housing, this requirement relates to the plan period as a whole; there is no requirement that sites be viable now or in the next five years⁹.
- 2.1.15 For example, commercial property market works differently to the residential one. Consequently, the achievability of non-residential sites remains important but this requires a different method to the viability assessments which often suggest that speculative development for employment uses is not viable, because the open market value of the completed development would be below the cost of delivering it. The implication is that the development would not be worthwhile for an institutional investor. But for an owner-occupied or pre-let development, the same scheme may well be worthwhile. This may be because the property is worth more to the business than its open market price, for example because its location or other features are an especially good match to the requirements of a particular business. They cannot be captured in a standard viability appraisal, because they are specific to individual occupier businesses and individual sites.
- 2.1.16 The upshot is that many sites may be successfully developed for employment uses when a standard viability assessment would suggest that they are not viable for such development. Therefore, a standard viability assessment is not necessarily a helpful tool for predicting which sites will be successfully delivered in the future. To assess the prospects of individual sites, authorities use different evidence, comprising both market indicators and qualitative criteria.
- 2.1.17 In summary, non-residential development, including for employment uses, does not lend itself to standard viability assessment that is used for housing. There are two reasons for this. Firstly, the NPPF sets out specific requirements in relation to housing land supply that do not apply to other land uses. Secondly, non-residential property markets, including employment, work differently to housing markets. This is why the present report test the impact of policies only on housing sites and not employment sites, which are considered through a separate exercise in the Council's Employment Land Review (2016) and Employment Land Review (2017).

⁸ NPPF para 22.

⁹ See NPPF para 47

National Policy on Affordable Housing

2.1.18 In informing future policy on affordable housing, it is important to understand national policy on affordable housing. The NPPF states:

'To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should¹⁰:

- *Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);*
- *Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and*
- *Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time'.¹¹*

2.1.19 The NPPF accepts that in some instances, off site provision or a financial contribution of a broadly equivalent value may contribute towards creating mixed and balanced communities.

2.1.20 Finally, the NPPF recognises that market conditions change over time, and so when setting long term policy on affordable housing, incorporating a degree of flexibility is sensible to reflect changing market circumstances.

Affordable housing exemption on 10 units and less

2.1.21 In November 2014, the Government introduced an exemption policy for small housebuilders (defined as developments of 10 dwellings or fewer) to exclude them from paying s106 and contribute to AH. Following a High Court ruling this was later quashed (*West Berkshire District Council & Anr v The Secretary of State for Communities and Local Government, C1/2015/2559*). However, in May 2016, the Government won a legal challenge against this, meaning that this threshold was to be upheld, and therefore the advice in this appraisal is based on smaller sites (10 units and fewer) being exempt from these contributions.

2.1.22 Despite the Government's successful legal challenge, the threshold is only a material consideration, albeit recommended by the Secretary of State, and there have been Examinations and cases where the minimum threshold is held not to apply based on supporting evidence.

Housing and Planning Act 2016

2.1.23 In July 2016, the Housing and Planning Act 2016 received Royal Assent. The Act is national policy and will eventually feed into Regulations. The Act sets out changes to the delivery of affordable housing in England, as below:

'The Secretary of State may by regulations provide that an English planning authority may only grant planning permission for a residential development of a specific description if the starter homes requirement is met.'

¹⁰ Ibid (para 50 and bullets)

¹¹ Ibid (p13, para 50)

'The "starter homes requirement" means a requirement, specified in the regulations, relating to the provision of starter homes in England.'

Regulations under this section may, for example, provide that an England planning authority may grant planning permission only if a person has entered into a planning obligation to provide a certain number of starter homes or to pay a sum to be used by the authority for providing starter homes.'¹²

- 2.1.24 This indicates that there will be a requirement for starter homes, set by Government, which relates to each local authority in England. The level of that starter home requirement is not known at present and will be set out in Regulations. The Act continues to state:

*'...the regulations may confer discretions on an English planning authority...the regulations may make different provision for different areas.'*¹³

- 2.1.25 However, the Housing White Paper was published in February 2017, which dropped plans to impose a legal duty on Local Authorities to ensure provision of at least 20% Starter Homes on all reasonably sized development sites. Instead, the Government has stipulated that local authorities will deliver Starter Homes as part of a mixed package of affordable housing that can respond to local needs and local markets. That is, at present the level of that starter home requirement is not known but the White Paper proposes to amend the NPPF by introducing a '*...clear policy expectation*' that housing sites deliver a minimum of 10% affordable home ownership units and, with developers, identify an appropriate level of Starter Homes alongside other affordable home ownership and rented tenures.
- 2.1.26 Consequently, the implications of the Housing and Planning Act remains unclear at the time of reporting, and does not provide any levels or thresholds relating to Starter Homes or density levels. However, the Council will need to be mindful of future changes in national planning policies or regulations which would impact on the viability of development and the overall Local Plan, which could be tested within the viability model as the detail will come within the secondary legislation and regulations. The Council should be aware that there could be potential impacts on viability testing from changes in national policy.

National Space Standards for Housing

- 2.1.27 Government published 'Technical Housing Standards – Nationally Described Space Standard' (NSS) in March 2015. This replaces the existing different space standards used by local authorities. It is not a building regulation and remains solely within the planning system as a new form of technical planning standard.
- 2.1.28 NSS deals with the internal space of new dwellings and sets out the requirement for Gross Internal Area (GIA). GIA is defined as the total floor space measured between the internal faces of perimeter walls. The standard is organised by number of bedrooms; number of bed spaces; number of storeys and provides an area for built-in storage. The minimum space standards shown in Table 1 in the Technical Standards Guide, as copied in **Chapter 5** of this report which considers this in more detail.
- 2.1.29 NSS states that GIA '*...will not be adequate for wheelchair housing (Category 3 homes in Part M of the Building Regulations) where additional internal area is required to accommodate increased circulation and functionality to meet the needs of wheelchair households.*'¹⁴

¹² Housing and Planning Act 2016 (para 5(1) (4) (5))

¹³ Ibid (para 5(6) (7))

¹⁴ Para. 9, Technical Housing Standards, CLG (March 2015)

National Policy on Infrastructure

2.1.30 The NPPF requires local planning authorities to demonstrate that infrastructure will be available to support development:

*'It is equally important to ensure that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that local planning authorities understand district-wide development costs at the time Local Plans are drawn up.'*¹⁵

2.1.31 It is not necessary for local planning authorities to identify all future funding of infrastructure when preparing planning policy. The NPPF states that standards and policies in Local Plans should *'facilitate development across the economic cycle,'*¹⁶ suggesting that in some circumstances it may be reasonable for a local planning authority to argue that viability is likely to improve over time, that policy costs may be revised, that some infrastructure is not required immediately, and that mainstream funding levels may recover.

National Policy on Community Infrastructure Levy

2.1.32 The Community Infrastructure Levy (CIL) is a planning charge based on legislation that came into force on 6 April 2010. The levy allows local authorities in England and Wales to raise contributions from development to help pay for infrastructure that is needed to support planned development. Local authorities who wish to charge the levy must produce a draft charging schedule setting out CIL rates for their areas – which are to be expressed as pounds (£) per square metre, as CIL will be levied on the gross internal floorspace of the net additional liable development. Before it is approved by the Council, the draft charging schedule has to be tested by an independent examiner.

2.1.33 The requirements which a CIL charging schedule has to meet are set out in:

- The Planning Act 2008 as amended by the Localism Act 2011;
- The CIL Regulations 2010¹⁷, as amended in 2011¹⁸, 2012¹⁹, 2013²⁰ and 2014²¹; and
- National Planning Practice Guidance on CIL (NPPG CIL).²²

2.1.34 The 2014 CIL amendment Regulations have altered key aspects of setting the charge for charging authorities who publish a draft charging schedule for consultation.

Striking the appropriate balance

2.1.35 The revised Regulation 14 requires that a charging authority *'strike an appropriate balance'* between:

- The desirability of funding from CIL (in whole or in part) the... cost of infrastructure required to support the development of its area; and
- The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

¹⁵ DCLG (2012) National Planning Policy Framework (p42, para 177)

¹⁶ Ibid (p42, para 174)

¹⁷ http://www.legislation.gov.uk/ukdsi/2010/9780111492390/pdfs/ukdsi_9780111492390_en.pdf

¹⁸ http://www.legislation.gov.uk/ukdsi/2011/9780111506301/pdfs/ukdsi_9780111506301_en.pdf

¹⁹ http://www.legislation.gov.uk/ukdsi/2012/2975/pdfs/ukdsi_20122975_en.pdf

²⁰ http://www.legislation.gov.uk/ukdsi/2013/982/pdfs/ukdsi_20130982_en.pdf

²¹ http://www.legislation.gov.uk/ukdsi/2014/385/pdfs/ukdsi_20140385_en.pdf

²² DCLG (February 2014) Community Infrastructure Levy Guidance and DCLG (June 2014) National Planning Practice Guidance: Community Infrastructure Levy (NPPG CIL)

- 2.1.36 A key feature of the 2014 Regulations is to give legal effect to the requirement in this guidance for a charging authority to ‘...show and explain...’ their approach at examination. This explanation is important and worth quoting at length:

‘The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the center of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.’²³

- 2.1.37 In other words, the ‘appropriate balance’ is the level of CIL which maximises the delivery of development and supporting infrastructure in the area. If the CIL charging rate is above this appropriate level, there will be less development than planned, because CIL will make too many potential developments unviable. Conversely, if the charging rates are below the appropriate level, development will also be compromised, because it will be constrained by insufficient infrastructure.

- 2.1.38 Achieving an appropriate balance is a matter of judgement. It is not surprising, therefore, that charging authorities are allowed some discretion in this matter. For example, Regulation 14 requires that in setting levy rates, the Charging Authority:

‘...must strike an appropriate balance...’ i.e. it is recognised there is no one perfect balance;

‘Charging authorities need to demonstrate that their proposed levy rate or rates are informed by ‘appropriate available’ evidence and consistent with that evidence across their area as a whole.’

‘A charging authority’s proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence There is room for some pragmatism.’²⁴

- 2.1.39 Thus, the guidance sets the delivery of development firmly within the context of implementing the Local Plan. This is linked to the plan viability requirements set out in the NPPF, particularly paragraphs 173 and 174. This point is given emphasis throughout the guidance. For example, in guiding examiners, the guidance makes it clear that the independent examiner should establish that:

‘...evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole...’²⁵

- 2.1.40 This also makes the point that viability is not simply a site specific issue but one for the plan as a whole.

²³ DCLG (June 2014) NPPG CIL (para 009)

²⁴ Ibid (para 019)

²⁵ Ibid (para 038)

- 2.1.41 The focus is on seeking to ensure that the CIL rate does not threaten the ability to develop viably the sites and scale of development identified in the Local Plan. Accordingly, when considering evidence, the guidance requires that charging authorities should:

*'...use an area based approach, involving a broad test of viability across their area', supplemented by sampling '...an appropriate range of types of sites across its area...' with the focus '...on strategic sites on which the relevant Plan relies and those sites where the impact of the levy on economic viability is likely to be most significant (such as brownfield sites).'*²⁶

- 2.1.42 This reinforces the message that charging rates do not need to be so low that CIL does not make any individual development schemes unviable (some schemes will be unviable with or without CIL). The levy may put some schemes at risk in this way, so long as, in striking an appropriate balance overall, it avoids threatening the ability to develop viably the sites and scale of development identified in the Local Plan.

2.2 Summary

- 2.2.1 The NPPF requires Councils to ensure that they 'do not load' policy costs onto development if it would hinder the site being developed. The key point is that policy costs will need to be balanced so as not to render a development unviable, but should still be considered sustainable.
- 2.2.2 The infrastructure needed to support the plan over time will need to be planned and managed. Plans should be backed by a thought-through set of priorities and delivery sequencing that allows a clear narrative to be set out around how the plan will be delivered (including meeting the infrastructure requirements to enable delivery to take place). This study confines itself to the question of development viability. It is for other elements of the evidence base to investigate the other ingredients in the definition of deliverability (i.e. location, infrastructure and prospects for development). Though the study will draw on infrastructure costs (prepared by the Council) to inform the impact on viability where relevant.
- 2.2.3 The Housing and Planning Act 2016 sets out that future Regulations will identify Starter Homes requirements for English planning authorities. This may have implications on future Local Plan affordable housing policies. At this stage, the requirements are unknown and the Council will need to keep in mind any change in national policy. In the meantime, this report tests existing proposed affordable housing policy set out by the Council in the PPDR document (2017).
- 2.2.4 The Government has successfully appealed a High Court ruling that forced ministers to remove a Ministerial Statement to exempt small development from affordable housing and "tariff style" S106 contributions from NPPG.
- 2.2.5 The introduction of a CIL charging schedule published as a draft for consultation must strike an appropriate balance between the desirability of funding (in whole or in part) infrastructure needed to support the development and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. This means that the net effect of the levy on total development across the area should be positive. CIL may reduce the overall amount of development by making certain schemes which are not plan priorities unviable. Conversely, it may increase the capacity for future development by funding infrastructure that would not otherwise be provided, which in turn supports development that otherwise would not happen. The law requires that the net outcome of these two impacts should be judged to be positive. This judgment is at the core of the charge-setting and examination process.

²⁶ Ibid (para 019)

3 Local Plan Delivery Context

3.1 Introduction

- 3.1.1 To assess the implications of local policy requirements on development viability, PBA have reviewed the policy requirements within the City of York Local Plan 'Pre Publication Draft Regulation 18 Consultation' (2017) document to identify those policies which have potential cost implications that will impact on development viability.
- 3.1.2 The policies are assessed to determine whether there is likely to be a cost implication over and above that required by the market to deliver the defined development. For those policies where there will be, or could be, a cost implication, we have undertaken a broad assessment of the nature of that cost, including whether the cost is likely to be district-wide or site specific, whether costs are related to specific timescales or apply for the entire life of the plan and whether costs are likely to be incurred directly by the developer through on site or off site development or via financial contributions made by the developer to other agencies or developers towards wider schemes within the city.

3.2 Local Plan Policies

- 3.2.1 A review of each 'Pre Publication Draft Regulation 18 Consultation' document (PPDRC document (2017)) policy's assessed impact on development is provided in **Table 3.1** using a 'traffic light' system. A green colour indicates the assessed policy to have been assumed as incurring no cost and therefore negating a need to test, amber indicates either no impact or a slight impact able to be addressed through design with little bearing on viability, and red means that the policy would have some bearing on the viability of sites and should be tested.
- 3.2.2 All strategic residential sites are also to be tested with regard to their respective key principles as stated in PPDRC (2017), which are also identified in **Table 3.1**.

Table 3.1 Viability Policy Matrix for PPDRC document (2017)

Key to 'policy cost implication' colour coding:

Unlikely to have any significant impact

May have an impact so needs to be considered and possibly tested

Expected to have an impact and will need to be tested



PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
DP1	York Sub Area	Green	20		
DP2	Sustainable Development	Green	22		
DP3	Sustainable Communities	Green	24		
DP4	Approach to Development Management	Green	25		
SS1	Delivering Sustainable Growth for York	Yellow	26	Sets out the overall type and volume of development expected in York which may affect the realised value of development	Typology sites shall reflect the number of homes for proposed allocations.
SS2	The Role of York's Green Belt	Green	31		
SS3	York City Centre	Yellow	32	Sets out the overall type and volume of development expected in York. Impact of higher quality design and materials on build costs Determine the likely non-residential uses in the city centre	Typology sites shall reflect the number of homes for proposed allocations costed based on build cost data for York. Other evidence (e.g. the Employment Land Review) is used to determine the required supply of non-residential uses over the life of the Local Plan.
SS4	York Central (ST5)	Yellow	35	Refers to a key strategic site of: <ul style="list-style-type: none"> • 1,250 dwellings in plan period • 1,500 dwellings overall • 61,000 sqm of office space 	Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
				<p>The amount of specified growth may affect the realised value of development</p> <p>Planning principles are set out in the PPDRC document.</p>	<p>Planning principles as listed in PPDRC document to be embedded into viability assessment</p>
SS5	Castle Gateway (ST20)		38	<p>Planning principles are set out in the PPDRC Document</p>	
SS6	British Sugar (ST1)		41	<p>Refers to a key strategic site of: • 1,200 dwellings in plan period</p> <p>The amount of specified growth may affect the realised value of development</p> <p>Key principles are set out in the PPDRC document.</p>	<p>Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values</p>
SS7	Former Civil Service Sports Ground (ST2)		43	<p>Refers to a key strategic site of: • 266 dwellings in plan period</p> <p>The amount of specified growth may affect the realised value of development</p> <p>Key principles are set out in the PPDRC document.</p>	
SS8	Land adj. Hull Road (ST4)		44	<p>Refers to a key strategic site of: • 211 dwellings in plan period</p> <p>The amount of specified growth may affect the realised value of development</p> <p>Key principles are set out in the PPDRC document.</p>	<p>Key principles as listed in PPDRC document to be embedded into viability assessment</p>
SS9	Land East of Metcalfe Lane (ST7)		45	<p>Refers to a key strategic site of: • 845 dwellings in plan period•</p> <p>The amount of specified growth may affect the realised value of development</p>	<p>Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values</p>

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
				Key principles are set out in the PPDRC document.	Key principles as listed in PPDRC document to be embedded into viability assessment
SS10	Land North of Monks Cross (ST8)		47	Refers to a key strategic site of: • 968 dwellings in plan period The amount of specified growth may affect the realised value of development Key principles are set out in the PPDRC document.	Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values Key principles as listed in PPDRC document to be embedded into viability assessment
SS11	Land North of Haxby (ST9)		49	Refers to a key strategic site of: • 735 dwellings in plan period The amount of specified growth may affect the realised value of development Key principles are set out in the PPDRC document.	Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values Key principles as listed in PPDRC document to be embedded into viability assessment
SS12	Land West of Wigginton Road (ST14)		51	Refers to a key strategic site of: • 1,200 dwellings in plan period • 1,348 dwellings overall The amount of specified growth may affect the realised value of development Key principles are set out in the PPDRC document.	Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values Key principles as listed in PPDRC document to be embedded into viability assessment
SS13	Land West of Elvington Lane (ST15)		53	A key strategic site of: • 2,200 dwellings in plan period • 3,339 dwellings overall Key principles regarding the strategic creation of a new 'garden' village are set out in the PPDRC document.	Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values Key principles as listed in PPDRC document to be embedded into viability assessment

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
				The specified demand amount of specified growth may affect the realised value of development.	
SS14	Terry's Extension Sites		56	<p>Refers to a key strategic urban development sites of:</p> <ul style="list-style-type: none"> • 111 dwellings in plan period • 22 dwellings on Terry's Clock Tower • 33 dwellings on Terry's Car Park • 56 dwellings on Land to the rear of Terry's Factory <p>The amount of specified growth may affect the realised value of development</p> <p>Key principles are set out in the PPDRC document.</p>	
SS15	Nestle South (ST17)		58	<p>Refers to a key strategic site of:</p> <ul style="list-style-type: none"> • 863 dwellings in plan period <p>The amount of specified growth may affect the realised value of development</p> <p>Key principles are set out in the PPDRC document.</p>	Key principles as listed in PPDRC document to be embedded into viability assessment
SS16	Land at Tadcaster Road (ST31)		59	<p>Refers to a key strategic site of:</p> <ul style="list-style-type: none"> • 158 dwellings in plan period <p>The amount of specified growth may affect the realised value of development</p> <p>Key principles are set out in the PPDRC document.</p>	<p>Site to be included as a strategic site in testing (i.e. consultation with stakeholders + Input from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)) to ascertain specific costs and values.</p> <p>Key principles as listed in PPDRC document to be embedded into viability assessment</p>
SS17	Hungate (ST32)		60	<p>Refers to a key strategic site of:</p> <ul style="list-style-type: none"> • 328 dwellings in plan period <p>The amount of specified growth may affect the realised value of development</p>	

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
				Planning principles are set out in the PPDRC document.	
SS18	Station Yard, Wheldrake (ST33)		61	Refers to a key strategic site of: • 147 dwellings in plan period The amount of specified growth may affect the realised value of development Key principles are set out in the PPDRC document.	Key principles as listed in PPDRC document to be embedded into viability assessment
SS19	Queen Elizabeth Barracks (ST35)		63	Refers to a key strategic site of: • 578 dwellings over the plan period and beyond, with development anticipated to start in 2023 The amount of specified growth may affect the realised value of development Key principles are set out in the PPDRC document.	Key principles as listed in PPDRC document to be embedded into viability assessment
SS20	Imphal Barracks (ST36)		66	Refers to a key strategic site of: • 769 dwellings from the end of the plan period, with development anticipated to post 2031 The amount of specified growth may affect the realised value of development Key principles are set out in the PPDRC document.	Key principles as listed in PPDRC document to be embedded into viability assessment
SS21	Land South of Elvington Airfield Business Park (ST22)		68	Employment site	Not tested within this appraisal -- see section below about Strategic Employment Sites
SS22	University of York Expansion (ST27)		70	Employment site	Not tested within this appraisal -- see section below about Strategic Employment Sites

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
SS23	Land at Northminster Business Park (ST19)	Green	71	Employment site	Not tested within this appraisal -- see section below about Strategic Employment Sites
SS24	Whitehall Grange (ST37)	Green	72	Employment site	Not tested within this appraisal -- see section below about Strategic Employment Sites
EC1	Provision of Employment Land	Yellow	75	Sets out the requirement for employment land	Non-residential typology sites will be tested for potential CIL contributions based on the volume and type of floorspace expected
EC2	Loss of Employment Land	Green	77		
EC3	Business and Industrial Uses within Residential Areas	Green	78		
EC4	Tourism	Yellow	78	Sets out the requirement for tourism	Tourism uses, such as a hotel, to be included in non-residential testing
EC5	Rural Economy	Green	79		
R1	Retail Hierarchy and Sequential Approach	Green	80		
R2	District and Local Centres and Neighbourhood Parades	Green	82		
R3	York City Centre Retail	Green	84		
R4	Out of Centre Retailing	Green	87		
H1	Housing Allocations	Yellow	90	Sets out the location for new development expected in York	Appraisal should be tailored to ensure typologies match these allocations.
H2	Density of Residential Development	Red	100	Sets out the expectation for development to achieve: <ul style="list-style-type: none"> • 100 units/ha within the city centre • 50 units/ha within the York urban area • 40 units/ha within the suburban area and Haxby / Wiggington • 35 units/ha in the rural area and villages 	Typologies to reflect these densities and other densities that are considered appropriate Bespoke strategic site densities as stated in the PPDRC to override general typology densities

PPDR Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
H3	Balancing the Housing Market		102	Requires that dwellings reflect the requirement set out in the latest SHMA and be informed by up to date evidence of need including at a local level and the nature of the development site and the character of the local surrounding area.	Typologies should reflect the local policy on mix/type/size of units
H4	Promoting and Custom House Building		103	The strategic sites will be required to make available for selfbuilders / custom build a minimum of 5% of the total housing delivered on site.	There is no evidence to support the minor requirement for self-build within development to increase cost on delivery.
H5	Gypsies and Travellers		106	<p>To meet the accommodation needs of Gypsies and Travellers, provision will be made in the following ways:</p> <p>a) To meet the need of Gypsies and Travellers that meet the planning definition, 3 additional pitches will be identified within the existing three Local Authority sites.</p> <p>b) To meet the need of those 44 Gypsies and Traveller households that do not meet the planning definition Within Strategic Allocations</p> <p>The requirements for this policy (in strategic sites) will be based on the hierarchy below:</p> <ul style="list-style-type: none"> • 100-499 dwellings – 2 pitches should be provided • 500-999 dwellings - 3 pitches should be provided • 1000-1499 dwellings - 4 pitches should be provided • 1500-1999 dwellings - 5 pitches should be provided • 2000 or more dwellings - 6 pitches should be provided 	Sites in appraisal should make allowance for costs associated with this policy

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
H6	Travelling Showpeople Sites		107	In order to meet the need of Travelling Showpeople that meet the planning definition, 3 plots will be allocated SP1: The Stables, Elvington:	
H7	Student Housing		110	Indicates a need for student accommodation	Student housing to be included in non-residential testing
H8	Houses in Multiple Occupation		111		
H9	Older Persons Specialist Housing		114	Strategic sites should incorporate the appropriate provision of accommodation types for older persons within their site masterplanning. For sheltered/Extra-care accommodations a mix of tenures will be supported. Where development falls within Use Class C3 affordable housing will be required (in accordance with Policy H10 Affordable Housing)	Older person housing to be included in the residential testing and non-residential testing
H10	Affordable Housing		115	Support for residential schemes for two or more dwellings which provide the affordable housing in accordance with the following dwelling / size (gross) thresholds: <ul style="list-style-type: none"> • Brownfield sites of 15+: 20% • Greenfield sites of 15+: 30% • Urban sites <15 0% • Rural sites 11-14 max combined floorspace >1000m² (max.) £33,208.40/unit (20%) • Rural sites 5-10 max combined floorspace >1000m² (max.) £24,906.30/unit (20%) • Rural sites 2-4 max combined floorspace >1000m² (max.) £16,604.20/unit (10%) <p>AH is based on the SHMA (2016) 80:20 ratio between social rented or affordable rented (80) and intermediate (20).</p>	Policy taken into consideration in appraisal (bearing in mind changes in national policy and recent Inspectors' decisions at Examination relating to S106 affordable housing thresholds)

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
HW1	Protecting Existing Facilities		120	Requiring proportionate new or improved facilities to accompany new residential development	Need to ascertain costs for such facilities, if required, in strategic sites
HW2	New Community Facilities		122	York's built sports facilities will, where appropriate, be enhanced	Need to ascertain costs for such facilities, if required, in strategic sites
HW3	Built Sports Facilities		123	Requiring proportionate new or improved facilities to accompany new residential development	Need to ascertain costs for such facilities, if required, in, primarily, the strategic sites
HW4	Childcare Provision		124	New childcare facilities may be required where there is an identified need, including strategic housing allocations	Need to ascertain costs for such facilities, if required, in strategic sites
HW5	Healthcare Services		127	New Primary healthcare facilities may be required to meet the needs of future occupants from new development, including strategic housing allocations	Need to ascertain costs for such facilities, if required, in strategic sites
HW6	Emergency Services		129	The following sites have been identified as requiring additional spoke facilities: <ul style="list-style-type: none"> • ST7: Land East of Metcalfe Lane • ST8: Land North of Monks Cross • ST9: Land North of Haxby • ST15: Land West of Wigginton Road • ST16: Terry's Extension Sites 1 and 2 	Sufficient allowance is made in the assumed gross to net site area and S106/CIL headroom for supporting this policy
HW7	Healthy Places		130	Residential development design principles: <ul style="list-style-type: none"> • Well-designed streetscapes • Safe, attractive and easy to navigate footpaths / cycle paths • Good pedestrian and cyclist connections to neighbouring communities and green spaces • Spaces for communities to come together • Adaptations for those with limited mobility • Designing-out crime and improving perceived safety • Buildings that are adaptable to the changing needs of residents 	Need to ascertain potential costs for meeting the design principles

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
ED1	University of York	Green	133	Address the need for any additional student housing which arises because of its future expansion of student numbers.	Student housing to be included in non-residential testing
ED2	Campus West	Green	134		
ED3	Campus East	Yellow	135	Impact of Strategic Employment site ST27 key strategic site of 25ha university related space including research/science city and student accommodation Planning principles	Student housing to be included in non-residential testing
ED4	York St. John University Lord Mayor's Walk Campus	Green	137	Address the need for any additional student housing which arises because of its future expansion of student numbers.	Student housing to be included in non-residential testing
ED5	York St. John University Further Expansion	Green	139		
ED6	Preschool, Primary and Secondary Education	Red	140	Provision of Preschool, Primary and Secondary Education, as required to support strategic and non-strategic housing allocations	Need to ascertain costs for such facilities based on financial contributions built into typologies and on site provision for strategic sites where identified in the planning principles for the site
ED7	York College and Askham Bryan College	Green	141		
ED8	Community Access to Sports and Cultural Facilities on Education Sites	Yellow	142		Need to ascertain costs for retaining such facilities, if required
D1	Placemaking	Yellow	145	Detailed design points (criteria) may affect build costs and realised levels of development	Allow sufficiently in the sales values and build costs for adhering to the detailed design points (criteria).
D2	Landscape and Setting	Green	148	Impact on build costs for higher quality soft and hard landscaping etc. that make a positive contribution	Allow sufficiently in the build costs for higher quality soft and hard landscaping etc.

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
D3	Cultural Provision		150		
D4	Conservation Areas		151		
D5	Listed Buildings		152		
D6	Archaeology		154	Potential for significant archaeological desk-based studies and / or site surveys associated with the preparation of the heritage statement	Sufficient allowance is made in the professional fees assumptions for undertaking studies or surveys and potential mitigation costs
D7	The Significance of Non-Designated Heritage Assets		155		
D8	Historic Parks and Gardens		156		
D9	City of York Historic Environment Record		157		
D10	York City Walls and St Marys Abbey Walls (York Walls)		158	Potential impacts of height restrictions on amount of development permitted and of higher quality design and materials on build costs	Sufficient allowance is made in build costs and sales values for the potential Impacts of height restrictions and higher quality design and materials, as required.
D11	Extensions and Alterations to Existing Buildings		160		
D12	Shopfronts		161		
D13	Advertisements		161		
D14	Security Shutters		162		
GI1	Green Infrastructure		164	Potential impacts of providing, maintaining or enhancing recreational open space and / or green corridors on sales values and build costs	Sufficient allowance is made in the assumed gross to net site area and S106/CIL headroom for supporting this policy
GI2	Biodiversity and Access to Nature		165	Potential impacts of retaining, managing and enhancing features that improve biodiversity and access to nature on sales values and build costs	Sufficient allowance is made in site opening up costs, as required, to support this policy
GI3	Green Infrastructure Network		167	Potential impacts of maintaining and enhancing the integrity and management of green infrastructure on sales values and build costs	Sufficient allowance is made in site opening up costs, as required, to support this policy

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
GI4	Trees and Hedgerows		168	Potential impacts of retaining or supplementing the existing tree stock / hedgerows on sales values and build costs	Sufficient allowance is made in site opening up costs, as required, to support this policy
GI5	Protection of Open Space and Playing Pitches		169	Potential impacts of re-providing open space on build costs	Sufficient allowance is made in site opening up costs, as required, to support this policy
GI6	New Open Space Provision		170	Impact providing new open space on sales values (due to effects on gross : net ratios) and build costs	Sufficient allowance is made in site opening up costs, as required, to support this policy
GI7	Burial and Memorial Grounds		172		
GB1	Development in the Green Belt		173		
GB2	Development in Settlements "Washed Over" by the Green Belt		176		
GB3	Reuse of Buildings		177		
GB4	'Exception' Sites for Affordable Housing in the Green Belt		178	Policy sets out the guidelines associated with considering 'exception sites'	
CC1	Renewable and Low Carbon Energy Generation and Storage		180	New buildings must achieve a reasonable reduction in carbon emissions of at least 28% Strategic sites will be required to produce energy masterplans to ensure that the most appropriate low carbon, renewable and energy efficient technologies are deployed at each site	Appraisal will be required to test these policies based on information from the Carbon Trust
CC2	Sustainable Design and Construction		183	Policy sets out the requirements for <ul style="list-style-type: none"> Sustainable Design and Construction of New Development Conversion of Existing Buildings and Change of Use Consequential Improvement to Existing Dwellings 	Appraisal will be required to test these policies based on information from the Carbon Trust

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
CC3	District Heating and Combined Heat and Power Networks		186	All new developments will be required to connect to (C)CHP distribution networks where they exist, or incorporate the necessary infrastructure for connection to future networks, unless it can be clearly demonstrated that doing so is not feasible or that utilising a different energy supply would be more sustainable.	Appraisal will be required to test these policies for strategic sites and, if required, in typologies.
ENV1	Air Quality		191		
ENV2	Managing Environmental Quality		196		
ENV3	Land Contamination		198		
ENV4	Flood Risk		200	The site selection methodology should have eliminated all sites that are at risk from flooding. However, some sites (e.g. brownfield sites) may still be in locations that require flood mitigation measures	Relevant typologies and strategic sites to be identified and 'abnormal costs' for mitigating flood risk to be tested, if necessary (specific costs sourced from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS))
ENV5	Sustainable Drainage		202	Potential additional costs Sustainable Drainage Systems (SuDS) instead of traditional piped SW drainage	Sufficient allowance is made, as required, in the sales values and development costs for providing, maintaining or enhancing SUDS
WM1	Sustainable Waste Management		205		
WM2	Sustainable Minerals Management		207		
T1	Sustainable Access		209	Potential provision of frequent high quality public transport Developments that for all modes provide safe, appropriate access, are permeable and provide secure covered cycle storage	Specific site costs sourced from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)

PPDRC Policy #	Policy Name	Cost?	Page #	Nature of costs	How cost is treated
T2	Strategic Public Transport Improvements		212	Provision of stated improvements	Specific site costs sourced from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)
T3	York Railway Station and Associated Operational Facilities		214		
T4	Strategic Highway Network Capacity Improvements		218	Provision of stated improvements	Specific site costs sourced from Infrastructure Delivery Plan (IDP) / Infrastructure Delivery Schedule (IDS)
T5	Strategic Cycle and Pedestrian Network Links and Improvements		219	Provision of stated improvements	
T6	Development at or Near Public Transport Corridors, Interchanges and Facilities		221		Informed the tested site typologies.
T7	Minimising and Accommodating Generated Trips		223		
T8	Demand Management		224		
T9	Alternative Fuel Fuelling stations and Freight Consolidation		226		
C11	Communications Infrastructure		227		
DM1	Infrastructure and Developer Contributions		232		

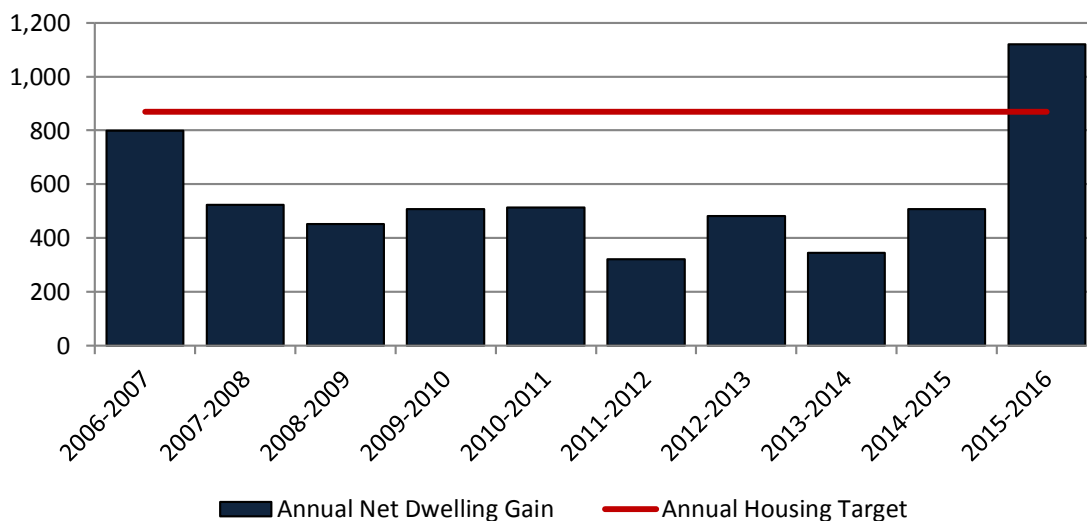
Strategic Employment Sites

- 3.2.3 With regard to non-residential development, the NPPF states that local planning authorities *'should have a clear understanding of business needs within the economic markets operating in and across their area'*. To achieve this, they should... *'understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.'*²⁷
- 3.2.4 The PPDRC includes strategic employment sites with respective planning principles. These specific sites have not been viability tested for plan making purposes for the reasons noted in **Chapter 2** para 2.1.12 to 2.1.17 of this report. However, generic employment sites are discussed in **Chapter 6** and tested in **Chapter 7** for the purposes of identifying a potential headroom for setting CIL charges.

3.3 Past Development Patterns

- 3.3.1 Patterns of past development can often provide a guide to the likely patterns of future development. The PPDRC document (2017) indicates an annual housing target is for 867 net additional units per annum. **Figure 3.1** shows the net delivery of dwellings in York according to the latest Housing Monitoring Report²⁸, which has varied considerably over the period 2006 to 2015. Other than the last monitoring year, 2015-16, the net dwelling gain has fallen below the target level.

Figure 3.1 Residential net annual completions in York



Source: City of York Council Housing Monitoring Report, 2016

3.4 Likely Future Development Patterns

- 3.4.1 To meet the housing target requirement, the PPDRC document (2017) sets out a number of policies relating to strategic sites and housing allocations that will also contribute to the figure. In total, it is estimated that the strategic sites could provide approximately 13,300 towards this requirement, with the housing allocations providing another 1,500 units. This is summarised in **Table 3.2** below.

²⁷ NPPF page 39, para 160

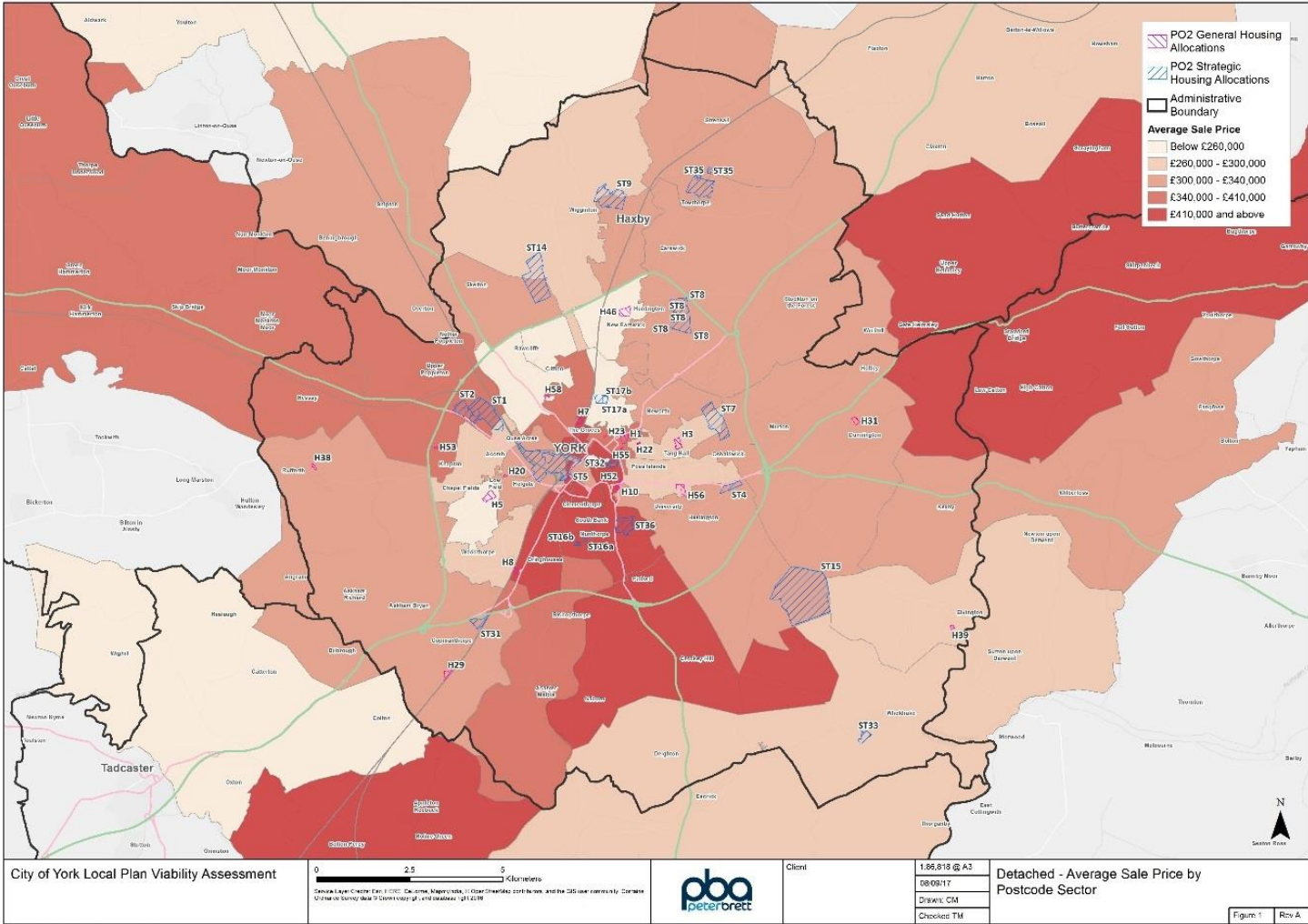
²⁸ City of York Council (2016), Housing Monitoring Update for Monitoring Year 2015/16

Table 3.2 Number of units to each type of housing allocation in the PPDR document (2017)

Type of housing allocations
<p>Strategic areas</p> <ul style="list-style-type: none"> - ST1 British Sugar (1,200) - ST2 Civil Service Sports Ground (266) - ST4 Land adj Hull Road (211) - ST5 York Central (1,500) - ST7 Land East of Metcalfe Lane (845) - ST8 Land North of Monks Cross (968) - ST9 Land North of Haxby (735) - ST14 Land to West of Wigginton Road (1,348) - ST15: Land to west of Elvington Lane (3,339) - ST16 Terrys (111) - ST17 Nestle North & South (863) - ST31 Land South of Tadcaster Rd, (158) - ST32 Hungate (328) - ST33 Station Yard, Wheldrake (147) - ST35 Queen Elizabeth Barracks (578) - ST36 Imphal Barracks (769)
<p>Housing allocations</p> <ul style="list-style-type: none"> - H1 Former Gas Works - H3 Burnholme School - H5 Lowfield School - H6 Land r/o The Square - H7 Bootham Crescent - H8 Askham Bar Park and Ride - H10 Barbican - H20 Oakhaven EPH - H21 Woolnough House - H22 Heworth Lighthouse - H23 Former Grove House - H29 Land at Moor Lane, Copmanthorpe - H31 Eastfield Lane, - H38 Land RO Rufforth - H39 North of Church Lane, Elvington - H43 Manor Farm Yard, Copmanthorpe - H46 Land to North of Willow Bank and East of Haxby Rd, - H52 Willow House EPH - H53 Land at Knapton Village - H55 Land at Layerthorpe - H56 Land at Hull Road - H57 Poppleton Garden Centre - H58 Clifton Without primary school - H59 Queen Elizabeth Barracks

- 3.4.2 **Figure 3.2** sets out where the development, shown in **Table 3.2**, is expected to be delivered. A significant amount of development is expected within central areas, with fewer developments located outside the outer ring road. To gain an appreciation of expected values, the allocations are plotted on a heatmap with current average sales values for detached houses (where darker colours symbolising areas of higher achieved values). More detail is provided regarding heatmaps in the following section.

Figure 3.2 Future residential development in York



4 Local Development Context

4.1 Introduction

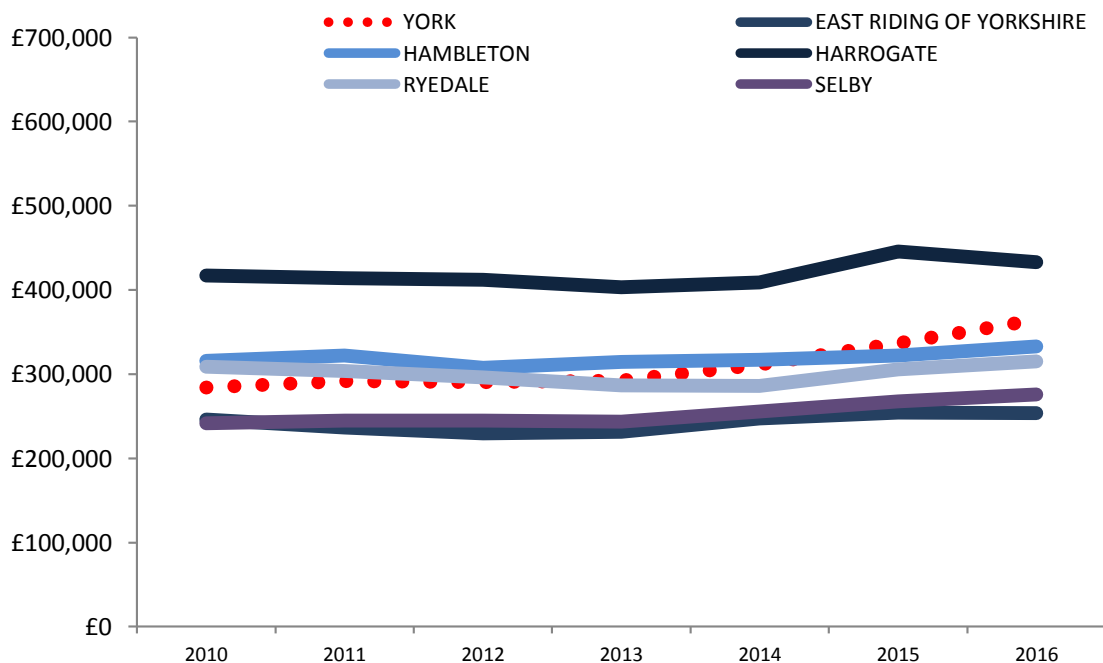
4.1.1 This section provides a brief summary of the residential development context and market conditions within York. This information is used to inform the residential testing assumptions presented in the following chapter. Non-residential assumptions based on market analysis are presented separately, in line with discussions about the testing assumptions, in **Chapter 9**.

4.2 Residential Market Sales Values

4.2.1 Using data of actual transactions since 2010 from the Land Registry, **Figure 4.1 and 4.2** compares sales values in York against neighbouring authorities. In both figures, the achieved sales value for York is shown by the dashed red line. **Figure 4.1** indicates the average sales value for all detached property (both new and existing) while **Figure 4.2** shows the average achieved sales value for new detached properties.

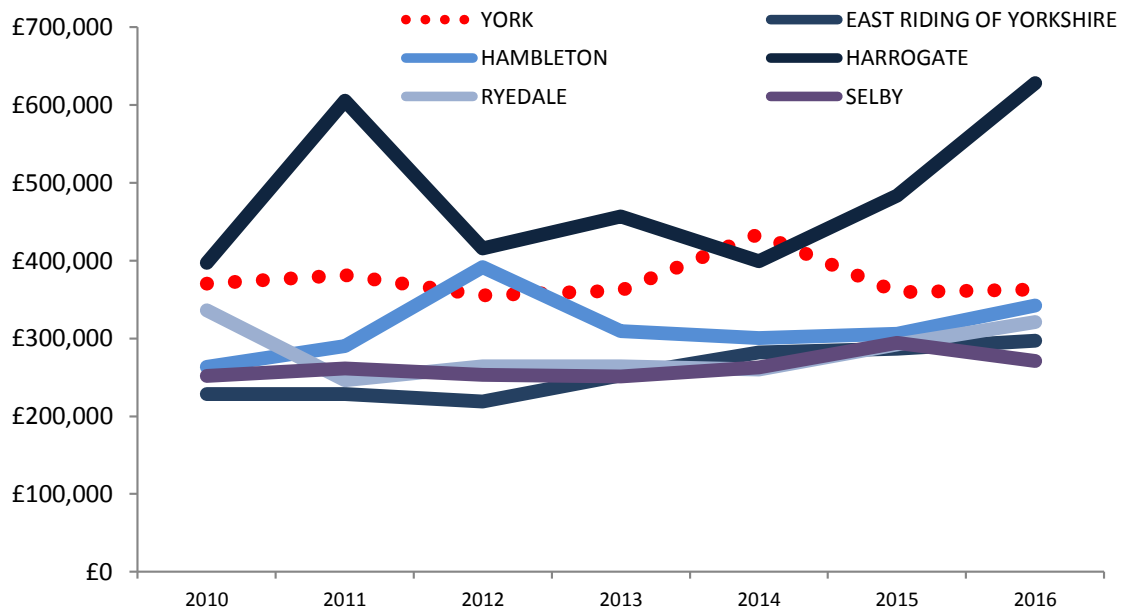
4.2.2 The graph demonstrates that for both **Figure 4.1** and **4.2**, York has experienced sales values marginally higher than its neighbours (with the exception of Harrogate). **Figure 4.1** indicates that the average sales value for new and existing properties has risen from around £300,000 to approximately £350,000 since 2010. Across the same period, however, **Figure 4.2** shows that sales values for new properties have fallen marginally.

Figure 4.1 Average achieved sales price of detached properties since 2010 (new and existing)



Source: Land Registry

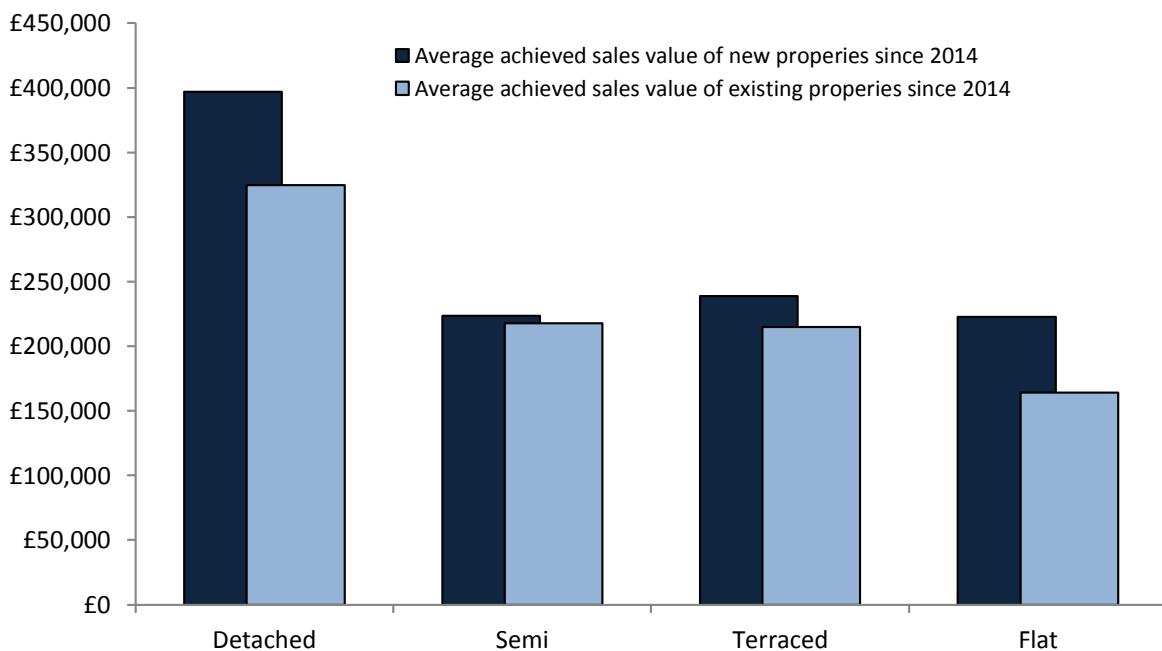
Figure 4.2 Average achieved sales price of detached properties since 2010 (new properties)



Source: Land Registry

4.2.3 For properties just within York, **Figure 4.3** provides achieved sales prices by type of dwelling for new and existing properties. This shows that whilst the average for new detached properties is rather high, the average achieved sales values for new semi-detached, terraced and flats are similar. Additionally, **Figure 4.3** indicates that the premium for new builds is significant for both detached properties and flats, but comparatively small for semi-detached and terraced properties.

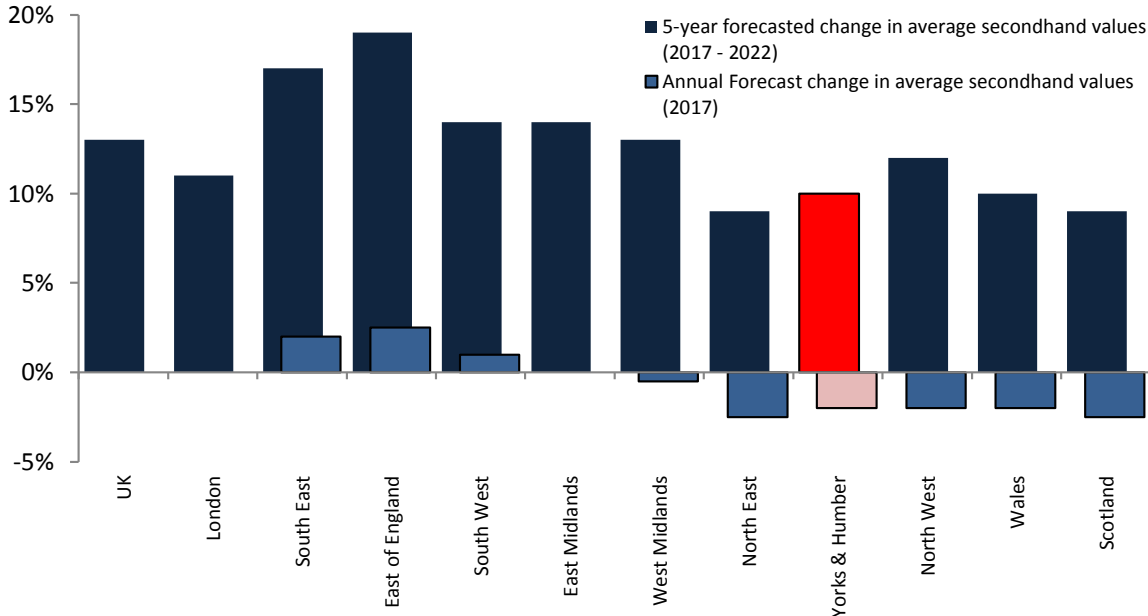
Figure 4.3 Average sales value by property for dwellings in York



Source: Land Registry

4.2.4 Looking forward in **Figure 4.4**, the latest projections of second hand house prices prepared by Savills in their Residential Property Focus (Issue 1 2017), shows that the Yorkshire and Humber region is expected to grow at a lower rate than the UK average. Savills estimate a negative annual growth rate in 2017 with values forecast to rise by 10% over the next 5 years.

Figure 4.4 Projected increase in average second-hand values



Source: Savills World Research (2017), Residential Property Focus 2017 Issue 1

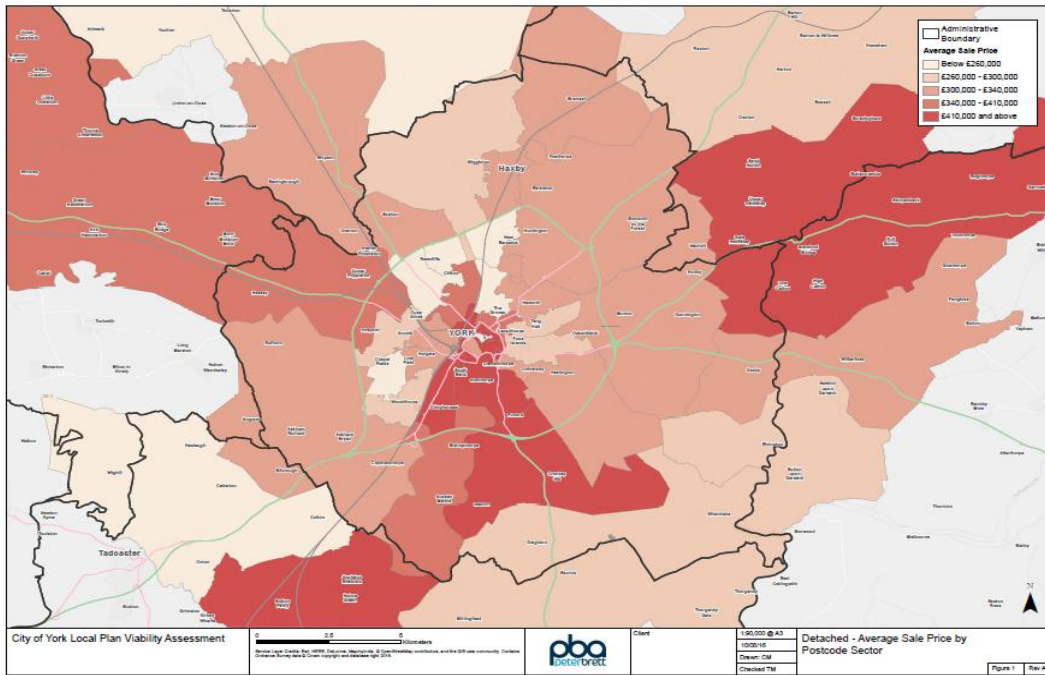
4.2.5 In terms of locations within York, **Figure 4.5, Figure 4.6, Figure 4.7** and **Figure 4.8** looks at achieved sales within York since January 2013 by different housing types so that the data is not skewed by an over representation of a particular type. These ‘heatmaps’ are used to indicate where values may differ by mapping average price values based on postcode sectors across the city. Postcodes with lighter shading refer to areas where values are lower compared with darker areas where the average is higher.

4.2.6 This exercise is important in regards to Local Plan testing and/or identifying a scope for CIL as clearly defined locations where there are significantly different sales values could necessitate a requirement for different policies or CIL rates. Guidance states that “Charging authorities can set differential rates for different geographical zones provided that those zones are defined by reference to the economic viability of development within them.”²⁹ Based on the values, there is no clearly defined pattern where values are notably different across all four heatmaps. There are instances where a postcode is considered a higher value area on one heatmap for one type of dwelling also appears to be a lower value area for a different type.

4.2.7 To test these findings, PBA presented these heatmaps at a developer workshop in September 2016. The attendees suggested that this was an accurate conclusion, and that there was no suggestion that values would be distinctly different between locations. The conclusion from this analysis, therefore, is that there is not sufficient evidence to support an approach where multiple value areas are considered.

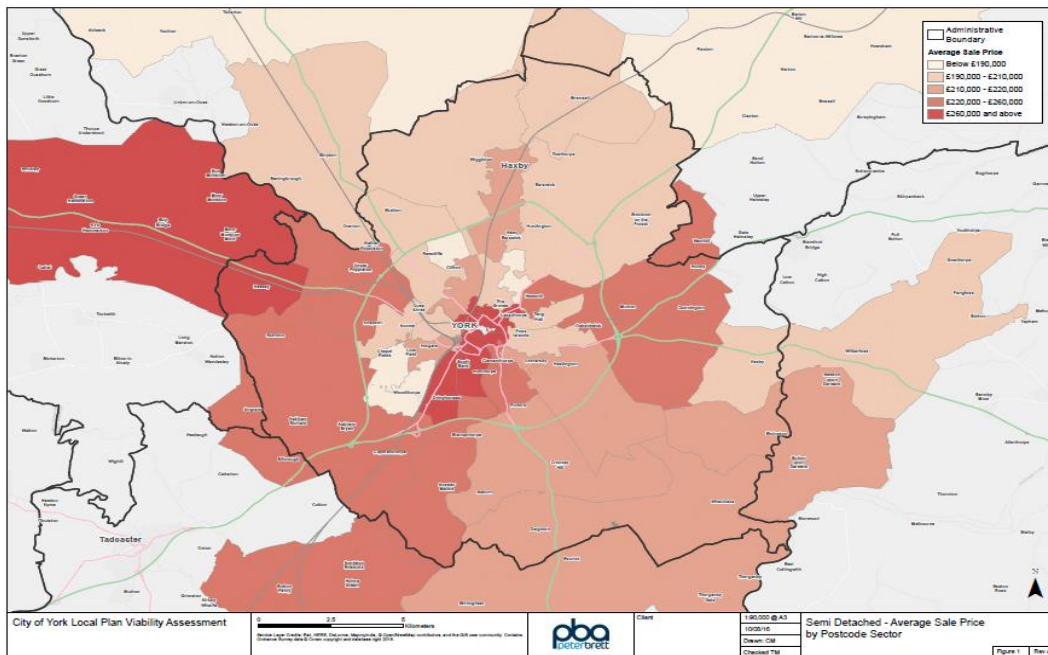
²⁹ DCLG (2016) Coomunity Infrastructure Levy Guidance (para 34)

Figure 4.5 Average prices of new and second-hand detached houses in York, Jan'13 to Jun'16



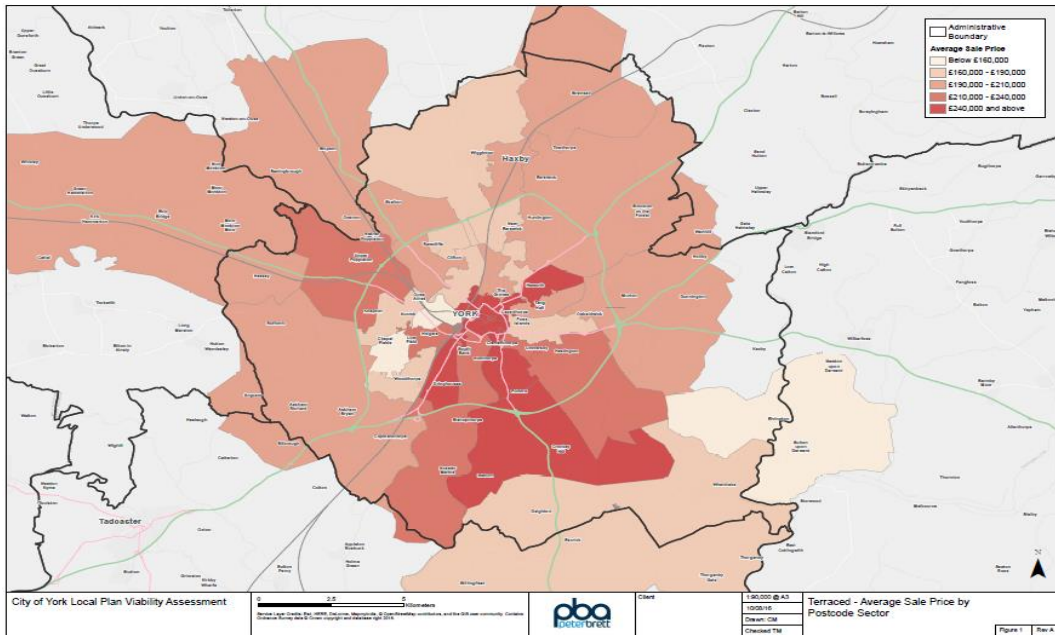
Source: Land Registry data

Figure 4.6 Average prices of new and second-hand semi-detached houses in York, Jan'13 to Jun'16



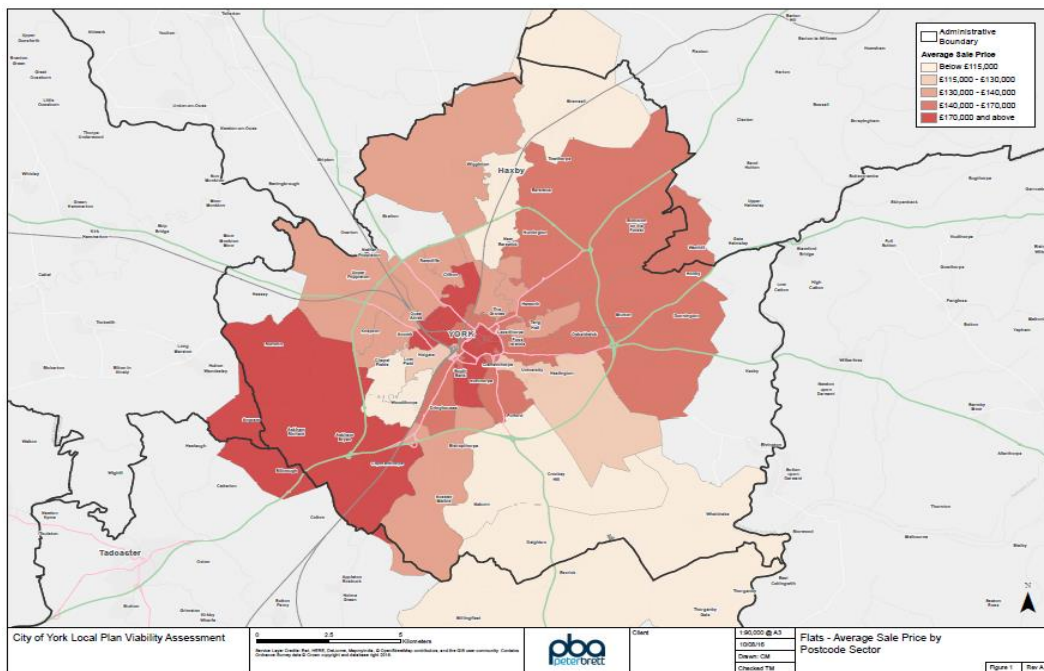
Source: Land Registry data

Figure 4.7 Average prices of new and second-hand terraced houses in York, Jan'13 to Jun'16



Source: Land Registry data

Figure 4.8 Average prices of new and second-hand flatted developments in York, Jan'13 to Jun'16



Source: Land Registry data

York residential sales value per square metre

- 4.2.8 The analysis up until now has been based on the full average prices achieved for residential units. Whilst this analysis is useful it only tells part of the picture. Land registry data is useful in providing the average sales value of a property, but does not adequately take into consideration the size of the property. For instance, it would be reasonable to assume that, all things being equal, larger properties attract higher values than smaller ones. It is also reasonable to assume that property sizes are likely to be larger, in general, in rural areas compared to their urban counterparts.
- 4.2.9 Therefore, it is also useful to gain an understanding of the sales values per square metre of these properties. By using Land Registry data of new property transactions, and by obtaining the corresponding floorspace data for each property from their Energy Performance Certificate (EPC), it is possible to derive an achieved per square metre sales value. From a sample of over 320 transactions that have taken place between January 2015 and May 2016, which are listed in **Appendix C**, PBA have identified an average value per sqm in the City of York to be:
- House = £2,621 per sqm
 - Flat = £3,514 per sqm

4.3 Non-residential Market Sales Values

- 4.3.1 Data on non-residential transactions is more limited than residential transactions, and there are varieties in development types. This section has therefore considered historical comparable evidence for new values at a local, regional and national level.

Employment Uses

City centre offices and business parks

- 4.3.2 With the constraints of city centre's historical core, recent new build offices in York have been located in edge of centre locations. This has left a limited supply of new build office units within the city centre.
- 4.3.3 Consultation with local agents revealed that the office market is not particularly strong at the moment and York has a number of units currently left vacant. According to data from the commercial property information service, CoStar, vacancy rates for office units have fallen from 9% in 2012 to approximately 7% at the time of the report. Asking rents have increased from £12 per sqft (£129 per sqm) to almost £14.5 sqft (£156 per sqm) at the start of 2016. Since then, asking rents have fallen back to just over £12.5 per sqft (£135 per sqm). Between 2011 and 2016, average yields predominantly fluctuated around 8%.
- 4.3.4 **Table 4.1** shows a sample of second-hand office units currently listed on commercial property websites (for instance Rightmove and Zoopla). Research and consultation indicates that rental values differ considerably based on the quality of the unit. In summary, acceptable rental values were thought to be in the region of £160 per sqm, with business parks achieving marginally higher rents.

Table 4.1 Office units currently on the market

Type	Scheme	Annual rent per sqm
Business Park	Lancaster House	£128
Business Park	Melrosegate	£139
Business Park	Skipworth Rd	£108

Type	Scheme	Annual rent per sqm
Business Park	Rose Avenue	£279
Business Park	Audax Rd	£280
Business Park	Innovation Centre	£323
Business Park	London Ebor Business Park	£146
Business Park	Aviator Court	£124
City centre office	Merchant House	£89
City centre office	Clifton Park	£129
City centre office	Lavender grove	£123
City centre office	Goodramgate	£91

Source: CoStar

- 4.3.5 In terms of transactional data, the sample in **Table 4.2** and **4.3** indicate that rental rates of around £160 to £180 per sqm are considered appropriate, and yields average in the region of 8%.

Table 4.2 Transactional data of offices - rents

Type	Scheme	Annual rent per sqm
Business Park	Fulford Industrial Estate	£172
Business Park	Holgate Business Park	£129
Business Park	Holgate Business Park	£129
Business Park	Centurion House	£145
Business Park	Wellington Row	£178
City centre	12 George Hudson St	£209
City centre	12 George Hudson St	£123
City centre	12 George Hudson St	£188
City centre	Stamford House	£144
City centre	37 Tanner Row	£172
City centre	George Hudson St	£178
City centre	Rougier St	£140
City centre	Mill House, North St	£172
City centre	East Coast House	£135
City centre	16 Toft Green	£124

Table 4.3 Transactional data of offices - yields

Type	Scheme	Yield
Business Park	Fulford Industrial Estate	9.6%
Business Park	Holgate Business Park	9.2%
Business Park	Holgate Business Park	8.2%
Business Park	Centurion House	6.5%
Business Park	James House - James St	5.7%

Type	Scheme	Yield
Business Park	Wellington Row	5.2%
City centre	12 George Hudson St	11.4%
City centre	Stamford House	10.0%
City centre	37 Tanner Row	8.8%
City centre	Saxby House	8.5%
City centre	Rowntree Wharf	8.4%
City centre	George Hudson St	7.8%
City centre	Rougier St	7.2%
City centre	Mill House, North St	7.0%
City centre	East Coast House	6.4%

Source: CoStar

Industrial/warehousing units

- 4.3.6 PBA have appraised industrial and warehouse space as a single use, covering use classes B1c (light industrial), B2 (general industrial) and B8 (warehousing and distribution). Most of the new space is likely to be small units, largely occupied by services and light industry rather than traditional heavy manufacturing.
- 4.3.7 There are four main areas where the majority of transactions have taken place. These are York Business Park, Clifton Moor, Stirling Park and Hazel Court. From consultation it is noted that York Business Park has achieved £60 and £85 per sqm in rents in recent years.
- 4.3.8 **Table 4.4** displays a number of recent transactions indicating that a figure between £60 and £85 is a reasonable assumption for this type of unit. PBA also understands that yields for this type of development are in the region of 8%.

Table 4.4 Industrial units currently on the market

Type	Scheme	Annual rent per sqm
Industrial	Mansfield St	£70
Industrial	Unit 7-8 - Ebor Industrial Estate	£67
Industrial	Unit 7-8 - Ebor Industrial Estate	£69
Industrial	Unit 1-4 - Hazel Court, James St	£99
Industrial	Unit 5-7 - Hazel Court, James St	£81
Industrial	9 The Crescent	£74
Industrial	Leeman Rd	£56
Industrial	Pyramid Court, Rosetta Way	£86
Industrial	Units 1-6A - The Rose Centre Business Park	£91

Source: CoStar

Retail

City centre retail

- 4.3.9 Many consultees noted a significant degree of variance in rental values based on location. This can be seen in **Table 4.5** which shows a sample of high street units that are currently on the market on various commercial property websites (such as Rightmove).

Table 4.5 Retail units currently on the market

Type	Scheme	Annual rent per sqm
City centre retail	Front Street, York	£105
City centre retail	Blossom Street, York	£173
City centre retail	York Road, York	£164
City centre retail	Lendal Rd, York	£667
City centre retail	Feasegate, York	£196

- 4.3.10 The sample of transactional data in **Table 4.6** indicates a similar variation in retail values, ranging from £100 to £890. From city centre retail units sold PBA also understand that a yield of 7.5% is considered as an appropriate benchmark.

Table 4.6 City centre retail rents in York

Type	Scheme	Annual asking rent	Size (Sqm)	Annual rent per sqm
City centre retail	72 Low Petergate	£57,500	187	£307
City centre retail	12A Coney St	£97,000	674	£144
City centre retail	99 Low Petergate	£46,000	99	£466
City centre retail	11 Coney St	£105,000	117	£898
City centre retail	50A York Rd	£20,000	87	£230
City centre retail	28 Back Swinegate	£13,950	29	£480
City centre retail	74 Goodramgate	£39,500	248	£159
City centre retail	19 Market St	£60,000	180	£333
City centre retail	68 Mickelgate	£7,500	72	£104
City centre retail	12 Hudson Street	£30,000	160	£188
City centre retail	50 Low Petergate	£50,000	72	£695

Source: CoStar

- 4.3.11 Consultation revealed that the retail market in York is “healthy” in relation to other city centres across the UK. The city centre offers high quality and provides an attractive shopping environment which has remained comparatively buoyant over recent years.
- 4.3.12 This is corroborated by information from the commercial property information service, CoStar, which notes that vacancy rates in York also have fallen in recent years, from 3% in 2011 to just under 1% in 2016. Unsurprisingly, asking rents have risen during this time from £25 per sqft (£269 per sqm) in 2011 to just over £35 per sqft (£377 per sqm) at the time of the report. Retail yields, whilst varying considerably by type and location, could be considered as averaging around 7%.

Out of city centre retail

- 4.3.13 York has a number of large retail parks including Monks Cross, Clifton Moor and Foss Island. These three all contain a number of national multiples that are expected of retailers in this location.
- 4.3.14 Discussions with local agents provided mixed and varied views with respect to the out of town retail market sector within York. Appropriate rental levels, with respect to stand alone out of town retail units were thought to be in the range of £170 per sq. m, whilst incentives offered to tenants often range from 9 to 18 month rent free periods. Yields were believed to be very dependent on tenant covenant strength and length of lease, but with a number of notable failures amongst out of centre retailers, they have risen in recent years and are likely to range from 7% - 8.25%.
- 4.3.15 Interestingly, sales value data appeared to contradict discussions with local agents. **Table 4.7** and **4.8** sets out rental values and yields from CoStar of transactions in the past 5 years. The table indicates that rental values have been consistently between £160 and £200 per square metre with yields closer to 6%.

Table 4.7 Out of town retail units in York - Rents

Type	Scheme	Annual rent per sqm
Retail Warehouse	Suite Unit 5 - Stirling Rd	£161
Retail Warehouse	Vangarde Shopping Park - Jockey Ln	£597
Retail Warehouse	Unit 14B Phase 2 - Stirling Rd	£135
Retail Warehouse	Unit 2 Phase 4 - Stirling Rd	£91
Retail Warehouse	Unit 1 - Foss Islands Rd	£215
Retail Warehouse	Unit 18 Monks Cross Shopping Park	£538
Retail Warehouse	Units 8-9 Phase 3 - Hurricane Way	£280
Retail Warehouse	Suite Unit 3 - Foss Islands Rd	£219
Retail Warehouse	Unit 1 B&M - Stirling Rd	£166
Retail Warehouse	Units 1-9 Phase 1 - Stirling Rd	£205

Source: CoStar

Table 4.8 Out of town retail units in York - Yields

Type	Scheme	Yield
Retail Warehouse	Clifton Moor Retail Park	5.6%
Retail Warehouse	Foss Islands Rd	5.9%
Retail Warehouse	Stirling Rd, York	6.4%
Retail Warehouse	Stirling Rd, York	5.2%
Retail Warehouse	Stirling Rd, York	7.9%

Source: CoStar

Convenience stores and supermarkets

4.3.16 Convenience retail operates in a slightly different market to comparison retailing. While both have been influenced by the increasing popularity of online shopping, the convenience sector continues to undergo significant structural change because of an increasingly competitive market and a fundamental change in the way customers' shop. This has affected the type of units that are being developed, as seen by the increasing prominence of budget retailers (such as Aldi and Lidl) and smaller format stores.

4.3.17 **Table 4.9** and **4.10** show samples of rental values and yields transactional data from CoStar for properties sold in the past ten years. It is worth noting that the sample contains predominantly second hand units, and it is thought that a rental premium could be achieved above these for new units.

Table 4.9 Convenience Retail in and around York – Rent

Type	Location	Tenant	Annual rent per sqm
Small Convenience	Penley Grove, York	Londis	£195
Small Convenience	The Square, Hessle	Somerfield	£169
Small Convenience	Grandale, Hull	Sainsbury Local	£83
Small Convenience	Pontefract	Sainsbury Local	£116
Small Convenience	Leeds	Tesco Express	£94
Smaller supermarket	High St, Doncaster	Iceland	£111
Smaller supermarket	Kirkstall, Leeds	Poundland	£169
Smaller supermarket	Beckett Rd, Doncaster	Cooperative	£144
Large Supermarket	Foss Island, York	Waitrose	£95
Large Supermarket	Abbey Walk, Selby	Sainsburys	£183
Large Supermarket	Drummond St, Rotherham	Tesco Extra	£199

Source: CoStar

Table 4.10 Convenience Retail – Yields

Type	Location	Tenant	Yield
Small Convenience	The Square, Hessle	Somerfield	6.5%
Smaller supermarket	High St, Doncaster	Iceland	6.5%
Large Supermarket	Foss Island, York	Waitrose	4.5%
Large Supermarket	Drummond St, Rotherham	Tesco Extra	5.1%
Large Supermarket	Bond Gate, Otley	Sainsburys	4.5%
Large Supermarket	Southgate, Huddersfield	Sainsburys	4.5%
Large Supermarket	Hessle	Sainsburys	5.2%
Large Supermarket	Morton Park, Darlington	Morrisons	5.7%

Hotels, Student accommodation and Care homes

- 4.3.18 Transactional data and responses from consultees about hotel, student accommodation and care home development were relatively less abundant. Where possible, PBA endeavour to use local data but where this is not available then research on a wider location is used.

Hotels

- 4.3.19 For hotel development, PBA understand that a 142 bed Holiday Inn on Tadcaster Road, was leased for £3,150 per room. Yields in York for hotels were considered to vary considerably. For Instance, the Premier Inn on Blossom St traded at a yield of 5.85%, the sale of the Holiday Inn on Tadcaster Road represented a yield of 9.25% and the Mercure Fairfield Manor Hotel achieved a yield of 7.2%.

Student accommodation

- 4.3.20 For student accommodation, research conducted by Knight Frank³⁰ noted that 2015 was a record yield for the student accommodation investment market. Knight Frank provides evidence to demonstrate that yields for regional student accommodation has fallen from 6.5% on 2009 to between 5.5% and 6% in December 2015. In terms of rental values, research conducted by Bilfinger GVA³¹ indicates that the average weekly rent is £133 per week. Based on the assumption that rent is paid for 40 weeks (as student accommodation is rarely occupied for the full year) and allowing for management costs (assumed at 35%), this equates to a figure in the region of £3,500 per bed.

Care homes

- 4.3.21 Research also by Knight Frank³² indicated that care homes in the Yorkshire and Humber area achieved values of just under £8,000 per bed space. In another research document by Knight Frank³³, it was suggested that prime care homes traded at yields of between 5% and 6%, with secondary quality assets trading with yields at 7.5% to 8%.

³⁰ Knight Frank research (2015), Student Market review

³¹ Bilfinger GVA (2015), Student Housing review, Research report, Autumn 2015

³² Knight Frank research (2015), 2015 Care Homes Trading Performance Review

³³ Knight Frank research (2015), Healthcare Capital Markets 2015

5 Residential Viability: Assumptions

5.1 Introduction

- 5.1.1 It is not always possible to get a perfect fit between a site, the site profile and cost/revenue categories but we have attempted a best fit in the spirit of the Harman Report. For this, the viability testing requires a series of assumptions about site typologies, the site coverage and floorspace mix to generate an overall sales turnover and value of land, which along with viability assumptions are discussed here for residential testing.
- 5.1.2 To form the assumptions in this chapter, PBA conducted research of residential and commercial property websites, any other plan or CIL viability appraisals that have been conducted previously. Additionally, PBA consulted with the development industry to check and challenge the appropriateness and suitability of these assumptions based on their own evidence. A copy of the meeting notes for this event is set out in **Appendix B**.

5.2 Tested Typologies

- 5.2.1 This section identifies a suitable list of typologies (i.e. hypothetical developments), that are likely to be brought forward in the plan period, and then assign them to broad locations within York. PBA's approach to identifying site typologies is informed by NPPG CIL guidance (2014), which suggests that:

*'... a charging authority should directly sample an appropriate range of types of sites across its area, in order to supplement existing data. This will require support from local developers. The exercise should focus on strategic sites on which the relevant Plan relies, and those sites where the impact of the levy on economic viability is likely to be most significant (such as brownfield sites). The sampling should reflect a selection of the different types of sites included in the relevant Plan, and should be consistent with viability assessment undertaken as part of plan-making.'*³⁴

- 5.2.2 The Harman Report states that the role of the typologies testing is not required to provide a precise answer as to the viability of every development likely to take place during the plan period:

*'No assessment could realistically provide this level of detail...rather, [the role of the typologies testing] is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.'*³⁵

- 5.2.3 Indeed, the Report also acknowledges that a:

*'...plan-wide test will only ever provide evidence of policies being 'broadly viable.' The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is one reason why our advice advocates a 'viability cushion' to manage these risks.'*³⁶

- 5.2.4 Although determined by the characteristics of known development sites, the majority of the typologies are hypothetical which allows the study to deal efficiently with the very high level of detail that would otherwise be generated by an attempt to viability test each site. This approach is set out in the Harman Report, which suggests *'...a more proportionate and*

³⁴ DCLG CIL Guidance 2014 page 16.

³⁵ Local Housing Delivery Group (2012), op cit (para 15)

³⁶ Ibid (para 18)

practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies’.³⁷

- 5.2.5 Taking this guidance into consideration, the starting point is understanding where, and at what scale, development is likely to take place. PBA have used the City of York PPDRC document (2017) to assist in forming typologies. Taking into consideration the housing allocation document and need to test policies, a sample of typologies to reflect likely future development was formed in consultation with the Council.
- 5.2.6 Additionally, it is important that the typologies are able to adequately model the impact of the various policies proposed in the Local Plan. Firstly, the plan sets out a policy regarding an expected density of developments, which is based on four zones within York (identified as village/rural at 35 units per ha, suburban at 40 dph, urban at 50 dph and city centre at 100 dph). The densities for housing numbers within the non-strategic site typologies comply with the prescribed policy densities, but the typology sites gross to net site areas is estimated from a PBA derived formula that reflects the stepped thresholds for estimating gross to net site areas in the English Partnership’s Guidance for Urban Capacity Studies³⁸. It should be noted that the City of York Council uses an alternative approach for estimating net to gross land areas and associated densities, which is based on an earlier PBA Report 2014, which will tend to give a higher yield and this would have a positive effect on viability.
- 5.2.7 Also, the PPDRC document (2017) has an affordable housing policy based on land type, with an expectation of 25% on brownfield and 35% on greenfield.
- 5.2.8 The tested typologies are shown in **Table 5.1**.

Table 5.1 Tested residential typologies

Typology and broad location	Land type	Gross area (ha)	Net area (Ha)	No of units	Density (dph)
3 units village/rural (Greenfield)	Greenfield	0.09	0.09	3	35
3 units village/rural (Brownfield)	Brownfield	0.09	0.09	3	35
9 units village/rural (Greenfield)	Greenfield	0.26	0.26	9	35
9 units village/rural (Brownfield)	Brownfield	0.26	0.26	9	35
10 units village/rural (Greenfield)	Greenfield	0.29	0.29	10	35
10 units village/rural (Brownfield)	Brownfield	0.29	0.29	10	35
20 units village/rural (Greenfield)	Greenfield	0.73	0.57	20	35
20 units village/rural (Brownfield)	Brownfield	0.73	0.57	20	35
3 units Suburban (Greenfield)	Greenfield	0.07	0.07	3	40
3 units Suburban (Brownfield)	Brownfield	0.07	0.07	3	40
9 units Suburban (Greenfield)	Greenfield	0.23	0.23	9	40
9 units Suburban (Brownfield)	Brownfield	0.23	0.23	9	40
10 units Suburban (Greenfield)	Greenfield	0.25	0.25	10	40
10 units Suburban (Brownfield)	Brownfield	0.25	0.25	10	40
20 units Suburban (Greenfield)	Greenfield	0.64	0.50	20	40
20 units Suburban (Brownfield)	Brownfield	0.64	0.50	20	40
50 units Suburban (Greenfield)	Greenfield	1.71	1.25	50	40

³⁷ Local Housing Delivery Group Chaired by Sir John Harman (2012) *Viability Testing Local Plans*

³⁸ A non-linear formula is used so that when a site size takes it across a threshold into the next level, the same site’s net area is not reduced below sites with a smaller gross area just under the stepped thresholds in the English Partnership’s guidance.

Typology and broad location	Land type	Gross area (ha)	Net area (Ha)	No of units	Density (dph)
150 units Suburban (Greenfield)	Greenfield	5.60	3.75	150	40
3 units Urban (Brownfield)	Brownfield	0.06	0.06	3	50
9 units Urban (Brownfield)	Brownfield	0.18	0.18	9	50
10 units Urban (Brownfield)	Brownfield	0.20	0.20	10	50
20 units Urban (Greenfield)	Greenfield	0.51	0.40	20	50
20 units Urban (Brownfield)	Brownfield	0.51	0.40	20	50
50 units Urban (Brownfield)	Brownfield	1.37	1.00	50	50
150 units Urban (Brownfield)	Brownfield	4.48	3.00	150	50
50 units City centre (Brownfield)	Brownfield	0.68	0.50	50	100
150 units City centre (Brownfield)	Brownfield	2.24	1.50	150	100
350 units City centre (Brownfield)	Brownfield	5.59	3.50	350	100
1,000 units (Brownfield)	Brownfield	21.7	12.50	1,000	80
1,000 units (Greenfield)	Greenfield	49.7	28.57	1,000	35
3,000 units (Greenfield)	Greenfield	162.6	85.71	3,000	35

5.2.9 The PPDR document (2017) contains specific policies for 16 strategic sites. These are summarised in **Table 5.2**, and shall be tested separately using site specific information.

Table 5.2 Strategic sites in York

Typology	Land type	Gross area (ha)	Net area (Ha)	No of units	Density (dph)
ST1 British Sugar	Brownfield	39.83	26.06	1,200	42
ST2 Civil Service Sports Ground	Greenfield	10.40	7.28	266	37
ST4 Land adj Hull Road	Greenfield	7.54	5.27	211	40
ST5 York Central	Brownfield	35.00	14.29	1,500	105
ST7 Land East of Metcalfe Lane	Greenfield	34.50	24.15	845	35
ST8 Land North of Monks Cross	Greenfield	39.50	27.65	968	35
ST9 Land North of Haxby	Greenfield	35.00	21.00	735	35
ST14 Land to West of Wigginton Road	Greenfield	55.00	38.50	1,348	35
ST15: Land to west of Elvington Lane	Greenfield	159.00	95.40	3,339	35
ST16 Terrys	Brownfield	2.18	2.07	111	54
ST17 Nestle North & South	Brownfield	7.05	3.15	863	274
ST31 Land South of Tadcaster Rd, Copmanthorpe	Greenfield	8.10	4.86	158	33
ST32 Hungate (Phases 5+)	Brownfield	4.87	3.05	328	108
ST33 Station Yard, Wheldrake	Mixed	6.00	4.20	147	35
ST36 Imphal Barracks (MOD)	Mixed	30.00	19.00	769	40
ST35 Queen Elizabeth Barracks	Mixed	28.80	16.51	578	35

Developing dwelling type profile categories

- 5.2.10 The appraisals are based on four dwelling types: 1-2 bedroom flats, 2 bedroom houses, 3 bedroom houses and 4+ bedroom houses. Each typology is based on a mix of these dwelling types and are based to reflect the Local Plan, as prescribed in the latest SHMA³⁹. For instance, the SHMA indicates the following mix of housing sizes are required across the borough, as identified in **Table 5.3**.

Table 5.3 Mix of units proposed in latest SHMA

Housing type	1 bed	2 bed	3 bed	4+ bed
Market	5-10%	35-40%	35-40%	15-20%
Affordable	35-40%	30-35%	20-25%	5-10%
All dwellings	15%	35%	35%	15%

Source: City of York SHMA

- 5.2.11 Based on the findings of the SHMA, for typologies in and **Table 5.1** (generic typologies) and **Table 5.2** (strategic sites), PBA have used the following housing mixes:
- Under 100 dwellings per hectare:
 - Open Market: 45% 2 bed houses, 37.5% 3 bed houses and 17.5% 4+ bed houses
 - Affordable: 70% 2 bed houses, 22.5% 3 bed houses and 7.5% 4+ bed houses
 - 100 dwellings per hectare and above:
 - Open Market: 100% 1-2 bed flats
 - Affordable: 100% 1-2 bed flats
- 5.2.12 While the City of York does not have a specific policy relating to minimum size standards per se, PBA have used sizes for each dwelling type based on this guidance. PBA have found that these sizes provide a valuable 'rule-of-thumb' and are set out in **Table 5.4** below. For flatted developments **Table 5.4** has sizes for the net area and the gross area to account for circulation space such as stairwells etc., which have no direct value but do have a cost.

Table 5.4 Average saleable floorspace by unit type and location

Type	Size (sqm)
1-2 bed flats	NIA: 55; GIA: 63
2 bed house	75
3 bed house	93
4+ bed house	117

Older person housing

- 5.2.13 The residential testing, including for impacts relating to affordable housing, also includes specialist residential market sales products for assisted (Extra-care) living and retirement living. These have been informed by recent new build schemes or planning applications either in York or in similar places elsewhere in the region.

³⁹ GL Hearn (2016), City of York SHMA 2016.

5.2.14 It is important to define what types of older person housing will be tested. Different types of provision will have different characteristics and values. The types of older person housing tested within this report are defined as follows:

- **Retirement dwellings** – also known as sheltered housing, these are defined as groups of dwellings, often flats and bungalows, which provide independent, self-contained homes. PBA consider that in addition to this, it is likely that there will be some element of communal facilities, such as a lounge or warden. A service charge will be in place to cover the normal ongoing costs, but also incur additional costs to upkeep communal facilities as described.
- **Extra-care** – also known as assisted living by the private sector. It is provided across a range of tenures (owner occupied, rented, shared ownership/equity). This is housing with care whereby people live independently in their own flats but have access to 24-hour care and support. These are defined as schemes designed for an elderly population that may require further assistance with certain aspects of their day to day life. Arrangements for care provision vary between care provided according to eligible assessed need by the local authority and people purchasing privately who may not have such a high level of need which is on site and is purchased according to need. For private sector developments the care facilities are normally part of a care package with additional fees to pay for the service and facilities, which are on top of normal service charges and the cost of purchasing the property. The schemes will often have their own staff and may provide one or more meals per day. PBA consider these as schemes that will likely have a greater proportion of communal space than retirement homes and are likely to be built to standards likely to suit an older population, i.e. wheelchair access, better designed bathroom facilities.
- **Care homes** – residential or nursing homes where 24-hour personal care and/or nursing care are provided together with all meals. People occupy under a licence arrangement. As discussed these are tested with the non-residential section of the report and therefore are discussed in greater detail in **Chapter 6**.

5.2.15 For older person residential housing, PBA test a 60-unit retirement home and a 50-unit Extra-care development, which is a fairly standard size for new schemes in the older person housing market. The site typologies for older persons housing are included in **Table 5.1**. Retirement homes have an assumed density of 120 dph and Extra-care developments at 100 dph, which have been informed by guidance from the Retirement Housing Group⁴⁰.

Sizes for older persons housing

5.2.16 For older person housing, PBA have used sizes of 60 sqm for retirement homes and 71 sqm for Extra-care homes, based on their net internal area, which are considered by the Retirement Housing Group⁴¹ to offer appropriate sizes for viability testing 1 and 2 bed properties, with a 60:40 split between the two.

5.2.17 Additionally, PBA have assumed that retirement homes and Extra-care schemes have an allocation of floorspace considered as non-chargeable functions and communal space. The residential modelling allows for 25% for retirement properties and 35% for Extra-care schemes. PBA have therefore assumed that the gross floorspace per unit is 80 sqm for retirement properties and 109 sqm for Extra-care units.

⁴⁰ Community Infrastructure Levy and Sheltered Housing/Extra-care Developments, A Briefing Note On Viability, prepared for Retirement Housing Group by Three Dragons, May 2013, Amended February 2016.

⁴¹ Ibid.

5.3 Tested Values and Costs Assumptions

Sales values

5.3.1 Current residential revenues and other viability variables are obtained from a range of sources, including:

- Land Registry matched with EPC records, as discussed in a **Chapter 4**, provides a wealth of transactional data for a local area for new and second hand properties⁴²;
- Direct research with developers and agents operating in the area.

5.3.2 From these sources discussed in **Chapter 4**, the sales values per square metre shown in **Table 5.5** have been used for testing open market sales values in the viability assessment.

Table 5.5 Modelled average Open Market residential sales value, per sqm

Value area	Houses	Flats
York	£2,650	£3,300

Sales values for older person housing

5.3.3 PBA have researched sales values of older persons housing currently on the market shown in **Table 5.6**. The majority of recent transactions are for re-sale properties, which are likely to be substantially lower than new builds that achieve a premium. Additionally, the data in **Table 5.6** reflects the marketed price, and it is acknowledged that the transactional price can often be different, often under the market price. Owing to the lack of Extra-care units currently on the market, the below are all for Retirement properties. In general, from these recent transactions, it can be inferred that sales values for existing properties could be considered as in the region of £2,900, with a significant premium for new properties over resale properties.

Table 5.6 Sales values for retirement properties currently on the market (as of Nov 2016)

Scheme	Type	Sales value	Sales value per sqm	New or existing
Belfry Court	Retirement Living	£199,950	£2,652	Existing
The Village, Wiggington	Retirement Living	£199,950	£2,702	Existing
The Village, Haxby	Retirement Living	£169,500	£3,198	Existing
William Plows Avenue	Retirement Living	£145,000	£2,900	Existing
Fairfax Court, Acombe Road	Retirement Living	£120,000	£2,885	Existing
Stillington Oaks 1 bedroom	Retirement Living	£181,999	Unknown	New
Stillington Oaks 2 bedroom	Retirement Living	£320,499	Unknown	New
Stillington Oaks 3 bedroom	Retirement Living	£385,999	Unknown	New

5.3.4 To corroborate these findings, PBA have also followed the Retirement Housing Group (RHG) guidance⁴³ that suggests that the sales prices for 1-bed retirement homes to be in the region of 75% of the average price for existing 3-bed semi-detached houses in that location, with 2-bed retirement properties equal to the full value of a 3-bed semi-detached house. Assuming a

⁴² Using average new build values for the past two years and floorspace from the Energy Performance Certificate to ascertain an average sales value per square metre.

⁴³ Ibid.

scheme comprised of an equal number of 1 and 2-bed units, this would indicate a value of 87.5% of the average 3-bed semi-detached houses. The RHG guidance assumes that the sales values for Extra-care schemes are on average 25% higher.

- 5.3.5 Land Registry data reveals that the average value of semi-detached housing in York is approximately £230,000. Applying the same 60:40 weighting between 1 bed and 2 bed dwellings to Three Dragons guidance, this suggests that retirement housing should be considered in the region of 85% of the total value, which in this case is £195,500. This equates to £3,250 per square metre. PBA believe that a sales value per property of £198,050 is an appropriate figure and in line with the values set out in the examples in **Table 5.1**.
- 5.3.6 In terms of Extra-care properties, PBA have again followed Three Dragons guidance and have applied a 25% uplift on Retirement homes to calculate a value for Extra-care schemes. PBA have therefore based calculations on a sales value of £287,500, which equates to £3,440 per sqm due to the slightly larger property sizes of 71 sqm used for Extra-care accommodation as discussed previously.

Build costs

- 5.3.7 Residential build costs are based on actual tender prices for new builds in the market place over a 15-year period from the Build Cost Information Service (BCIS), which is published by the Royal Institution of Chartered Surveyors (RICS). The data is derived from the median third quarter 2015 prices, and reflects actual construction data as opposed to later figures that are based on estimated figures. The tender price data is also rebased to York prices using BCIS defined adjustments, to give the median build costs for small, medium and large schemes as shown in **Table 5.7**.

Table 5.7 Median build costs in York at Q3 2015 tender prices

Private Build Costs	Cost per sqm
Flats / Apartments	£1,124
Houses (small house builder 3 and under)	£1,214
Houses (medium house builder 4 to 14)	£1,086
Houses (large house builder 15 and above)	£958
Retirement homes	£1,226
Extra-care/assisted living	£1,271

Source: PBA derived from BCIS

- 5.3.8 Volume and regional house builders are able to operate within the median cost figures comfortably, especially given that they are likely to achieve significant economies of scale in the purchase of materials and the use of labour. Many smaller and medium sized developers of houses are usually unable to attain the same economies, so their construction costs may be higher as shown in **Table 5.7**, which reflects the higher costs for schemes with 3 or less houses (taken from BCIS) and for 4-14 houses (taken as a mid-point between the larger and small schemes).
- 5.3.9 The BCIS build costs are exclusive of external works, fees, contingencies, VAT and finance charges, plus other revenue costs. These additional costs are discussed below.

Other development costs

External works

- 5.3.10 This input incorporates all additional costs associated with the site curtilage of the built area. These include circulation space in flatted areas and garden space with housing units;

incidental landscaping costs including trees and hedges, soft and hard landscaping; estate roads and connections to the strategic infrastructure such as sewers and utilities.

5.3.11 The external works variable had been set at a rate of 10% of build cost.

Professional fees

5.3.12 This input incorporates all professional fees associated with the build, including fees for designs, planning, surveying, project managing, etc., at 8% of build cost plus externals.

Contingency

5.3.13 It is normal to build in contingency based on the risk associated with each site and has been calculated based on industry standards. It is applied at 4% of build cost plus externals.

Greenfield site costs

5.3.14 On greenfield sites there is a need to allow for opening costs such site service installations and strategic infrastructure such as drainage, strategic landscaping, and public open space, etc. Since some strategic infrastructure like highway improvements may be paid for separately through CIL or S106/278 charges, the following assumptions in **Table 5.8** are used based on the number of units per scheme to identify scale of site infrastructure.

5.3.15 For sites classified as 'mixed', PBA have assumed half of the values set out in **Table 5.8**.

Table 5.8 Opening up costs on Greenfield sites

No. of units per scheme	Cost per unit
50 - 199	£5,000
200 - 499	£10,000
500+	£17,000

Brownfield site costs

5.3.16 Developing greenfield and brownfield sites represent different risk and costs. All sites identified in the PPDRC 2017 are brownfield sites, and these costs can vary significantly depending on the site's specific characteristics. To reflect additional costs associated with residential site development on brownfield sites such as site clearance and remediation, we have increased the build costs as in **Table 5.9**.

Table 5.9 Site abnormal costs on Brownfield sites

Site abnormal costs	Per net hectare
Brownfield (industrial/retail/car park/storage uses)	£300,000
Mixed	£150,000

Land purchase costs

5.3.17 The land value needs to reflect additional purchase cost assumptions, shown in **Table 5.5**. These are based on surveying costs and legal costs to a developer in the acquisition of land and the development process itself, which we have established from discussions with developers and agents, and are also reflected in the Harman Report (2012) as industry standard rates.

Table 5.10 Land purchase costs

Land purchase costs	Rate	Unit
Surveyor's fees	1.00%	land value
Legal fees	0.75%	land value
Stamp Duty Land Tax	HMRC rate	land value

5.3.18 A Stamp Duty Land Tax is payable by a developer when acquiring development land. This factor has been recognised and applied to the residual valuation as percentage cost based on the HM Customs & Revenue variable rates against the residual land value.

Sales fees

5.3.19 The Gross Development Value (GDV) on open market housing units need to reflect additional sales cost assumptions relating to the disposing of the completed residential units. This will include legal, agents and marketing fees at the rate of 3% of the open market unit GDV, which is based on industry accepted scales established from discussions with developers and agents.

Developer profit

5.3.20 The developer's profit is the expected and reasonable level of return that a private developer would expect to achieve from a specific development scheme. PBA assume a profit of 20% of open market residential sales value. This also allows for internal central overheads.

5.3.21 For the affordable housing element, because they will have some, albeit lower, risks to the developer, PBA assume a lower 6% profit margin of affordable housing transfer value for the private house builders. This is on a nil grant basis.

Finance

5.3.22 We have used a monthly cashflow based on a finance cost of 6.5% pa throughout the sites appraisals. This is used to account for the cost of borrowing and the risk associated with the current economic climate and the near term outlook and associated implications for the housing market. This is a typical rate which is being applied to schemes of this nature.

5.4 Tested Policy Costs

CIL, S106 and Local Plan policy costs

5.4.1 In the policy testing we assess the impact of different policies, including S106, affordable housing and access standards.

S106 costs (excluding affordable housing)

5.4.2 Aside from affordable housing, PBA understand that the Council is likely to continue to seek S106 costs from developments. PBA have consulted with the Council who have provided details of S106 contributions received from around 30 sites in recent years. From this sample, S106 receipts have averaged around £3,300 per unit, however this will vary specific to individual sites. But for policy testing we rely on the mean average across the range where a S106 has been applied.

Policy H10 Affordable Housing

- 5.4.3 One of the most significant items of S106 sought from residential development sites is affordable housing. The PPDR 2017 sets out a requirement for brownfield development to contribute 20% of units as affordable and greenfield to provide 30% affordable housing.
- 5.4.4 Policy H9 requires affordable housing tenure is to be based on the Strategic Housing Market Assessment (2016), and therefore the following assumptions are applied to the affordable housing units:
 - 20% Intermediate
 - 80% Social and Affordable Rented housing (assuming an equal split in testing)
- 5.4.5 The appraisal assumes that affordable housing will command a transfer value to a Registered Provider at lower than market rates. The values have been confirmed by the Council. These transfer values have been updated since the previous report in order to reflect national changes in affordable housing provision, such as the rent review. The testing assumes the values set out in **Table 5.11**.

Table 5.11 Assumed transfer values by Affordable Housing tenure

	Transfer value	House	Flat
Social rent	40%	£1,060	£1,320
Affordable rent	50%	£1,325	£1,650
Intermediate/shared ownership	70%	£1,855	£2,310

- 5.4.6 It is noted that the Government proposes to extend the definition of intermediate affordable housing to include Starter Homes. These will have an initial value of around 80% of open market value (or slightly less due to other occupancy restrictions, which will expire after 5 years).

Policy CC1, CC2 & CC3 costs associated with Sustainable Design and Construction

- 5.4.7 As noted in **Chapter 3**, through its policies CC1 to CC3 the Council is seeking higher design standards from residential development, and as a minimum residential development will need to comply with the energy performance standards set in the building regulations. Based on a report from Carbon Trust⁴⁴ which includes three policies and an annex regarding costs, the following assumptions apply:
 - Policy CC1 Renewable and Low Carbon Energy Generation – No costs have been provided since the Carbon Trust note that further work is required. Potentially this will be a wider infrastructure cost that could be supported through CIL charging rather than a specific scheme contribution.
 - Policy CC2 Energy efficiency and water policy, and Policy CC3: District Heating and CHP Networks connection have been costed by the Carbon Trust, as summarised in **Table 5.12**.

⁴⁴ Climate Change section of the City of York Local Plan, Carbon Trust report, Draft version: 01/06/2017

Table 5.12 Assumed costs associated with policies CC1, CC2 & CC3.

	Per unit 'process' cost to developer			Per unit build costs			
	Small scheme (5 homes)	Medium scheme (50 homes)	Large scheme (100 homes)	Flats	2-bed	3-bed	4-bed
Policy CC2 Energy efficiency: 19% reduction in carbon energy*	£686	£136	£96	£345	£703	£812	£1,150
Policy CC2: Water policy: 110 litres per person per day	£37	£6	£6	£6	£6	£9	£9
Policy CC3: District Heating and CHP Networks connection	£0	£0	£0	£0	£2,575	£2,575	£2,575
Total	£723	£142	£102	£351	£3,284	£3,396	£3,734

Source: Carbon Trust

Policy H5 Gypsy & Travellers

5.4.8 Policy H5 includes a requirement for the provision of Gypsy and Traveller sites as part of development, which have been accounted for in the appraisal. This is based on a hierarchy of the number of dwellings in the development set out in the policy, as follows:

- 100-499 dwellings – 2 pitches should be provided
- 500-999 dwellings - 3 pitches should be provided
- 1000-1499 dwellings - 4 pitches should be provided
- 1500-1999 dwellings - 5 pitches should be provided
- 2000 or more dwellings - 6 pitches should be provided

5.4.9 The cost of providing a serviced and 'ready to go' plot is around £150,000 per pitch. This figure has been derived through consultation with providers who have tendered for these types of development based on schemes of between 3 and 20 pitches.

5.5 Benchmark Land Values

5.5.1 To assess viability, the residual value generated by a scheme is compared with a benchmark value. This benchmark should reflect a competitive return for a landowner to sell their land. Benchmark values will vary to reflect the landowner's judgements, which might include the contextual nature of development, the site density achievable, the approach to the delivery of affordable housing (in the context of residential development) and so on. There are a wide range of permutations here. In order to make progress, we have to assume general values based on existing uses plus uplift, even though there could be a margin of error in practice.

5.5.2 Whilst PBA's assessments seek to test a range of likely market conditions evident within York, we also seek to ensure that, as far as is possible in all other respects, we are comparing like with like. Therefore, our assumption in terms of land is that all sites will be cleared and remediated (if they are brownfield) and fully serviced parcels (if they are greenfield) so that in either scenario they are readily developable. For sites that are not in this condition, these costs would be subtracted from the gross land value in the offer that any rational developer would make to a landowner in any case. This approach reflects what happens in practice in land transactions and is an approach that has been found sound in examinations elsewhere.

5.5.3 PBA have consulted a number of sources in order to determine what could be a suitable value in which a landowner could reasonably be willing to sell the land for. For instance, PBA have reviewed websites such as CoStar, confidential appraisals held by the local council and websites of local land agents to identify an approximate sales value.

- 5.5.4 A sample of data from CoStar indicates values ranged around £1,000,000 per hectare for most sites, although this did differ significantly. For instance, a site of almost half a hectare in York recently sold for £1.05m per hectare and two other sites of approximately 1.5 hectares in nearby Knaresborough which sold for almost £900,000.
- 5.5.5 In terms of larger sites, PBA understand that a 6 ha site, with planning permission for predominantly residential development, was recently purchased for £523,000 per hectare in nearby Leeds. Similarly, PBA are also aware that a 7 ha site in Barnsley that was purchased for £726,000 per hectare.
- 5.5.6 Some of the land where larger, new residential development will take place is likely to be agricultural. The VOA's 2011 Property Market Report indicates that the highest average value agricultural land in North Yorkshire is worth approximately £21,000 per hectare. To inform residential land values, a multiplier of between 15 and 20 times is often applied. This would suggest that residential land values on large greenfield sites should be in the region of £315,000 per ha and £420,000 per ha.
- 5.5.7 In addition, DCLG sets out residential land value estimates for policy appraisal for all local authorities in England. The latest data uses residual land valuations (RLVs) carried out by the Valuation Office Agency as of December 2015. The RLVs assumes land ready for development with residential permission and zero affordable housing, and indicates that land values in York could be considered as much as £2.7 million per gross hectare without any policy costs.
- 5.5.8 Certainly land values will vary according to the location of the site and by the existing use of the site. Where sites have non-residential existing uses or are greenfield without the benefit of permission for residential uses, as we assume for the benchmark land value in this policy testing viability assessment, then the benchmark land values would be sufficiently below the market rate for clean residential land to allow for possible on-costs, like remediation and opening up costs discussed earlier. Besides, these on-costs would normally be expected to come off the clean land value price.
- 5.5.9 In coming to a view on the benchmark land value, we have also take into account our knowledge of other comparable locations in the sub-region and the residential values being achieved there and their relative strength or weakness as a residential location in comparison to York. **Table 5.13** shows a sample of benchmark land values used in recent appraisals in neighbouring areas.

Table 5.13 Land values used in CIL and/or plan viability studies of neighbouring authorities

Location	Benchmark Land value	Date of appraisal
Selby	Low areas: £450,000 per ha Moderate areas: £650,000 per ha High areas: £900,000 per ha	2014
Leeds	High Density: £1,684,227 Medium Density: £1,012,330 Low Density: £365,247	2013
Ryedale	Low areas: £600,000 per ha Moderate areas: £750,000 per ha High areas: £900,000 per ha	2013

- 5.5.10 It is important to appreciate that assumptions on benchmark/threshold land values can only be broad approximations subject to a wide margin of uncertainty. This uncertainty is considered when drawing conclusions and recommendations. From our research we have concluded that the values set out in **Table 5.14** could be considered as an appropriate benchmark for policy

testing. For older person properties, PBA understands that developers tend to prefer city centre locations and therefore we apply a city centre rate for older person schemes.

Table 5.14 Benchmark land values for residential sites without planning

Site Typology	Per hectare
City Centre	£1,500,000
Urban & suburban	£1,000,000
Village /rural	£800,000
Strategic site	£400,000
Older person schemes	£1,500,000

6 Non-Residential Viability: Assumptions

6.1 Introduction

- 6.1.1 Similar to the appraisals for residential schemes, PBA test the viability of non-residential developments in York, and this chapter identifies the assumptions that will inform the testing. The review of the PPDR (2017) identified few policies that would likely to be burdensome to non-residential development, so the primary purpose for looking at the current viability of non-residential uses is to identify any headroom that might be used for supporting infrastructure funding through CIL and/or S106/S278.
- 6.1.2 Non-residential viability testing requires a series of assumptions about site typologies based on different use types, along with site coverage, rents and yields to generate an overall sales turnover and value of land, which along with viability assumptions are discussed here for non-residential testing.

6.2 Tested Typologies

- 6.2.1 For the purpose of testing plan policies and identifying a potential for CIL, the typologies listed in **Table 6.1** have been agreed with the Council and through the stakeholder workshop. These typologies reflect the non-residential developments considered as likely to come forward in the Plan that would also be significant to supporting the delivery of the Local Plan. It would be difficult to consider viability on a site-specific basis at this stage given that there is currently insufficient data on site-specific costs and values, as site details have yet to be established. Such detail will evolve over the plan period.⁴⁵

Table 6.1 Tested non-residential typologies

Use	GIA (sqm)	NIA (sqm)
1: City centre office	1,000	900
2: Business park	2,500	2,250
3: Industrial / warehouse	1,500	1,425
4: Small local convenience	280	266
5: Smaller supermarket	1,000	950
6: Supermarket	2,500	2,375
7: Retail warehouse	2,000	1,900
8: City centre retail	200	190
9: Hotel (60 beds)	1,500	1,350
10: Student Accommodation (100 bed)	2,400	1,800
11: Care Home (40 bed)	2,000	1,400

Site coverage

- 6.2.2 It is important to consider the density of development proposed. **Table 6.2** sets out the assumed site net developable area for each development type and plot ratios to derive floorspace estimates.

⁴⁵ Site-specific testing for non-residential uses would be considering detail on purely speculative / assumed scenarios, producing results that would be of little use for a study for strategic consideration.

Table 6.2 Site coverage ratios

Use	Gross Site (ha)	Site coverage
1: City centre office	0.067	150%
2: Business park	0.313	80%
3: Industrial / warehouse	0.375	40%
4: Small local convenience	0.031	90%
5: Smaller supermarket	0.167	60%
6: Supermarket	0.625	40%
7: Retail warehouse	0.500	40%
8: City centre retail	0.020	100%
9: Hotel (60 beds)	0.300	50%
10: Student accommodation (100 bed)	0.240	100%
11: Care home (40 bed)	0.250	80%

6.3 Tested Values and Costs Assumptions

Non-residential Tested Values

- 6.3.1 Current non-residential revenues and other viability variables are obtained from a range of sources, including:
- CoStar transactions and property market reports, which provides a wealth of transactional data for a local and regional area for new and second hand properties⁴⁶;
 - Direct research with developers and agents operating in the area.
- 6.3.2 From these sources discussed in **Chapter 4**, the sales values per square metre for rents and yields are shown in **Table 6.3**, which have been used for testing sales values in the viability assessment.
- 6.3.3 **Table 6.3** illustrates the values established for a variety of non-residential uses, expressed in square metres of net rentable floorspace.

Table 6.3 Sales values – rent and yields

Use	Rents (per sqm)	Yield
1: City centre office	£160	8.0%
2: Business park	£170	8.0%
3: Industrial / warehouse	£75	8.5%
4: Small local convenience	£180	6.5%
5: Smaller supermarket	£180	6.0%
6: Supermarket	£165	5.3%
7: Retail warehouse	£160	6.5%

⁴⁶ Using average new build values for the past two years and floorspace from the Energy Performance Certificate to ascertain an average sales value per square metre.

Use	Rents (per sqm)	Yield
8: City centre retail	£195	7.8%
9: Hotel (60 beds)	£3,300 per bed	8.0%
10: Student Accommodation (100 unit)	£3,500 per bed	6.0%
11: Care Home (40 bed)	£8,000 per bed	8.0%

Source: PBA research

Non-Residential Tests Costs

Build costs

- 6.3.4 Build cost inputs have been established from the RICS Build Cost Information Service (BCIS) for actual reported values available at the time of this study (current build cost values). The build costs are entered at a pound per square metre rate at the following values shown in **Table 6.4**. The build costs adopted are based on the BCIS median values, rebased to York prices at 2015 Q3. An allowance of 15% of build costs is also made for external site works such as utilities, car parking and landscaping, which is not included in the below figures.

Table 6.4 Median build costs in York at Q3 2015

Use	Cost per sqm
1: City centre office	£1,313
2: Business park	£1,246
3: Industrial / warehouse	£773
4: Small local convenience	£1,109
5: Smaller supermarket	£1,269
6: Supermarket	£1,317
7: Retail warehouse	£641
8: City centre retail	£1,103
9: Hotel (60 beds)	£1,030
10: Student accommodation (100 unit)	£1,473
11: Care home (40 bed)	£1,287

Source: BCIS

Professional fees, overheads

- 6.3.5 This input incorporates all professional fees associated with the build, including: architect fees, planner fees, surveyor fees, project manager fees. The professional fees variable is set at a rate of 10% of build cost.
- 6.3.6 This variable has been applied to the valuation appraisal as a percentage of the total construction cost. This figure is established from discussions with both regional and national developers as well as in-house knowledge and experience of industry standards.

Professional fees on land purchase

- 6.3.7 This input represents the fees associated with the lands purchase and are based upon the following industry standards:

- Surveyor = 1%;
- Legals = 0.75% of residual land value.

6.3.8 A Stamp Duty Land Tax is payable by a developer when acquiring development land. This factor has been recognised and applied to the residual valuation as percentage cost against the residual land value at the standard variable rates set out by HMRC (at between 0% to 4% of land value based on the actual value of the land purchase).

Developer profit

6.3.9 The developer's profit is the expected and reasonable level of return a private developer can expect to achieve from a development scheme. This figure is based a 20% profit margin of the total development cost of the development.

Finance

6.3.10 A finance rate has been incorporated into the viability testing to reflect the value of money and the cost of reasonable developer borrowing for the delivery of commercial developments. This is applied to the valuation appraisal as a percentage of the build cost at the rate of 7% of total development costs (incl: build costs, external works, professional fees, sales and marketing). This is marginally higher than for residential development to reflect the slightly greater risk to lending for non-residential development in York, which is typically riskier than residential sales.

6.4 Tested Policy Costs

Policy CC2: Sustainable Design and Construction

6.4.1 As identified in the policy matrix in **Chapter 3**, the PPDRC 2017 indicates that all new non-residential buildings should achieve BREEAM Excellent (or equivalent). Based on a report from Carbon Trust⁴⁷, the following assumptions apply for meeting standard:

- 0.77% for office development;
- 0.4% for warehouse development; and
- 0.24% for supermarket development.

6.4.2 For all other uses, 0.5% has been added to the build cost.

6.5 Benchmark Land Values

6.5.1 After systematically removing the various costs and variables detailed above, the result is the residual land value. In order to ascertain the level of likelihood towards delivery and the level of risk associated with development viability, the resulting residual land values are measured against a benchmark value which reflects a value range that a landowner would reasonably be expected to sell/release their land for development.

6.5.2 Establishing the existing use value (EUV) of land and in setting a benchmark at which a landowner is prepared to sell to enable a consideration of viability can be a complex process. There are a wide range of site specific variables which affect land sales (e.g. position of the landowner – are they requiring a quick sale or is it a long term land investment?). However, for a strategic study, where the land values on future individual sites are unknown, a pragmatic approach is required.

6.5.3 PBA have consulted a number of sources in order to determine what could be a suitable value in which a landowner could reasonably be willing to sell the land for. For instance, PBA have reviewed websites such as CoStar, confidential appraisals held by the local council and

⁴⁷ Climate Change section of the City of York Local Plan, Carbon Trust report, Draft version: 01/06/2017

websites of local land agents to gain an approximate sales value. The benchmark values are given in **Table 6.5**.

Table 6.5 Benchmark land values for non-residential existing uses

Use	Cost per sqm
1: City centre office	£1,500,000
2: Business park	£1,000,000
3: Industrial / warehouse	£850,000
4: Small local convenience	£2,000,000
5: Smaller supermarket	£2,000,000
6: Supermarket	£2,000,000
7: Retail warehouse	£2,000,000
8: City centre retail	£4,000,000
9: Hotel (60 beds)	£2,000,000
10: Student accommodation (100 unit)	£2,000,000
11: Care home (40 bed)	£2,000,000

7 Viability: Results and Analysis

7.1 Introduction

7.1.1 This section sets out the viability assessments of the PPDRC 2017 policies to identify and assess their burden on future development within the City of York, and the potential for a residential CIL charge in balance with local policies. This is based on running iterative viability appraisals, introducing PPDRC 2017 policies including the impact of S106, the affordable housing policies, and renewable energy standards. Residential and non-residential developments are considered in turn.

7.2 Residential Viability

PPDRC (2017) Policy Testing

7.2.1 Each typology site has been subjected to a detailed appraisal, complete with cashflow analysis. For each policy layer, the impact of those policy considered to have a notable impact on viability is then considered through adding policy 'layers' to judge the cumulative impact of these policies. These are:

- **Policy layer 1** – This is a base layer, which includes open space and design cost allowances but no policy layer applied;
- **Policy layer 2** – This layer adds an S106 contribution at £3,300 per unit to the Policy layer 1;
- **Policy layer 3** – This layer includes Policy layer 2 and the policy requirement for affordable housing at 20% for brownfield schemes 30% for greenfield as set out in the draft PPDRC (2017) Policy H10.
- **Policy layer 4** – This includes Policy layer 3 and the requirement for meeting sustainable construction standards as set out in the draft PPDRC (2017) Policy CC2.
- **Policy layer 5** – This includes Policy layer 4 and an allowance for Gypsy and Traveller pitches where required, as set out in the draft PPDRC (2017) Policy H5.

7.2.2 The results of each policy layer's impact on the tested residential 'typology' sites are displayed by using a traffic-light system. A green colour means that the development is viable and amber is marginal in that they fall within a 20% range (i.e. 10% above or below) around the benchmark land value, and a red colour means it is unviable.

7.2.3 From this analysis PBA are able to summarise the average positive or negative financial headroom in York to determine the scope for a contribution towards CIL. An example of a residential site appraisal is provided in **Appendix A**.

PPDRC (2017) Viability Results

7.2.4 **Table 7.1** shows that there is viability across all residential site typologies with the imposition of the average S106 contributions (i.e. policy layer 2). But at cumulative policy layer 3 scenario, when affordable housing is also applied, then the impact may result in some of the outside of the urban area smaller sites (delivering less than 10 units) being unable to meet the full policy requirements beyond the average S106 contribution per unit (i.e. policy layer 2).

7.2.5 The viability results of all the other tested typologies, including all sites within the urban area and all sites with 10 or more units in all locations, are shown to be able to fully meet the PPDRC 2017 policy requirements (i.e. at cumulative policy layer 5).

- 7.2.6 The viability testing of older person housing on greenfield and brownfield sites that is summarised in **Table 7.2** shows a mixed outcome. Based on a speculative capital scheme, developing Extra-care units appear to deliver little viability at any policy level, while Retirement schemes would be able to support a s106 charge on all sites but are not identified as having viability with the cumulative impact of meeting the council's affordable housing requirement imposed at policy layer 3.
- 7.2.7 The viability impact for each cumulative policy layer scenario along with the average financial headroom on the related CIL chargeable floorspace is shown for each tested strategic site in **Table 7.3**. This shows that viability is achieved across all typology types under the full policy requirements, whilst also providing a substantial headroom for levying a CIL charge, which is considered next.

Scope for a Residential CIL

- 7.2.8 PBA have also been asked to assess the scope for charging a CIL rate within the City of York. This is based on identifying the financial headroom that could be used for further planning gain, i.e. CIL. The analysis in this section looks at the headroom, which is the difference between the benchmark land value and the residual land value, per CIL liable square metre of floorspace (i.e. for open market uses only because affordable housing floorspace is CIL exempt).
- 7.2.9 The testing applies the same assumptions as the policy layering scenarios 1 to 5, with the headroom results shown in **Tables 7.1** and **7.2** used to identify a suitable CIL rate. Whether the recommended CIL would undermine the delivery of the strategic sites and the need to set a site specific rate is considered based on the strategic site testing results in **Table 7.3**. In this case, the potential headroom for charging CIL is considered at the full policy level (cumulative policy layer 5).
- 7.2.10 Based on the results in **Table 7.1**, with the introduction of an affordable housing contribution at policy layer 3, the viability of sites with 10 or less units in locations outside of the urban area are found to be either unviable or marginally viable. Therefore, it is recommended that these sites should be zero rated to avoid putting the majority of them at risk of delivery.
- 7.2.11 For all other site typologies, including all sites in urban areas and sites with more than 10 units outside the urban area, there is a substantial headroom that would support a CIL charge. Although there are variations in the typology results, all sites achieve a headroom above £100 at full policy level, and in the majority of cases the headroom is above £200. For this reason, it is expected that the majority of residential units in these locations would be able to support a CIL rate of £150 per sqm.
- 7.2.12 **Table 7.2** provides the available headroom results for older person housing. As already noted, Extra-care units are not identified to achieve viability within the current market conditions, and therefore it is recommended that Extra-care properties are zero rated in terms of a CIL. Retirement homes are also unable to achieve viability beyond the cumulative policy layer 2, and therefore would not be able to afford a CIL charge at full policy level.
- 7.2.13 Based on the suggested CIL rates at full policy level based on the tested typologies, **Table 7.3** shows that most strategic sites would comfortably be able to afford the suggested recommended CIL rate of £150 per square metre. The exceptions are ST2 Civil Service Sports Ground and ST4 Land adj Hull Road, where reduced CIL rates of £25 and £50 per sqm respectively may be more appropriate subject to any requirements sought through S106.

Table 7.1 Residential site viability summary and financial headroom for CIL

Site typology	Policy layer 1 - no specific policy costs	Policy layer 2 – s106	Policy layer 3 – s106 and AH	Policy layer 4 – s106, AH & Policy CC2	Policy layer 5 – s106, AH & Policy CC2 + G&T
Viability and available CIL headroom (sqm)					
3 units village/rural (Greenfield)	£218	£182	£1		
3 units village/rural (Brownfield)	£123	£87			
9 units village/rural (Greenfield)	£353	£318	£61	£18	£18
9 units village/rural (Brownfield)	£263	£228			
10 units village/rural (Greenfield)	£352	£317	£60	£17	£17
10 units village/rural (Brownfield)	£262	£227			
20 units village/rural (Greenfield)	£491	£456	£343	£283	£283
20 units village/rural (Brownfield)	£401	£366	£277	£225	£225
3 units Suburban (Greenfield)	£194	£157	£-23		
3 units Suburban (Brownfield)	£111	£75			
9 units Suburban (Greenfield)	£329	£294	£37	£-6	£-6
9 units Suburban (Brownfield)	£250	£215			
10 units Suburban (Greenfield)	£328	£293	£36	£-7	£-7
10 units Suburban (Brownfield)	£249	£214			
20 units Suburban (Greenfield)	£467	£432	£309	£249	£249
20 units Suburban (Brownfield)	£388	£353	£261	£209	£209
50 units Suburban (Greenfield)	£412	£377	£230	£179	£179
150 units Suburban (Greenfield)	£411	£376	£230	£180	£151
3 units Urban (Brownfield)	£184	£147	£147	£110	£110

Site typology	Policy layer 1 - no specific policy costs	Policy layer 2 – s106	Policy layer 3 – s106 and AH	Policy layer 4 – s106, AH & Policy CC2	Policy layer 5 – s106, AH & Policy CC2 + G&T
Viability and available CIL headroom (sqm)					
9 units Urban (Brownfield)	£322	£287	£287	£245	£245
10 units Urban (Brownfield)	£321	£286	£286	£243	£243
20 units Urban (Greenfield)	£523	£488	£389	£329	£329
20 units Urban (Brownfield)	£460	£425	£351	£299	£299
50 units Urban (Brownfield)	£457	£423	£349	£303	£303
150 units Urban (Brownfield)	£457	£422	£348	£304	£279
50 units City centre (Brownfield)	£428	£379	£280	£271	£271
150 units City centre (Brownfield)	£428	£379	£280	£272	£237
350 units City centre (Brownfield)	£425	£376	£278	£270	£256
1,000 units Urban/City Centre (Brownfield)	£426	£385	£301	£274	£265
1,000 units Village/rural (Greenfield)	£424	£389	£257	£210	£202
3,000 units Village/rural (Greenfield)	£407	£373	£241	£197	£194

Table 7.2 Older person viability summary and financial headroom for CIL

Site typology	Policy layer 1 - no specific policy costs	Policy layer 2 – s106	Policy layer 3 – s106 and AH	Policy layer 4 – s106, AH & Policy CC2	Policy layer 5 – s106, AH & Policy CC2 + G&T
Extra-care Brownfield	-£72	-£100	-£285	-£297	-£297
Retirement Home Brownfield	£97	£58	-£92	-£99	-£99
Extra-care Greenfield	-£43	-£72	-£374	-£388	-£388
Retirement Home Greenfield	£70	£32	-£240	-£249	-£249

Table 7.3 Residential strategic site viability summary and financial headroom for CIL

Strategic site	Policy layer 1 - no specific policy costs	Policy layer 2 – s106	Policy layer 3 – s106 and AH	Policy layer 4 – s106, AH & Policy CC2	Policy layer 5 – s106, AH & Policy CC2 + G&T
ST1 British Sugar	£550	£516	£470	£429	£422
ST2 Civil Service Sports Ground	£328	£293	£114	£64	£48
ST4 Land adj Hull Road	£356	£321	£153	£104	£83
ST5 York Central	£595	£546	£496	£489	£480
ST7 Land East of Metcalfe Lane	£426	£391	£258	£211	£204
ST8 Land North of Monks Cross	£425	£390	£257	£210	£204
ST9 Land North of Haxby	£428	£393	£261	£213	£204
ST14 Land to West of Wigginton Road	£422	£387	£254	£208	£202
ST15 Land to west of Elvington Lane	£405	£370	£239	£196	£192
ST16 Terrys	£474	£440	£371	£327	£293
ST17 Nestle North & South	£630	£581	£537	£530	£521
ST31 Land South of Tadcaster Rd, Copmanthorpe	£414	£379	£235	£185	£158
ST32 Hungate (Phases 5+)	£519	£470	£395	£388	£372
ST33 Station Yard, Wheldrake	£414	£379	£236	£186	£156
ST36 Imphal Barracks (MOD)	£495	£460	£356	£308	£300
ST35 Queen Elizabeth Barracks	£474	£440	£326	£277	£266

7.3 Non-residential Viability

Policy Testing

7.3.1 Each typology site has been subjected to a detailed appraisal, complete with cashflow analysis. For each policy layer, the impact of those policy considered to have a notable impact on viability is then considered through adding policy 'layers' to judge the cumulative impact of these policies. These are:

- **Policy layer 1** – This is a base layer, where no policies are applied; and
- **Policy layer 2** – This layer includes the requirement for achieving a BREEAM 'excellent' delivery in line with Policy CC2: Sustainable Design and Construction.

7.3.2 The tests have not accounted for s106/s278 contributions to mitigate direct impacts of the development. This is because s106/s278 agreements are likely to vary more than they do for

residential schemes owing to the specifics of individual developments. These payments will often centre on highways improvements but could also relate to design and access.

Viability Results

- 7.3.3 The results of each policy layer's impact on the tested non-residential 'typology' sites are displayed using a traffic-light system along with the estimate financial headroom. This headroom can be used to determine the scope for a contribution towards CIL or other planning gain through S106/S278. An example of a non-residential site appraisal is provided in **Appendix A**.

PPDRC (2017) testing results

- 7.3.4 As noted in **Chapter 2**, unlike housing sites, the viability of non-residential uses is not necessary for supporting such allocations in the PPDRC (2017). But Local Plans must be realistic and not generate barriers to investment.
- 7.3.5 As shown in **Table 7.4**, based on current values and costs, all non-residential uses are unable to show viability with or without meeting proposed policy CC2 Sustainable Design and Construction with the exception of retail uses.
- 7.3.6 It is important to note that the analysis considers development that might be built for subsequent sale or rent to a commercial tenant. However, there will also be development that is undertaken for specific commercial operators either as owners or pre-lets. Such developments may be required to meet the Council's proposed policy CC2 Sustainable Design and Construction. **Table 7.4** appraises the different uses, taking into account the costs for meeting this policy, which shows the impact is small. It doesn't change any viability conclusions, but it does reduce the positive financial headroom of retail uses by around £4 per sqm. As such we would consider this policy to not affect the delivery of non-residential uses in any significant way.

CIL headroom results

- 7.3.7 The retail headrooms shown in **Table 7.4** indicate that there would be scope to introduce a CIL charge without undermining delivery. For convenience retail, the testing shows that a substantial CIL charge could be afforded by all three of the tested typologies. Applying about a 50% buffer would allow suitably for other potential S106 contribution to be paid and leave a residual potential CIL rate of about £150 per sqm without putting at risk the majority of convenience retail development.
- 7.3.8 For comparison retail, the viability picture is slightly less straightforward. The typology for retail warehouses indicates a high CIL rate could be achieved (£300 if assuming a buffer of about 50%), whilst the typology for city centre retail schemes would suggest a much lower rate (£45, again assuming about a 50% buffer).
- 7.3.9 Since supermarkets, smaller supermarkets and retail warehouses are most likely to occur in out of town locations, the results of the commercial testing would therefore indicate that a city centre CIL rate and an out of city centre rate CIL rate could be considered appropriate for York. From the typologies tested, it is recommended that a CIL rate for all retail floorspace inside the city centre is charged at £45 per square metre, while all floorspace outside of the city centre has a CIL rate of £150 per square metre.
- 7.3.10 As discussed previously, the results of this testing would not support a CIL rate for all other forms of commercial floorspace.

Table 7.4 Non-residential uses viability summary and financial headroom for CIL

Use	Policy layer 1 - no specific policy costs	Policy layer 1 - CC2 Sustainable Design and Construction
1: City centre office	-£351	-£364
2: Business park	-£199	-£211
3: Industrial / warehouse	-£539	-£543
4: Small local convenience	£469	£466
5: Smaller supermarket	£348	£344
6: Supermarket	£238	£234
7: Retail warehouse	£614	£610
8: City centre retail	£101	£93
9: Hotel (60 beds)	-£415	-£422
10: Student Accommodation	-£165	-£175
11: Care Home	-£307	-£315

8 Recommendations

8.1 Testing of PPDRC (2017) Viability

8.1.1 The final stage of this viability assessment is to draw broad conclusions on whether the emerging Local Plan is deliverable in terms of viability. A key finding of this report is that viability varies across the City of York area, particularly between the urban area and those areas outside (defined as suburban and rural). But overall, the viability testing results imply that the cumulative policy requirements identified in the PPDRC (2017) documents do not adversely affect the majority of development in most parts of the unitary authority area.

8.2 Recommendation for CIL Charging

8.2.1 The assessment is able to draw conclusions for introducing a Community Infrastructure Levy (CIL) that may be affordable in York. It should be noted however that the Government has indicated that it will be examining the options for reforming the system of developer contributions and will respond to the independent review of CIL and make an announcement concerning any changes at the Autumn Budget Statement 2017. Ultimately, decisions regarding CIL are at the discretion of the local authority which may, or may not, choose to await further instruction by the Government before introducing CIL into the City of York subject to the outcome of formal examination.

8.2.2 In the meantime, based on analysis of headroom for setting CIL rates within the generic typologies of developments within York and the strategic sites identified in the PPDRC (2017), it is considered that the recommended residential CIL rates in **Table 8.1** would be affordable with putting at risk the majority of development in most parts of the borough. Similarly, **Table 8.2** outlines recommended CIL rates for non-residential developments based on the viability testing of generic non-residential sites in this report.

Table 8.1 Recommended maximum residential CIL charges


Location	Per CIL chargeable sqm
All residential sites within the urban area of York	£150
Sites with 11 or more residential units outside of the urban area	£150
Sites with 10 or fewer residential units outside of the urban area	£0
Strategic site ST2 Civil Service Sports Ground	£25
Strategic site ST4 Land adj Hull Road	£50
Older person housing	£0

Table 8.2 Recommended maximum non-residential CIL charges

Location	Per CIL chargeable sqm
All retail units inside the city centre	£45
Convenience retail units outside the city centre	£150
Comparison retail units outside the city centre	£300
All other non-residential uses	£0

Appendix A Example Appraisals

Non-residential

2: Business park							
ITEM							
Net Site Area	0.31	Residual value	-£690,698.07 per ha				
							
1.0 Development Value							
1.1	2: Business park	No. of units	Size sq.m	Rent	Yield	Value per unit	Capital Value
		1	2250	170	8.0%	£4,781,250	£4,781,250
Total development value							£4,781,250
2.0 Development Cost							
2.1 Site Acquisition							
2.1.1	Site value (residual land value)						-£215,843
	Purchaser costs						£0
							-£215,843
2.2 Build Costs							
2.2.1	2: Business park	No. of units	Size sq.m	Cost per sq.m	Total Costs		
		1	2,500	£1,246	£3,115,000		
2.2.2	BREEAM	0.77%			£23,986		
							£3,138,986
2.3 Externals							
2.3.1	external works as a percentage of build costs	15.0%					£470,848
							£470,848
2.4 Professional Fees							
2.4.1	as percentage of build costs & externals	10%					£360,983
							£360,983
2.5 Total construction costs							£3,970,817
3.0 Contingency							
3.1.1	as a percentage of total construction costs	4%					£158,832.67
							£158,833
TOTAL DEVELOPMENT COSTS (including land payment)							£3,913,806
4.0 Developers' Profit							
4.1	as percentage of total development costs	Rate 20%					£782,761
							£782,761
TOTAL PROJECT COSTS [EXCLUDING INTEREST]							£4,696,567
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]							£84,683
5.00 Finance Costs							
		APR	PCM				
		7.00%	0.565%		-£84,683		
TOTAL PROJECT COSTS [INCLUDING INTEREST]							£4,781,250
This appraisal has been prepared by Peter Brett Associates on behalf of the Council. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform Council as to the impact of planning policy has on viability at a strategic borough level. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2014) valuation and should not be relied upon as such.							

Residential

9 units village/rur Value area 1		9 Units		Residual Value		Technical Checks:	
Net area (ha)	0.26	Greenfield	Village/Rural	£855,047 per net ha		Sqm/ha	3,111
Stamp Duty						Dwg/g/ha	35
						Units/ha	7
						GDV=Total costs	-
Nr of units	9.00	Affordable	0.00	Social r/Affordable rent	0.00	Intermediate	0.00
						Starter Homes	0.00
1.0 Development Value							
1.1 Private units				No. of units	Size sq.m	Total sq.m	Epsm
1.1.1	Flats (N/A)			0.00	55	0	£3,300
1.1.2	2 bed house			4.05	75	302	£2,650
1.1.3	3 bed house			3.38	93	314	£2,650
1.1.4	4+ bed house			1.58	117	184	£2,650
				9.0		800	
1.5 Starter Homes				No. of units	Size sq.m	Total sq.m	Epsm
1.5.1	Flats (N/A)			0.00	55	0	£2,640
1.5.2	2 bed house			0.00	75	0	£2,120
1.5.3	3 bed house			0.00	93	0	£2,120
1.5.4	4+ bed house			0.00	117	0	£2,120
1.2 Social rent				No. of units	Size sq.m	Total sq.m	Epsm
1.2.1	Flats (N/A)			0.00	55	0	£1,320
1.2.2	2 bed house			0.00	75	0	£1,060
1.2.3	3 bed house			0.00	93	0	£1,060
1.2.4	4+ bed house			0.00	117	0	£1,060
1.3 Affordable rent				No. of units	Size sq.m	Total sq.m	Epsm
1.3.1	Flats (N/A)			0.00	55	0	£1,650
1.3.2	2 bed house			0.00	75	0	£1,325
1.3.3	3 bed house			0.00	93	0	£1,325
1.3.4	4+ bed house			0.00	117	0	£1,325
1.4 Intermediate				No. of units	Size sq.m	Total sq.m	Epsm
1.4.1	Flats (N/A)			0.00	55	0	£2,310
1.4.2	2 bed house			0.00	75	0	£1,855
1.4.3	3 bed house			0.00	93	0	£1,855
1.4.4	4+ bed house			0.00	117	0	£1,855
Gross Development value							
£2,120,133							
2.0 Developer's Profit							
2.1	Private units			20.0%	on OM GDV		£424,027
2.1	Starter Home			10.0%	on Starter Home value		£0
2.2	Affordable units			6%	on AH transfer values		£0
Total Developer's Profit							
£424,027							
3.0 Development Costs							
3.1 Sale cost							
3.1.1	Private units only			3.00%	on OM GDV		£63,604
Total build costs							
£63,604							
3.2 Build Costs							
3.2.1 Private units				No. of units	Size sq.m	Total sq.m	Cost per sq.m
3.2.1.1	Flats (G/A)			0.00	63	0	£1,124
3.2.1.2	2 bed house			4.05	75	302	£1,086
3.2.1.3	3 bed house			3.38	93	314	£1,086
3.2.1.4	4+ bed house			1.58	117	184	£1,086
				9		800	
3.2.2 Affordable units				No. of units	Size sq.m	Total sq.m	Cost per sq.m
3.2.2.1	Flats (G/A)			0.00	63	0	£1,124
3.2.2.2	2 bed house			0.00	75	0	£1,086
3.2.2.3	3 bed house			0.00	93	0	£1,086
3.2.2.4	4+ bed house			0.00	117	0	£1,086
3.2.3	Extra-over BR2013						£0
Total build costs							
£868,721							
3.3 Extra over construction costs							
3.3.1	Externals			10%	extra-over on build cost		£86,872.10
3.3.2	Site abnormalities (remediation/demolition)				per net ha		£0
3.3.3	Site opening up costs				per unit		£0
Total extra over construction costs							
£86,872							
3.4 Professional fees							
3.4.1	Professional fees			8%	on build costs (incl: externals)		£76,447
Total professional fees							
£76,447							
3.5 Contingency							
3.5.1	Contingency			4%	on build costs (incl: externals)		£41,282
Total contingency							
£41,282							
3.6 Developer contributions							
3.6.1	s106 for open space (house)				per house		£0
3.6.1	s106 for open space (flat)				per flat		£0
3.6.2	Policy X Sustainable construction and design				00 January 1900		£37,150
3.6.3	Gypsy & Traveller			£150,000	per pitch		£0
3.6.4	S106 contribution			£3,300	per unit		£29,700
3.6.5	AH Commuted Sum			£24,900	per unit		£224,157
Total developer contributions							
£291,006							
TOTAL DEVELOPMENT COSTS							
£1,427,933							
4.0 Site Acquisition							
4.1	Net site value (residual land value)						£219,868
4.2	Stamp Duty						£1,897
4.3	Purchaser costs			1.80%	on land costs		£3,958
Total site costs							
£225,723							
TOTAL PROJECT COSTS (EXCLUDING INTEREST)							
£2,077,682							
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)							
£42,451							
5.0 Finance Costs							
5.1	Finance			APR 6.50%	on net costs	PCM 0.526%	£42,451
TOTAL PROJECT COSTS (INCLUDING INTEREST)							
£2,120,133							

This appraisal has been prepared by Peter Brett Associates for the Council. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the Council about the impact of planning policy has on viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation - Professional Standards January 2014) valuation and should not be relied upon as such.

Appendix B Notes from the Developer Workshop

Meeting Title: City of York Plan Viability Developer Workshop

Signed in attendees: *PBA:* Russell Porter (RP) and Tom Marshall (TM); *CYC:* Ian Stokes (IS), Martin Grainger, Derek Gauld, Ben Murphy; *Barratt Homes:* Daniel Starkey; *O'Neill Associates:* Eamonn Keogh; *National Railway Museum:* Tom Devine; *Taylor Wimpey:* Jennie Walker and Rob McLackland; *Redrow Homes:* Lindsey Ramsden; *Johnson Mowat:* Mark Johnson; *PB Planning:* Paul Butler; *Persimmon Homes:* John Kirkham; *Planning Prospects:* Jason Tait; *Rapleys:* Neil Jones.

Date of Meeting: 22nd September 2016





Comment	Actions
<p>1. Introduction</p> <p>IS introduced the workshop and explained how the study fitted with the preparation of the emerging York Local Plan and a potential CIL (if found to be feasible)</p>	N/A
<p>2. Purpose of the Workshop</p> <p>RP explained the background to PBA's commission and its experience in this type of work.</p> <p>RP explained that PBA is assessing viability in terms of whole plan viability test including any potential Community Infrastructure Levy (CIL).</p> <p>RP explained that the purpose of the workshop is to find out about local experience of development, including CIL, and approaches to testing viability in York. RP added that PBA is willing to follow-up today's 'interactive' workshop with further dialogue with delegates as necessary</p>	<p>N/A</p> <p>N/A</p> <p>RP / TM / delegates (as necessary)</p>
<p>3. Approach</p> <p>RP explained the approach to viability testing using the slide copied below, in particular noting that it followed a residual land value approach, as recommended in government, RTPI and RICS guidance notes, and that it would be applied with iterations (scenarios) in testing for an appropriate balance between plan policies and infrastructure funding.</p> <p>RP discussed the legislative background underpinning PBA's approach to Viability involving the Harman Report, RICS Guidance and the PPG.</p>	<p>No comments were made, so it assumed that the approach is acceptable.</p>

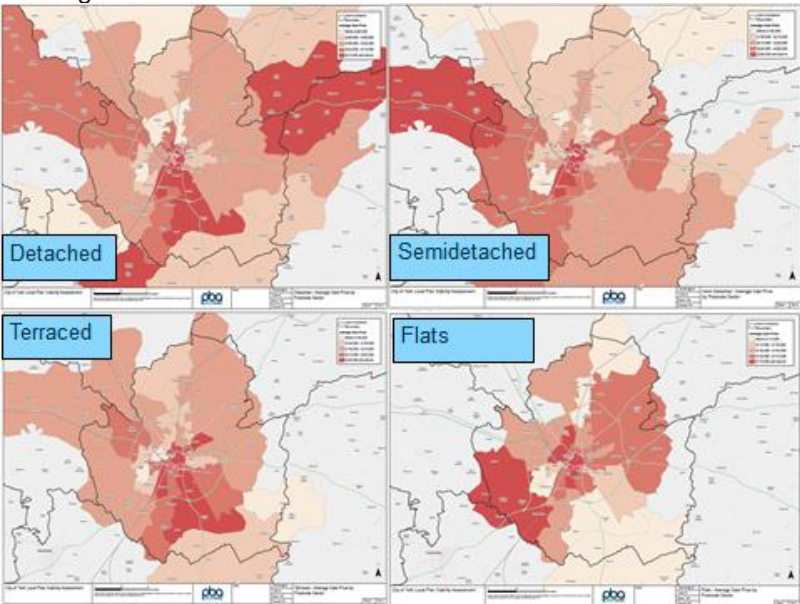
Comment	Actions																																																												
<p>Viability modelling</p> <p>An iterative approach...</p> <p>Peter Brett Associates LLP</p> <p>Note Benchmark land value = current market value + uplift to encourage a willingness to bring land forward for development</p>																																																													
<p>4. Sites for non-residential uses to be tested</p> <p>TM explained that there is a need for identifying suitable and appropriate development typologies for testing the impact of Local Plan policies and CIL on the future land supply and development, which should be discussed and generally agreed by stakeholders at this workshop.</p> <p>There was general agreement that those identified in the workshop slide (copied below) broadly reflected future development typologies in the city, but one consultee suggested the potential for A3 leisure uses such as out-of-town trampoline centres and gyms, and A4 uses such as Pubs and Restaurants should be considered.</p> <table border="1" data-bbox="220 1489 981 1892"> <thead> <tr> <th>Use</th> <th>GIA (sqm)</th> <th>Size (Ha)</th> <th>Size (Acres)</th> <th>Coverage</th> </tr> </thead> <tbody> <tr> <td>1: Town centre office</td> <td>1,000</td> <td>0.067</td> <td>0.16</td> <td>150%</td> </tr> <tr> <td>2: Business park</td> <td>2,500</td> <td>0.313</td> <td>0.77</td> <td>80%</td> </tr> <tr> <td>3: Industrial / warehouse</td> <td>1,500</td> <td>0.375</td> <td>0.93</td> <td>40%</td> </tr> <tr> <td>4: Small local convenience</td> <td>280</td> <td>0.031</td> <td>0.08</td> <td>90%</td> </tr> <tr> <td>5: Smaller supermarket</td> <td>1,000</td> <td>0.167</td> <td>0.41</td> <td>60%</td> </tr> <tr> <td>6: Supermarket</td> <td>2,500</td> <td>0.625</td> <td>1.54</td> <td>40%</td> </tr> <tr> <td>7: Retail warehouse</td> <td>2,000</td> <td>0.500</td> <td>1.24</td> <td>40%</td> </tr> <tr> <td>8: Town centre retail</td> <td>200</td> <td>0.020</td> <td>0.05</td> <td>100%</td> </tr> <tr> <td>9: Hotel (60 beds)</td> <td>1,500</td> <td>0.300</td> <td>0.74</td> <td>50%</td> </tr> <tr> <td>10: Student Accommodation (100 bed)</td> <td>2,400</td> <td>0.240</td> <td>0.59</td> <td>100%</td> </tr> <tr> <td>11: Care Home (40 bed)</td> <td>2,000</td> <td>0.250</td> <td>0.62</td> <td>80%</td> </tr> </tbody> </table>	Use	GIA (sqm)	Size (Ha)	Size (Acres)	Coverage	1: Town centre office	1,000	0.067	0.16	150%	2: Business park	2,500	0.313	0.77	80%	3: Industrial / warehouse	1,500	0.375	0.93	40%	4: Small local convenience	280	0.031	0.08	90%	5: Smaller supermarket	1,000	0.167	0.41	60%	6: Supermarket	2,500	0.625	1.54	40%	7: Retail warehouse	2,000	0.500	1.24	40%	8: Town centre retail	200	0.020	0.05	100%	9: Hotel (60 beds)	1,500	0.300	0.74	50%	10: Student Accommodation (100 bed)	2,400	0.240	0.59	100%	11: Care Home (40 bed)	2,000	0.250	0.62	80%	<p>PBA to review the need to consider A3 and A4 uses in the appraisals</p>
Use	GIA (sqm)	Size (Ha)	Size (Acres)	Coverage																																																									
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Comment	Actions																																																												
<p>5. Non-residential sales values - rents and yields assumptions</p> <p>TM set out the recent average data on non-residential transactions in and around York (slide copied below).</p> <p>TM explained that these were sought from recent transaction from sites such as COSTAR. Properties currently being advertised (on sites such as Right Move) and research documents from commercial agents such as Savills, Knight Frank etc.</p> <table border="1" data-bbox="220 683 1109 1164"> <thead> <tr> <th style="background-color: #003366; color: white;">Use</th> <th style="background-color: #003366; color: white;">Rent (£ per sqm p.a.)</th> <th style="background-color: #003366; color: white;">Rent (£ per sqft p.a.)</th> <th style="background-color: #003366; color: white;">Yield</th> <th style="background-color: #003366; color: white;">Land Values (£ per hectare)</th> </tr> </thead> <tbody> <tr> <td>1: Town centre office</td> <td>£160</td> <td>£14.9</td> <td>8.00%</td> <td>£1,500,000</td> </tr> <tr> <td>2: Business park</td> <td>£170</td> <td>£15.8</td> <td>8.00%</td> <td>£1,000,000</td> </tr> <tr> <td>3: Industrial / warehouse</td> <td>£75</td> <td>£7.0</td> <td>8.50%</td> <td>£850,000</td> </tr> <tr> <td>4: Small local convenience</td> <td>£180</td> <td>£16.7</td> <td>6.50%</td> <td>£2,000,000</td> </tr> <tr> <td>5: Smaller supermarket</td> <td>£180</td> <td>£16.7</td> <td>6.00%</td> <td>£2,000,000</td> </tr> <tr> <td>6: Supermarket</td> <td>£165</td> <td>£15.3</td> <td>5.25%</td> <td>£2,000,000</td> </tr> <tr> <td>7: Retail warehouse</td> <td>£160</td> <td>£14.9</td> <td>6.50%</td> <td>£2,000,000</td> </tr> <tr> <td>8: Town centre retail</td> <td>£195</td> <td>£18.1</td> <td>7.75%</td> <td>£4,000,000</td> </tr> <tr> <td>9: Hotel (60 bed)</td> <td>£3,300 per bed</td> <td></td> <td>8%</td> <td>£2,000,000</td> </tr> <tr> <td>10: Student accommodation (100 bed)</td> <td>£3,500 per bed</td> <td></td> <td>6%</td> <td>£2,000,000</td> </tr> <tr> <td>11: Care Home (40 bed)</td> <td>£8,000 per bed</td> <td></td> <td>8%</td> <td>£2,000,000</td> </tr> </tbody> </table> <p>One response noted a belief that the yields were a little low. TM and RP have requested further information regarding this.</p> <p>It was noted that many of the attendees had a greater understanding on the residential sector, as opposed to the non-residential, and that many attendees would like to circulate the slides around colleagues for more info.</p> <p>Otherwise, no further comments.</p>	Use	Rent (£ per sqm p.a.)	Rent (£ per sqft p.a.)	Yield	Land Values (£ per hectare)	1: Town centre office	£160	£14.9	8.00%	£1,500,000	2: Business park	£170	£15.8	8.00%	£1,000,000	3: Industrial / warehouse	£75	£7.0	8.50%	£850,000	4: Small local convenience	£180	£16.7	6.50%	£2,000,000	5: Smaller supermarket	£180	£16.7	6.00%	£2,000,000	6: Supermarket	£165	£15.3	5.25%	£2,000,000	7: Retail warehouse	£160	£14.9	6.50%	£2,000,000	8: Town centre retail	£195	£18.1	7.75%	£4,000,000	9: Hotel (60 bed)	£3,300 per bed		8%	£2,000,000	10: Student accommodation (100 bed)	£3,500 per bed		6%	£2,000,000	11: Care Home (40 bed)	£8,000 per bed		8%	£2,000,000	<p>Comments were noted, and further evidence was asked for.</p> <p>PBA would look in more details at the non-residential yields and ensure evidence is fully set out in the report.</p>
Use	Rent (£ per sqm p.a.)	Rent (£ per sqft p.a.)	Yield	Land Values (£ per hectare)																																																									
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<p>6. Non-residential build costs</p> <p>TM set out the build costs in the slide copied below and confirmed that these were based on BCIS median averages, rebased to York in Q3 2015.</p>	<p>No comments were made. PBA will await any further feedback following the workshop.</p>																																																												


Comment			Actions																																				
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<p>7. Non-residential other development assumptions</p> <p>TM presented other development costs assumptions for non-resi that are listed in the workshop slide copied below. It was commented that externals were set high at 15% because to include all site costs, including car parking and access.</p> <p>Assumptions Other key non-residential cost assumptions...</p> <ul style="list-style-type: none"> • Externals (including site costs): 15% of build costs • Contingency: 4% of build costs • Professional fees: 10% of build costs • Sales Fees: 3% of Open market GDV • Finance: 7% applied to the cashflow on a monthly basis • Developer return: 20% of Gross Development Costs <p>19 </p> <p>No comments were given regarding this slide</p>				<p>No comments were made. PBA will await any further feedback following the workshop.</p>																																			
<p>8. Sites for Residential uses to be tested</p> <p>TM presented the proposed residential typologies in the slide below to be tested, explaining that there are two sets of residential testing: one covering a typology of sites and the other being more specific to strategic sites.</p>				<p>PBA/CYC to review recent submitted reps regarding different land area and unit sizes.</p>																																			

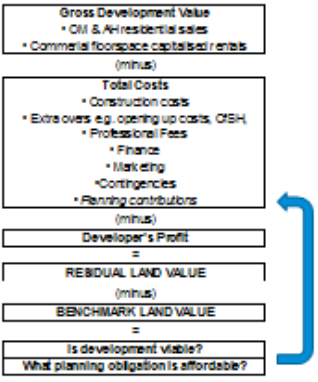

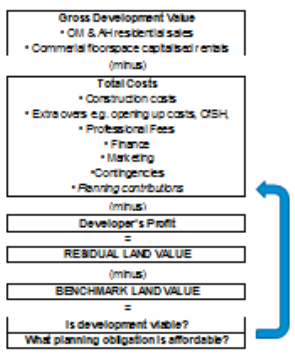

Comment	Actions																																																																																																																																																																																																																																
<p>TM explained PBA's approach to testing the following 'typology' sites, and that they were formed by analysis of the housing allocations report. However, TM also requested feedback that the scale, 'broad locations' and the mix of greenfield and brownfield land match those likely to come forward within York.</p> <p>One respondent asked if the strategic sites included the land required for public open space (POS) planning obligations. RP said he that this would be allowed for in converting the gross land to net land area plus contributions to POS will be identified in the S106 or through an appropriate allowance of headroom in the residual value testing.</p> <p>A point was raised that the Suburban densities tend to be plotting out on 35-40 dph rather than at the levels presented in the slide below because the densities shown are 'a little aspirational'.</p> <p>It was also suggested that densities in York may be lower to allow for on-site water retention/attenuation owing to York's flood risks, which was reflected in the reps to the site allocation consultations.</p> <div style="border: 1px solid #003366; padding: 10px; margin: 10px 0;"> <p>Assumptions Identifying a suitable typology of sites...</p> <ul style="list-style-type: none"> To test the suitability of the plan policies (incl: CIL) we are testing a number of 'typology' sites 'Typologies' designed to reflect hypothetical schemes representing sites likely to come forward Covering four 'Broad Locations' <ul style="list-style-type: none"> Based on City of York's policy regarding density Informed by previous viability evidence </div> <table border="1" style="width: 100%; border-collapse: collapse; font-size: 8px;"> <thead> <tr> <th>Typology</th> <th>Land type</th> <th>Broad location</th> <th>Gross Area (ha)</th> <th>Net Area (ha)</th> <th>No of units</th> <th>Density (dph)</th> </tr> </thead> <tbody> <tr><td>3 units village/rural (Greenfield)</td><td>Greenfield</td><td>Village/Rural</td><td>0.09</td><td>0.09</td><td>3</td><td>33</td></tr> <tr><td>3 units village/rural (Brownfield)</td><td>Brownfield</td><td>Village/Rural</td><td>0.09</td><td>0.09</td><td>3</td><td>33</td></tr> <tr><td>9 units village/rural (Greenfield)</td><td>Greenfield</td><td>Village/Rural</td><td>0.26</td><td>0.26</td><td>9</td><td>33</td></tr> <tr><td>9 units village/rural (Brownfield)</td><td>Brownfield</td><td>Village/Rural</td><td>0.26</td><td>0.26</td><td>9</td><td>33</td></tr> <tr><td>10 units village/rural (Greenfield)</td><td>Greenfield</td><td>Village/Rural</td><td>0.29</td><td>0.29</td><td>10</td><td>35</td></tr> <tr><td>10 units village/rural (Brownfield)</td><td>Brownfield</td><td>Village/Rural</td><td>0.29</td><td>0.29</td><td>10</td><td>35</td></tr> <tr><td>20 units village/rural (Greenfield)</td><td>Greenfield</td><td>Village/Rural</td><td>0.73</td><td>0.73</td><td>20</td><td>35</td></tr> <tr><td>20 units village/rural (Brownfield)</td><td>Brownfield</td><td>Village/Rural</td><td>0.73</td><td>0.73</td><td>20</td><td>35</td></tr> <tr><td>3 units Suburban (Greenfield)</td><td>Greenfield</td><td>Suburban</td><td>0.07</td><td>0.07</td><td>3</td><td>40</td></tr> <tr><td>3 units Suburban (Brownfield)</td><td>Brownfield</td><td>Suburban</td><td>0.07</td><td>0.07</td><td>3</td><td>40</td></tr> <tr><td>9 units Suburban (Greenfield)</td><td>Greenfield</td><td>Suburban</td><td>0.23</td><td>0.23</td><td>9</td><td>40</td></tr> <tr><td>9 units Suburban (Brownfield)</td><td>Brownfield</td><td>Suburban</td><td>0.23</td><td>0.23</td><td>9</td><td>40</td></tr> <tr><td>10 units Suburban (Greenfield)</td><td>Greenfield</td><td>Suburban</td><td>0.25</td><td>0.25</td><td>10</td><td>40</td></tr> <tr><td>10 units Suburban (Brownfield)</td><td>Brownfield</td><td>Suburban</td><td>0.25</td><td>0.25</td><td>10</td><td>40</td></tr> <tr><td>20 units Suburban (Greenfield)</td><td>Greenfield</td><td>Suburban</td><td>0.64</td><td>0.60</td><td>20</td><td>40</td></tr> <tr><td>20 units Suburban (Brownfield)</td><td>Brownfield</td><td>Suburban</td><td>0.64</td><td>0.60</td><td>20</td><td>40</td></tr> <tr><td>50 units Suburban (Greenfield)</td><td>Greenfield</td><td>Suburban</td><td>1.71</td><td>1.25</td><td>50</td><td>40</td></tr> <tr><td>50 units Suburban (Brownfield)</td><td>Brownfield</td><td>Suburban</td><td>1.60</td><td>1.15</td><td>50</td><td>40</td></tr> <tr><td>3 units Urban (Greenfield)</td><td>Greenfield</td><td>Urban</td><td>0.06</td><td>0.06</td><td>3</td><td>50</td></tr> <tr><td>9 units Urban (Greenfield)</td><td>Greenfield</td><td>Urban</td><td>0.18</td><td>0.18</td><td>9</td><td>50</td></tr> <tr><td>10 units Urban (Greenfield)</td><td>Greenfield</td><td>Urban</td><td>0.20</td><td>0.20</td><td>10</td><td>50</td></tr> <tr><td>20 units Urban (Greenfield)</td><td>Greenfield</td><td>Urban</td><td>0.51</td><td>0.40</td><td>20</td><td>50</td></tr> <tr><td>20 units Urban (Brownfield)</td><td>Brownfield</td><td>Urban</td><td>0.51</td><td>0.40</td><td>20</td><td>50</td></tr> <tr><td>50 units Urban (Greenfield)</td><td>Greenfield</td><td>Urban</td><td>1.37</td><td>1.00</td><td>50</td><td>50</td></tr> <tr><td>150 units Urban (Greenfield)</td><td>Greenfield</td><td>Urban</td><td>4.45</td><td>3.00</td><td>150</td><td>50</td></tr> <tr><td>50 units City centre (Greenfield)</td><td>Greenfield</td><td>City centre</td><td>0.60</td><td>0.50</td><td>50</td><td>100</td></tr> <tr><td>150 units City centre (Greenfield)</td><td>Greenfield</td><td>City centre</td><td>2.34</td><td>1.50</td><td>150</td><td>100</td></tr> <tr><td>350 units City centre (Greenfield)</td><td>Greenfield</td><td>City centre</td><td>5.59</td><td>3.50</td><td>350</td><td>100</td></tr> <tr><td>1,000 units (Greenfield)</td><td>Greenfield</td><td>City centre / Urban</td><td>21.7</td><td>12.50</td><td>1,000</td><td>50</td></tr> <tr><td>1,000 units (Greenfield)</td><td>Greenfield</td><td>Village/Rural</td><td>49.7</td><td>28.57</td><td>1,000</td><td>35</td></tr> <tr><td>3,000 units (Greenfield)</td><td>Greenfield</td><td>Village/Rural</td><td>162.6</td><td>85.71</td><td>3,000</td><td>35</td></tr> </tbody> </table> <p style="text-align: right; 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<p>TM introduced the second suite of typology sites, and that these were 'strategic sites' as set out in the preferred sites consultation document (July 2016).</p> <p>TM stated that PBA would be issuing proformas to site representatives to collect information about site and scheme details to ensure that the appraisals are as accurate as possible.</p>																																																																																																																																																																																																																																	

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<p>9. Floorspace</p> <p>TM presented two sources of floorspace data noting that the left hand column outlined data by house type from over 300 new build properties within York. The right hand column broadly outlined the minimum National Space Standards floorspaces by number of bedrooms.</p> <p>TM explained that terraced properties appeared larger relative to other location in the UK.</p> <p>Assumptions Residential - saleable areas</p> <ul style="list-style-type: none"> Floorspace is important because this informs overall revenue: <table border="1" data-bbox="252 1451 671 1682"> <thead> <tr> <th rowspan="2">Type</th> <th colspan="2">Floorspace (sqm)</th> </tr> <tr> <th>Recent new builds</th> <th>National Space Standards (min)</th> </tr> </thead> <tbody> <tr><td>Flats (NIA)</td><td>56</td><td>55</td></tr> <tr><td>Flats (GIA)</td><td>66</td><td>63</td></tr> <tr><td>Terraced / 2-3 bed</td><td>105</td><td>75</td></tr> <tr><td>Semi-detached / 3-4 bed</td><td>97.3</td><td>93</td></tr> <tr><td>Detached / 4+ bed house</td><td>135.6</td><td>117</td></tr> </tbody> </table>  <p>22 </p>	Type	Floorspace (sqm)		Recent new builds	National Space Standards (min)	Flats (NIA)	56	55	Flats (GIA)	66	63	Terraced / 2-3 bed	105	75	Semi-detached / 3-4 bed	97.3	93	Detached / 4+ bed house	135.6	117	<p>Comments were noted, and further evidence was asked for.</p>																																																																						
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<p>One respondent suggested that it would be better to obtain data from a wider timeframe and geography beyond York. Another expressed the view that using the NSS would be the best approach. RP asked stakeholders to provide any evidence to demonstrate why this might be the case for their schemes</p>																																																																																											

Comment	Actions
<p>10. Residential sales values</p> <p>TM presented a number of slides to set out PBA's approach to residential values. The first 'set the scene' in terms of trend data of how York compares to neighbouring areas and the average sales price by type of dwelling for new and existing sales.</p> <p>Secondly, TM presented sales values mapped across York using the slide below, explaining that PBA did this to establish higher and lower value areas.</p> <p>TM noted that the four maps indicated a lack of consistency, and concluded that the heat maps did not show a distinct difference of value areas.</p> <p>TM and RP sought feedback as to whether this was consistent with the views of the development industry. There were no comments to suggest value areas were significantly different across the city except one comment that values can be notably dissimilar at the local street level. It was also commented that values at street level would tend to be more homogenous in the suburbs and outside in places like Huntington.</p>  <p>TM then presented the current average values per square metre values for York as a whole (shown below), which would inform the viability testing.</p>	<p>No comments were made. PBA will await any further feedback following the workshop.</p>

Comment	Actions															
<p>Assumptions</p> <p>Residential sales values</p> <ul style="list-style-type: none"> • Surveyed over 300 new properties sold in York since January 2015 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Average Sales Values</th> <th style="background-color: #003366; color: white;">House</th> <th style="background-color: #003366; color: white;">Flat</th> </tr> </thead> <tbody> <tr> <td>Per sqm</td> <td>Between £2,600 and £2,750</td> <td>Between £3,200 and £3,400</td> </tr> <tr> <td>Per sqft</td> <td>Between £241 and £255</td> <td>Between £297 and £316</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Is this reasonable? • Any City variance? <hr style="width: 50%; margin-left: 0;"/> <div style="display: flex; justify-content: space-between;"> 25  </div> <p>There was no opposition to using these values.</p>	Average Sales Values	House	Flat	Per sqm	Between £2,600 and £2,750	Between £3,200 and £3,400	Per sqft	Between £241 and £255	Between £297 and £316							
Average Sales Values	House	Flat														
Per sqm	Between £2,600 and £2,750	Between £3,200 and £3,400														
Per sqft	Between £241 and £255	Between £297 and £316														
<p>11. Residential Build costs</p> <p>TM presented build costs to be tested in the residential appraisals, explaining that these were from actual tender prices using median BCIS data rebased to Q32015.</p> <p>Assumptions</p> <p>Residential build costs</p> <ul style="list-style-type: none"> • Using BCIS latest actual tender prices <ul style="list-style-type: none"> • Median data for Q3 2015 • Excludes externals, opening up costs and abnormal costs <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Build Costs</th> <th style="background-color: #003366; color: white;">Cost per sqm</th> <th style="background-color: #003366; color: white;">Cost per sqft</th> </tr> </thead> <tbody> <tr> <td>Flats / Apartments</td> <td>£1,124</td> <td>£104</td> </tr> <tr> <td>Houses (small house builder <3 units)</td> <td>£1,214</td> <td>£113</td> </tr> <tr> <td>Houses (medium house builder 4 to 14 units)</td> <td>£1,088</td> <td>£101</td> </tr> <tr> <td>Houses (large house builder 15+)</td> <td>£958</td> <td>£89</td> </tr> </tbody> </table> <hr style="width: 50%; margin-left: 0;"/> <div style="display: flex; justify-content: space-between;"> 26  </div> <p>One stakeholder commented that the median BCIS values would be appropriate for York rather than the often seen lower quartile averages often used in these studies because of the high quality design standards expected and therefore achieved on new builds in York.</p>	Build Costs	Cost per sqm	Cost per sqft	Flats / Apartments	£1,124	£104	Houses (small house builder <3 units)	£1,214	£113	Houses (medium house builder 4 to 14 units)	£1,088	£101	Houses (large house builder 15+)	£958	£89	<p>PBA will continue to use median data from BCIS as the most appropriate source of build cost data.</p>
Build Costs	Cost per sqm	Cost per sqft														
Flats / Apartments	£1,124	£104														
Houses (small house builder <3 units)	£1,214	£113														
Houses (medium house builder 4 to 14 units)	£1,088	£101														
Houses (large house builder 15+)	£958	£89														

Comment	Actions												
<p>One respondent asked why Q3 2015 data was used as opposed to later data. RP explained that this is the latest data available that is based on an actual tender price sample as opposed to a forecast tender price. TM explained that because of various changes in the macroeconomic climate, particularly BREXIT, BCIS's forecasts were open to a large degree of uncertainty. RP also explained that sales values are also sourced from the last few years and therefore the build costs and values are from similar periods.</p>													
<p>12. Benchmark land values and site infrastructure costs</p> <p>TM presented a slide setting out benchmark land values, abnormal costs and opening up costs.</p> <p>Assumptions Benchmark land values and site costs</p> <ul style="list-style-type: none"> Assumed as clean, 'ready to go' sites without planning <table border="1" data-bbox="284 904 959 1070"> <thead> <tr> <th>Type of site</th> <th>per net hectare</th> <th>per net acre</th> </tr> </thead> <tbody> <tr> <td>City Centre</td> <td>£1,500,000</td> <td>£807,000</td> </tr> <tr> <td>Urban, suburban or village /rural</td> <td>£1,000,000</td> <td>£405,000</td> </tr> <tr> <td>Strategic site</td> <td>£400,000</td> <td>£162,000</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Plus <ul style="list-style-type: none"> Any abnormal costs per net ha: <ul style="list-style-type: none"> Brownfield: £300,000 Part brownfield: £150,000 Opening up costs per unit for greenfield: <ul style="list-style-type: none"> <200 units: £5,000 200 to 500: £10,000 500+: £17,000 Part greenfield sites = half the above <p>27 </p> <p>One stakeholder suggested the difference between 'Urban' and 'Strategic' land values may be too large. TM reiterated that these were broad brush assumptions and that strategic site representatives would be encouraged to provide specific costs regarding infrastructure items in the forthcoming proformas.</p> <p>It was asked if viability assessment would include a cashflow. RP confirmed that the testing would be run on a monthly cashflow based on broad assumptions regarding all developments starting now but would be phased to appropriate build and sales rates. RP asked for any suggestions regarding build out rates and was pointed to review some of the reps submitted to the site allocation consultations which included phasing plans.</p>	Type of site	per net hectare	per net acre	City Centre	£1,500,000	£807,000	Urban, suburban or village /rural	£1,000,000	£405,000	Strategic site	£400,000	£162,000	<p>PBA will review the reps and await any further feedback following the workshop</p>
Type of site	per net hectare	per net acre											
City Centre	£1,500,000	£807,000											
Urban, suburban or village /rural	£1,000,000	£405,000											
Strategic site	£400,000	£162,000											
<p>13. Other residential development cost assumptions</p> <p>TM presented a slide setting out other key assumptions relating to externals, contingency, professional fees, sales fees, finance and developer return.</p>	<p>PBA will await any further feedback following the workshop</p>												

Comment	Actions
<p>Assumptions Other key residential assumptions</p> <ul style="list-style-type: none"> • Externals: 10% of build costs • Contingency: 4% of build costs • Professional fees: 8% of build costs • Sales fees: 3% of Open market GDV • Finance: 6.5% applied as a monthly cashflow • Developer return: <ul style="list-style-type: none"> - Market Housing : 20% of Open Market GDV - Affordable housing: 8% of AH transfer Values  <p>28</p>  <p>One respondent suggested that it was typical to apply 3 to 5% on build costs to provide a contingency.</p> <p>An attendee from the council had suggested that 20% profit on cost and 17% on GDV was normally expected to be achieved rather than the 20% on GDV being assumed by the consultants.</p>	
<p>14. Policy assumptions</p> <p>For the final slide regarding assumptions TM presented a slide setting out various indicative policy costs including s106, affordable housing and sustainable design. IS added that policies and hence policy costs would be reviewed and assessed to set the policies in the Local plan Publications Draft</p> <p>Assumptions Policy costs</p> <ul style="list-style-type: none"> • S106 site mitigation <ul style="list-style-type: none"> - £8,450 per house and £8,400 per flat • Affordable housing (AH), <ul style="list-style-type: none"> - At 25% on Brownfield and 35% on Greenfield - Social & Affordable rent – 80% (assumed equal split) - Intermediate/shared ownership – 20% • AH transfer values <ul style="list-style-type: none"> - Social rent: 40% - Affordable rent: 60% - Intermediate/shared ownership: 20% • CC2 Sustainable Design and Construction policy costs <ul style="list-style-type: none"> - Low carbon homes and BREEAM (non-resi) - 2.5% extra over on building costs = c.£2-£3k - + District heating  <p>29</p> 	<p>PBA to check latest planning obligation requirements with CYC</p>

Comment	Actions
<p>IS also referred to two Supplementary Planning Guidance available on CYC's website pertaining to developer contributions towards:</p> <ul style="list-style-type: none"> • Educational facilities • Open Space 	
<p>15. What happens next and conclusion</p> <p>RP outlined the remainder of the work timetable. RP also ran through the strategic sites information proforma that is to be issued following the workshop for subsequent completion by delegates.</p> <p>IS discussed the timetable for the preparation and adoption of the City of York Local plan and CIL as set out in the Local Development Scheme, 2016.</p> <p>Finally, RP thanked the attendees for coming and provided email addresses for attendees to get in touch if further information is required.</p>	<p>PBA to circulate meeting notes and strategic sites information proforma.</p>

Appendix C New Residential Property Values

New residential properties in York sold from Jan 2015 to May 2016

Street	Date	Type	Sale Price	Price per Sqm
Bakery Yard	April 2015	Detached	£265,000	£2,087
Lotherington Avenue	December 2015	Detached	£414,995	£2,470
Lotherington Mews	May 2016	Detached	£474,995	£2,624
Lotherington Mews	May 2016	Detached	£475,995	£2,630
Lotherington Avenue	February 2016	Detached	£255,955	£2,752
Lotherington Avenue	December 2015	Detached	£264,995	£2,849
Smary Lane	February 2015	Detached	£495,000	£2,260
Blackberry Gardens	April 2014	Detached	£540,000	£2,647
Blackberry Gardens	April 2014	Detached	£299,000	£2,875
Hardgraves Mews	December 2014	Detached	£940,000	£3,310
Hardgraves Mews	January 2015	Detached	£890,000	£3,346
Church Lane	December 2014	Detached	£920,000	£3,446
Hardgraves Mews	November 2014	Detached	£950,000	£3,585
Bursary Court	November 2014	Detached	£399,995	£2,500
Bursary Court	March 2014	Detached	£499,995	£2,500
Bursary Court	December 2014	Detached	£499,995	£2,513
Bursary Court	June 2014	Detached	£500,000	£2,538
Bursary Court	June 2014	Detached	£500,000	£2,538
College Court	June 2014	Detached	£539,995	£2,700
Academy Drive	November 2014	Detached	£399,995	£2,703
Bursary Court	August 2014	Detached	£427,495	£2,740
Bursary Court	June 2014	Detached	£549,995	£2,750
Bursary Court	August 2014	Detached	£446,500	£2,862
Hardwicke Close	March 2014	Detached	£279,000	£2,632
Clifton	August 2014	Detached	£250,000	£2,475
Hornbeam Close	November 2015	Detached	£249,999	£2,747
Hornbeam Close	November 2015	Detached	£250,000	£2,747
Hornbeam Close	December 2015	Detached	£250,000	£2,747
Hornbeam Close	October 2015	Detached	£325,000	£2,928
Hornbeam Close	December 2015	Detached	£325,000	£2,928
Hornbeam Close	March 2016	Detached	£325,000	£2,928
Hornbeam Close	October 2015	Detached	£330,000	£2,973
Seebohm Mews	April 2015	Detached	£279,995	£2,414
Derwent Way	April 2014	Detached	£224,995	£2,419
Seebohm Mews	May 2016	Detached	£468,995	£2,481

Street	Date	Type	Sale Price	Price per Sqm
Derwent Way	December 2015	Detached	£239,995	£2,857
Dales Court	June 2014	Detached	£499,950	£2,841
Dales Court	June 2014	Detached	£402,500	£2,896
Dales Court	October 2014	Detached	£325,000	£3,009
Dales Court	July 2014	Detached	£449,950	£3,261
Dales Court	June 2014	Detached	£325,000	£3,571
Dodsworth Avenue	March 2016	Detached	£325,000	£3,250
Turner Close	May 2014	Detached	£199,950	£2,563
Turner Close	May 2014	Detached	£204,950	£2,628
Turner Close	March 2014	Detached	£209,995	£2,692
Royal Avenue	December 2014	Detached	£514,950	£2,784
Forest Walk	June 2014	Detached	£369,950	£2,846
Forest Walk	June 2014	Detached	£369,950	£2,846
Forest Walk	June 2014	Detached	£384,950	£2,894
Forest Walk	June 2014	Detached	£379,950	£2,923
Royal Avenue	November 2014	Detached	£379,950	£2,923
Royal Avenue	December 2014	Detached	£379,950	£2,923
Huntington Road	December 2014	Detached	£274,950	£2,925
Royal Avenue	September 2014	Detached	£324,950	£2,954
Royal Avenue	September 2014	Detached	£389,950	£3,644
Forest Walk	June 2014	Detached	£499,950	£3,846
The Willows	July 2015	Detached	£589,950	£2,770
Royal Avenue	June 2015	Semi	£246,950	£2,627
Turner Close	May 2014	Semi	£204,950	£2,628
Turner Close	May 2014	Semi	£204,995	£2,628
Turner Close	April 2014	Semi	£159,950	£2,666
Turner Close	April 2014	Semi	£159,950	£2,666
Turner Close	April 2014	Semi	£159,950	£2,666
Turner Close	April 2014	Semi	£159,950	£2,666
Turner Close	May 2014	Semi	£209,950	£2,692
Turner Close	March 2014	Semi	£209,995	£2,692
Turner Close	May 2014	Semi	£164,950	£2,749
Huntington Road	February 2016	Semi	£266,000	£2,923
Huntington Road	December 2015	Semi	£270,000	£2,967
Toremill Close	November 2014	Semi	£304,000	£2,533
Fossview Close	December 2014	Semi	£255,000	£2,198
Fossview Close	December 2014	Semi	£258,995	£2,233
Fossview Close	February 2015	Semi	£189,995	£2,836
Fossview Close	September 2014	Semi	£184,995	£2,936

Street	Date	Type	Sale Price	Price per Sqm
Heathside	December 2015	Semi	£297,995	£2,922
Heathside	May 2016	Semi	£229,995	£2,987
Heathside	April 2016	Semi	£274,995	£3,090
Lotherington Avenue	December 2014	Terraced	£224,995	£1,907
Lotherington Mews	June 2014	Terraced	£229,995	£2,000
Lotherington Mews	June 2014	Terraced	£229,995	£2,000
Lotherington Mews	March 2016	Terraced	£274,995	£2,132
Lotherington Mews	March 2016	Terraced	£274,995	£2,132
Lotherington Avenue	June 2015	Terraced	£306,995	£2,177
Lotherington Avenue	June 2015	Terraced	£306,995	£2,177
Lotherington Avenue	June 2015	Terraced	£306,995	£2,177
Lotherington Avenue	June 2015	Terraced	£306,995	£2,177
Lotherington Avenue	June 2015	Terraced	£306,995	£2,177
Lotherington Avenue	June 2015	Terraced	£308,995	£2,191
Lotherington Avenue	March 2016	Terraced	£314,995	£2,234
Lotherington Avenue	June 2015	Terraced	£312,995	£2,236
Lotherington Mews	December 2015	Terraced	£292,995	£2,271
Lotherington Avenue	May 2016	Terraced	£321,995	£2,284
Lotherington Avenue	March 2016	Terraced	£329,995	£2,340
Lotherington Avenue	March 2016	Terraced	£329,995	£2,340
Lotherington Mews	April 2016	Terraced	£327,995	£2,343
Lotherington Avenue	December 2015	Terraced	£329,995	£2,357
Lotherington Avenue	November 2015	Terraced	£329,995	£2,357
Lotherington Avenue	March 2016	Terraced	£256,995	£2,358
Lotherington Mews	December 2014	Terraced	£204,995	£2,440
Lotherington Mews	November 2014	Terraced	£204,995	£2,440
Lotherington Avenue	December 2015	Terraced	£274,995	£2,523
Lotherington Mews	June 2015	Terraced	£242,995	£2,613
Lotherington Avenue	September 2015	Terraced	£246,995	£2,656
Lotherington Avenue	September 2015	Terraced	£226,995	£2,702
St Benedict Road	April 2014	Terraced	£250,000	£2,212
St Benedict Road	March 2014	Terraced	£250,000	£2,212
St Benedict Road	March 2014	Terraced	£250,000	£2,212
St Benedict Road	March 2014	Terraced	£228,000	£2,214
St Benedict Road	January 2014	Terraced	£229,000	£2,223
St Benedict Road	February 2014	Terraced	£219,000	£2,489
Lower Ebor Street	May 2014	Terraced	£170,000	£3,148
Masters Mews	July 2014	Terraced	£300,000	£2,381
The Square	September 2014	Terraced	£585,000	£3,047

Street	Date	Type	Sale Price	Price per Sqm
Aldersyde Mews	September 2014	Terraced	£193,000	£3,164
Jervis Road	June 2014	Terraced	£149,950	£2,499
Jervis Road	May 2014	Terraced	£152,000	£2,533
Jervis Road	September 2014	Terraced	£175,000	£2,917
Jervis Road	December 2014	Terraced	£175,000	£2,917
Jervis Road	February 2015	Terraced	£175,000	£2,917
Carleton Street	October 2014	Terraced	£170,000	£2,464
Carleton Street	October 2014	Terraced	£174,950	£2,536
Carleton Street	October 2014	Terraced	£174,950	£2,536
Carleton Street	October 2014	Terraced	£174,950	£2,536
Carleton Street	November 2014	Terraced	£135,000	£2,935
Carr Lane	May 2014	Terraced	£160,000	£1,975
Le Tour Way	July 2015	Terraced	£185,000	£2,151
Beckfield Lane	May 2015	Terraced	£192,000	£2,157
Pulleyn Mews	October 2015	Terraced	£535,000	£3,993
Newborough Street	May 2014	Terraced	£215,000	£1,920
Newborough Street	May 2014	Terraced	£215,000	£1,920
Newborough Street	April 2014	Terraced	£228,000	£2,073
Newborough Street	May 2014	Terraced	£235,000	£2,136
Bootham Green	April 2014	Terraced	£160,000	£2,162
Newborough Street	May 2014	Terraced	£137,500	£2,331
Newborough Street	April 2014	Terraced	£175,000	£2,333
Bootham Green	May 2014	Terraced	£120,000	£2,353
Newborough Street	May 2014	Terraced	£177,500	£2,367
Newborough Street	April 2014	Terraced	£250,000	£2,381
Bootham Green	May 2014	Terraced	£160,000	£2,388
Newborough Street	May 2014	Terraced	£180,000	£2,400
Newborough Street	May 2014	Terraced	£240,000	£2,637
Newborough Street	April 2014	Terraced	£250,000	£2,660
Newborough Street	April 2014	Terraced	£245,000	£2,692
Bootham Green	May 2014	Terraced	£175,000	£2,823
Bellerby Court	March 2015	Terraced	£215,000	£1,991
Derwent Way	September 2014	Terraced	£229,995	£2,000
Derwent Way	July 2014	Terraced	£289,995	£2,057
Derwent Way	December 2014	Terraced	£297,995	£2,113
Derwent Way	December 2014	Terraced	£297,995	£2,113
Derwent Way	December 2014	Terraced	£300,995	£2,135
Derwent Way	December 2014	Terraced	£304,995	£2,163
Derwent Way	March 2015	Terraced	£304,995	£2,163

Street	Date	Type	Sale Price	Price per Sqm
St Aelreds Mews	December 2014	Terraced	£309,995	£2,214
Derwent Way	November 2015	Terraced	£312,995	£2,220
Derwent Way	December 2015	Terraced	£314,995	£2,234
Derwent Way	June 2015	Terraced	£319,995	£2,269
St Aelreds Mews	January 2016	Terraced	£324,995	£2,321
Bellerby Court	July 2015	Terraced	£165,000	£2,324
Derwent Way	November 2015	Terraced	£269,995	£2,348
Seebohm Mews	November 2015	Terraced	£277,995	£2,356
St Aelreds Mews	March 2016	Terraced	£260,995	£2,394
Derwent Way	February 2016	Terraced	£279,995	£2,435
Seebohm Mews	October 2015	Terraced	£226,995	£2,702
Seebohm Mews	July 2015	Terraced	£233,995	£2,786
Emmerson Street	May 2015	Terraced	£163,000	£2,810
Seebohm Mews	August 2015	Terraced	£299,995	£3,571
Mill Lane	July 2015	Terraced	£395,000	£3,160
Mill Lane	July 2015	Terraced	£395,000	£3,160
Mill Lane	July 2015	Terraced	£395,000	£3,160
Mill Lane	July 2015	Terraced	£395,000	£3,160
Huntington Road	June 2015	Terraced	£241,950	£2,261
Upperdale Park	June 2015	Terraced	£185,000	£2,284
Forest Walk	June 2014	Terraced	£224,950	£2,393
Huntington Road	September 2015	Terraced	£215,000	£2,443
Forest Walk	June 2014	Terraced	£229,950	£2,446
Forest Walk	June 2014	Terraced	£229,950	£2,446
Forest Walk	June 2014	Terraced	£234,950	£2,499
Turner Close	February 2014	Terraced	£195,000	£2,500
Turner Close	February 2014	Terraced	£197,950	£2,538
Turner Close	March 2014	Terraced	£154,950	£2,583
Upperdale Park	July 2015	Terraced	£210,000	£2,593
Upperdale Park	July 2015	Terraced	£215,000	£2,654
Upperdale Park	June 2015	Terraced	£215,000	£2,654
Turner Close	May 2014	Terraced	£159,950	£2,666
Turner Close	June 2014	Terraced	£159,950	£2,666
Turner Close	March 2014	Terraced	£159,950	£2,666
Turner Close	May 2014	Terraced	£164,950	£2,749
Turner Close	June 2014	Terraced	£164,950	£2,749
Upperdale Park	March 2016	Terraced	£222,500	£2,853
Upperdale Park	April 2015	Terraced	£250,000	£2,874
Upperdale Park	August 2015	Terraced	£225,000	£2,885

Street	Date	Type	Sale Price	Price per Sqm
Upperdale Park	July 2015	Terraced	£230,000	£2,911
Huntington Road	June 2015	Terraced	£194,950	£2,999
Huntington Road	June 2015	Terraced	£236,950	£3,645
South Lane	May 2014	Terraced	£175,000	£2,273
South Lane	May 2014	Terraced	£168,000	£2,400
South Lane	May 2014	Terraced	£165,000	£2,500
Fossview Close	June 2014	Terraced	£234,995	£2,282
Fossview Close	June 2014	Terraced	£241,995	£2,349
Fossview Close	June 2014	Terraced	£183,995	£2,746
Fossview Close	June 2014	Terraced	£184,995	£2,761
Fossview Close	June 2014	Terraced	£179,995	£2,857
Huntsmans Court	January 2014	Terraced	£185,000	£2,342
Huntsmans Court	January 2014	Terraced	£186,000	£2,354
Huntsmans Court	January 2014	Terraced	£158,500	£2,642
New Lane	July 2014	Terraced	£247,500	£2,720
New Lane	September 2014	Terraced	£247,500	£2,720
New Lane	June 2014	Terraced	£250,000	£2,747
Heathside	March 2016	Terraced	£264,995	£2,977
Heathside	December 2015	Terraced	£267,995	£3,011
Heathside	March 2016	Terraced	£231,995	£3,013
Heathside	May 2016	Terraced	£204,995	£3,015
Heathside	December 2015	Terraced	£233,995	£3,039
Heathside	April 2016	Terraced	£207,995	£3,059
Heathside	April 2016	Terraced	£209,995	£3,088
Heathside	May 2016	Terraced	£209,995	£3,088
Heathside	May 2016	Terraced	£209,995	£3,088
Bishophill Senior	June 2014	Flat	£125,000	£2,907
Micklegate	January 2015	Flat	£75,000	£3,000
Terry Avenue	June 2014	Flat	£1,000,000	£4,785
Terry Avenue	September 2014	Flat	£650,000	£4,962
St Saviours Place	February 2016	Flat	£180,000	£4,091
St Saviours Place	November 2015	Flat	£186,000	£4,133
St Saviours Place	November 2015	Flat	£186,000	£4,326
St Saviours Place	March 2016	Flat	£170,000	£4,359
St Saviours Place	September 2015	Flat	£167,000	£4,771
St Saviours Place	August 2015	Flat	£105,000	£4,773
St Saviours Place	August 2015	Flat	£114,000	£4,957
St Saviours Place	November 2015	Flat	£620,000	£5,345
St Saviours Place	September 2015	Flat	£750,000	£5,639

Street	Date	Type	Sale Price	Price per Sqm
St Saviours Place	October 2015	Flat	£548,000	£5,768
St Saviours Place	August 2015	Flat	£435,000	£5,800
St Saviours Place	September 2015	Flat	£1,080,000	£5,838
St Saviours Place	September 2015	Flat	£650,000	£6,436
Rowntree Wharf	December 2015	Flat	£225,000	£2,778
Rowntree Wharf	December 2015	Flat	£225,000	£2,778
Coppergate	March 2014	Flat	£125,000	£3,049
Merchant Gate	September 2014	Flat	£248,000	£3,875
Merchant Gate	December 2014	Flat	£310,000	£3,875
Merchant Gate	July 2014	Flat	£249,950	£4,031
Merchant Gate	July 2014	Flat	£263,000	£4,242
Merchant Gate	April 2015	Flat	£268,000	£4,254
Merchant Gate	October 2014	Flat	£268,000	£4,323
Piccadilly	September 2015	Flat	£342,000	£4,385
Merchant Gate	August 2014	Flat	£286,950	£4,484
Merchant Gate	July 2014	Flat	£365,000	£4,563
Merchant Gate	March 2015	Flat	£325,000	£4,779
Merchant Gate	March 2015	Flat	£310,000	£4,844
Merchant Gate	August 2014	Flat	£245,000	£5,000
Piccadilly	July 2015	Flat	£450,000	£5,769
Fishergate	May 2016	Flat	£150,000	£2,941
Fishergate	January 2016	Flat	£202,500	£2,978
Fishergate	January 2016	Flat	£187,250	£3,070
Fishergate	March 2016	Flat	£190,000	£3,393
Fishergate	March 2016	Flat	£155,000	£3,523
Fishergate	January 2016	Flat	£132,500	£3,681
Fishergate	February 2016	Flat	£155,000	£3,690
Fishergate	December 2015	Flat	£250,000	£4,545
Joseph Terry Grove	November 2015	Flat	£179,995	£3,103
Joseph Terry Grove	November 2015	Flat	£184,995	£3,190
Joseph Terry Grove	October 2015	Flat	£329,995	£3,402
Joseph Terry Grove	December 2015	Flat	£171,995	£3,583
Joseph Terry Grove	December 2015	Flat	£169,995	£3,696
Joseph Terry Grove	November 2015	Flat	£169,995	£3,696
Joseph Terry Grove	February 2016	Flat	£299,995	£3,704
Joseph Terry Grove	March 2016	Flat	£289,995	£3,766
Joseph Terry Grove	March 2016	Flat	£294,995	£3,831
Joseph Terry Grove	January 2016	Flat	£269,995	£3,857
Joseph Terry Grove	December 2015	Flat	£190,000	£3,878

Street	Date	Type	Sale Price	Price per Sqm
Joseph Terry Grove	March 2016	Flat	£271,995	£3,886
Joseph Terry Grove	March 2016	Flat	£299,995	£3,896
Joseph Terry Grove	March 2016	Flat	£302,383	£4,086
Joseph Terry Grove	February 2016	Flat	£304,995	£4,122
Joseph Terry Grove	March 2016	Flat	£284,496	£4,246
Joseph Terry Grove	October 2015	Flat	£349,995	£4,321
Joseph Terry Grove	November 2015	Flat	£332,995	£4,325
Joseph Terry Grove	December 2015	Flat	£309,995	£4,493
Joseph Terry Grove	October 2015	Flat	£349,995	£4,545
Joseph Terry Grove	February 2016	Flat	£309,246	£4,616
Joseph Terry Grove	December 2015	Flat	£332,995	£4,757
Top Lane	August 2015	Flat	£219,999	£2,973
Top Lane	October 2015	Flat	£270,499	£3,705
Top Lane	September 2015	Flat	£232,999	£3,758
Top Lane	October 2015	Flat	£274,999	£3,767
Top Lane	July 2015	Flat	£297,999	£3,921
Top Lane	August 2015	Flat	£199,999	£3,922
Top Lane	July 2015	Flat	£199,999	£3,922
Top Lane	July 2015	Flat	£205,000	£4,020
Top Lane	July 2015	Flat	£314,999	£4,257
Top Lane	July 2015	Flat	£209,999	£4,286
Top Lane	August 2015	Flat	£324,999	£4,392
Top Lane	November 2015	Flat	£217,999	£4,449
Top Lane	August 2015	Flat	£292,499	£4,718
Top Lane	July 2015	Flat	£294,999	£4,758
Masters Mews	June 2014	Flat	£287,995	£2,014
Masters Mews	March 2014	Flat	£139,495	£2,114
Masters Mews	March 2014	Flat	£143,995	£2,182
Masters Mews	March 2014	Flat	£154,995	£2,348
Masters Mews	May 2014	Flat	£154,995	£2,348
Masters Mews	March 2014	Flat	£154,995	£2,348
Masters Mews	May 2014	Flat	£154,995	£2,348
Masters Mews	March 2014	Flat	£154,995	£2,348
Masters Mews	March 2014	Flat	£161,995	£2,418
Masters Mews	March 2014	Flat	£132,000	£2,491
Masters Mews	March 2014	Flat	£161,995	£2,571
Masters Mews	March 2014	Flat	£161,995	£2,571
Masters Mews	March 2014	Flat	£161,995	£2,571
Masters Mews	March 2014	Flat	£161,995	£2,571

Street	Date	Type	Sale Price	Price per Sqm
Masters Mews	March 2014	Flat	£161,995	£2,571
Masters Mews	March 2014	Flat	£138,995	£2,623
Masters Mews	March 2014	Flat	£166,995	£2,651
Masters Mews	March 2014	Flat	£139,495	£2,683
Masters Mews	March 2014	Flat	£143,995	£2,769
Masters Mews	March 2014	Flat	£143,995	£2,769
Masters Mews	March 2014	Flat	£143,995	£2,769
Masters Mews	March 2014	Flat	£143,995	£2,769
Masters Mews	March 2014	Flat	£143,995	£2,769
Masters Mews	March 2014	Flat	£143,995	£2,769
Masters Mews	April 2014	Flat	£146,995	£2,773
Masters Mews	March 2014	Flat	£146,995	£2,773
Masters Mews	March 2014	Flat	£146,995	£2,773
Masters Mews	March 2014	Flat	£146,995	£2,827
Beaconsfield Street	July 2014	Flat	£138,000	£2,300
Holgate Road	March 2016	Flat	£214,000	£2,675
Acomb Road	August 2014	Flat	£110,000	£2,895
Holgate Road	March 2016	Flat	£187,000	£2,968
Westfield Court	July 2015	Flat	£245,000	£1,678
Amy Johnson Way	December 2015	Flat	£142,500	£2,336
Amy Johnson Way	March 2016	Flat	£170,000	£2,394
Amy Johnson Way	December 2015	Flat	£175,000	£2,397
Amy Johnson Way	December 2015	Flat	£122,500	£2,402
Amy Johnson Way	January 2016	Flat	£99,950	£2,438
Amy Johnson Way	December 2015	Flat	£115,000	£2,447
Amy Johnson Way	December 2015	Flat	£127,500	£2,452
Amy Johnson Way	February 2016	Flat	£115,000	£2,500
Amy Johnson Way	December 2015	Flat	£130,000	£2,549
Amy Johnson Way	December 2015	Flat	£127,500	£2,550
Amy Johnson Way	January 2016	Flat	£99,950	£2,563
Amy Johnson Way	December 2015	Flat	£142,500	£2,591
Amy Johnson Way	January 2016	Flat	£132,500	£2,598
Amy Johnson Way	December 2015	Flat	£132,500	£2,598
Amy Johnson Way	January 2016	Flat	£125,000	£2,604
Amy Johnson Way	December 2015	Flat	£155,000	£2,719
Amy Johnson Way	December 2015	Flat	£137,500	£2,750
Amy Johnson Way	February 2016	Flat	£130,000	£2,826
Amy Johnson Way	April 2016	Flat	£137,500	£2,865
Amy Johnson Way	February 2016	Flat	£137,500	£2,865

Street	Date	Type	Sale Price	Price per Sqm
Amy Johnson Way	December 2015	Flat	£115,000	£2,949
Amy Johnson Way	December 2015	Flat	£150,000	£3,125
Bellerby Court	November 2015	Flat	£150,000	£2,083
Bellerby Court	October 2015	Flat	£150,000	£2,083
Bellerby Court	October 2015	Flat	£150,000	£2,083
Bellerby Court	October 2015	Flat	£150,000	£2,113
Layerthorpe	December 2015	Flat	£143,000	£2,509
Layerthorpe	November 2015	Flat	£150,000	£2,632
Layerthorpe	December 2015	Flat	£150,000	£2,632
Layerthorpe	November 2015	Flat	£150,000	£2,632
Huntington Road	February 2015	Flat	£135,500	£2,117
Birch Close	December 2014	Flat	£140,000	£2,188
Huntington Road	December 2015	Flat	£130,000	£2,653
Huntington Road	September 2014	Flat	£125,000	£2,660

