



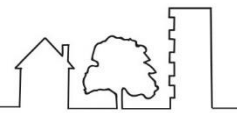
**AIREDON**  
PLANNING & DESIGN

## York Local Plan Examination

Phase 2: Matter 6 Statement

Mr J Harrison

March 2022



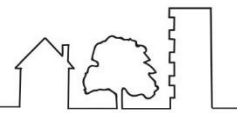
## **Matter 6 – Infrastructure requirements, delivery and development viability**

### **1. Summary of representations:**

- **There are a number of weaknesses in the Local Plan viability evidence, specifically relating to the assessment of the Strategic Housing Sites. Cushman and Wakefield’s Review of York Local Plan Viability Evidence uses ST14 as an example to demonstrate the shortcomings of the Council’s overall assessment:**
  - **There is a lack of clarity regarding how land will be delivered given the multitude of landowners and likely requirements for assembly / collaboration / equalisation arrangements.**
  - **Optimistic and broad-brush assumptions regarding density and site coverage, which experience shows will likely not enable the quantity of homes to be delivered that are indicated to be proposed.**
  - **Inadequate due diligence relating to site development and infrastructure costs and as a result extremely broad-brush assumptions that are unlikely to reflect the true needs of the site.**
- **The Plan is fundamentally flawed for the above reason. At the very least, a full review of the Council’s Viability Assessment should be undertaken to ensure the assumptions within it appropriately reflect the type of development proposed in the Local Plan and the circumstances of the sites, specifically those of a strategic nature. If the review flags up serious failings, as we anticipate there are, the Local Plan should be discarded and the Local Plan making process started from scratch to ensure that it is sound and legally compliant.**

*(Question 6.5) Does the evidence base support the site allocations overall and demonstrate that they are viable and deliverable, having regard to all of the policies contained within the Plan, including in relation to the provision of necessary infrastructure?*

2. It would appear on the face of it that the evidence base supports the site allocations overall and demonstrates that they are viable and deliverable. However, the assumptions that have been made are flawed, are not representative of the site circumstances and the site allocation viability assessments are not sufficiently robust. Further consideration is provided below in answer to Question 6.6.



*(Question 6.6) In terms of the provision of necessary infrastructure, are the viability assessments contained within the evidence base sufficiently robust and are they based on reasonable assumptions?*

3. No.
4. The viability assessments contained within the evidence base are not sufficiently robust and are not based on reasonable assumptions.
5. Cushman and Wakefield (C&W) has produced a Review of York Local Plan Viability Evidence (dated February 2022) on behalf of Mr Harrison, which is appended to this Statement for reference. For illustrative purposes, C&W has used Strategic Housing Site ST14 (land west of Wigginton Road) as an example to demonstrate the significant flaws in the viability assessment assumptions.
6. Policy SS12 (the policy proposing the allocation of ST14 for housing) is identified at Table 3.1 of City of York's Viability Assessment Update Study (April 2018) as having the potential to have an impact on viability and that it needs to be considered and possibly tested as a case study. The table concludes that the site should be included as a strategic site for testing to ascertain specific costs and values.
7. It is acknowledged that it is not always possible to get a perfect fit and the aim of the Local Plan Viability Assessment is to provide a high-level assurance that the Plan is viable. However, we are of the opinion that significant flaws exist within the viability assumptions, which have substantial consequences for the overall integrity of the assessment. When considering the importance of the Strategic Housing Sites coming forward to meet the identified housing requirement, given the huge reliance on such sites, the consequences of flawed assumptions have the potential to be fatal to the successful delivery of the Local Plan.

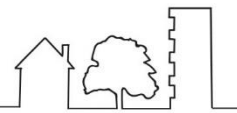
*In particular:*

*a) do the viability assessments adequately reflect the nature and circumstances of the proposed allocations?*

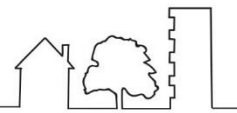
8. No.
9. C&W observes that a single revenue has been used for the entire York administrative area. This lack of granularity undermines the credibility of the viability assessment as a whole.

*b) has the cost of the full range of expected requirements on new housing been taken into account, including those arising through policy requirements identified by the Plan (e.g. affordable housing and infrastructure)?*

10. No.



11. C&W note that no development appraisal has been provided within the viability evidence document to enable scrutiny of housing mix assumptions. It is understood that each Strategic Housing allocation has a policy requirement for development to “*deliver a sustainable housing mix in accordance with the Council’s most up to date Strategic Housing Market Assessment and affordable housing policy*”. However, it is considered that a general appraisal needs to be made at this stage given that housing mix will inevitably have an influence on viability.
12. Furthermore, it is noted that a generalised £17k per unit has been assumed for 500+ unit schemes on Greenfield sites. C&W consider this to be inappropriate given the scale of costs to a site of this nature. We will consider this in more detail as part of the site-specific viability assessment at Phases 3 / 4 of the Local Plan Examination, however it is also appropriate to highlight it at this stage given that the underestimation of build costs has the potential to significantly undermine the overall viability of the Local Plan. The 2012 Local Housing Delivery Group indicated a range of £17k to £23k for large scale sites. Indexed to current day, this equates to a considerably greater sum.
13. Paragraph 5.36 of the Council’s viability assessment confirms that the costs of infrastructure such as drainage, strategic landscaping and public open space have been accounted for in the opening costs. However, this appears to be very generic in nature and in our opinion fails to take into consideration the specific circumstances in York. On most of the Greenfield sites, and we can confirm that this is definitely the case on the ST14 site, the water table is extremely high. At the time of writing this Statement, the water table on land immediately adjacent to the site (in our client’s ownership) is currently at and in some cases above ground level. This is a regular yearly occurrence. Significant SuDs infrastructure would need to be provided to make the site developable, over and above what would normally be considered for a Greenfield site. The Council has in our opinion failed to factor such extensive work into their viability assessment. Further, more detailed assessment of ST14’s drainage issues will be explored in subsequent Statements in respect of Phases 3 and 4 of the Local Plan Examination.
14. The viability assessment also fails to make allowance for garage construction costs. This would be particularly important on the ST14 site given how unsustainably located it is. This is demonstrated by the access plans submitted with our Phase 1 Hearing Statements and will be explored in more detail in our site-specific viability assessments, anticipated to be considered at Phases 3 and 4 of the Examination.
15. Policy SS12 for example sets out significant S106 obligations in order to bring forward ST14. C&W concludes that the anticipated S106 contributions set out in the viability assessment have been underestimated. It is understood that a mean average of S106 contributions has been used based on the contributions received in relation to the development of 30 sites in recent years. It does not appear that any evidence is provided to demonstrate a range of type and scale of site used. It is highly unlikely that such large-scale strategic sites (that will inevitably be subject to huge S106 payments) have been brought forward in the past in York’s administrative area that reflect the large number of strategic sites that will come forward through the Local Plan process. It is therefore questioned whether the sample of S106 contributions is representative of what is proposed through the Local Plan.



16. The assessment under point g) below confirms that C&W consider the net to gross ratio of the larger sites to have been significantly overestimated. This will inevitably have a knock on effect on the provision of adequate infrastructure, such as the net biodiversity gain required under Policy GI2 (Biodiversity and Access to Nature) and the sustainable drainage solutions under Policy ENV5 (Sustainable Drainage).

*g) is there a reasonable prospect that the housing and economic development sites identified will come forward for development when anticipated during the Plan period?*

17. No.
18. C&W conclude that the viability assessment assumes unrealistic delivery rates for housing development because of overly optimistic lead in periods. The Local Plan housing trajectory assumes commencement from year 2 of the Local Plan, however Lichfields 'Start to Finish (second edition)' (February 2020) evidence indicates circa 5 years for average lead in times for larger scale sites from point of adoption of the Local Plan to start on site. The implication of deferred starts is to dramatically reduce the quantum of homes feasible within the Local Plan period.
19. It is also considered that the net to gross site area ratio of 70% is high for large scale sites such as those identified as the new standalone settlements. It would more typically be around 50%. Reducing the net area of the Strategic Housing allocations to 50% would significantly reduce the amount of houses that the sites could bring forward, thereby undermining the credibility of the allocations and indeed the viability assessment.
20. It does not appear that any information has been provided with regards to the ownership status, freehold/leasehold status nor whether any legal encumbrances affect title. For example, Landinsight indicates that ST14 is in a mix of ownerships. Without such detail, it is impossible to understand whether there would be any significant bearing on the deliverability of the site within the Local Plan period.

*(Question 6.7) Is the development proposed in the Plan, as set out in Policy SS1, financially viable?*

21. It is unclear at this stage whether the development proposed in the Plan at Policy SS1 is financially viable. The representations above demonstrate that there are serious flaws with the assumptions made within the Council's Viability Assessment of the Strategic Housing Sites. These are key sites within the Council's strategy for growth that the Local Plan relies heavily upon. This would indicate that there are potential considerable viability issues with the proposed Strategic Housing Sites and a review of the assessment should be made at the very least.
22. In terms of site-specific considerations, a full assessment of ST14's viability for example will be made through Phases 3 and 4 of the Local Plan Examination.

## APPENDIX 1

# LAND WEST OF WIGGINGTON ROAD (ST14)

Review of York Local Plan Viability  
Evidence

Mr J Harrison

DEVELOPMENT & PLANNING | LEEDS

February 2022

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## 1. Introduction

- 1.1 Cushman & Wakefield (C&W) has been instructed by Mr J Harrison to provide viability advice in respect of the proposed allocation of land for development to the West of Wigginton Road. Mr J Harrison has objected to the proposals and has instructed C&W to review the viability evidence of the Local Plan that sits behind the proposed allocation.
- 1.2 C&W has reviewed the Local Plan Viability Assessment dated April 2018 which is available on the York Local Plan evidence web pages at the following link:  
[https://www.york.gov.uk/downloads/file/1391/cd018-city-of-york-local-plan-viability-assessment-update-study-april-2018-](https://www.york.gov.uk/downloads/file/1391/cd018-city-of-york-local-plan-viability-assessment-update-study-april-2018)
- 1.3 The following section provides a commentary on the viability evidence and the constituent assumptions that inform the viability assessment, highlighting where appropriate our assessment of where it is considered.

## 2. Review of Viability Assumptions

- 2.1 The Local Plan Viability Assessment provides a site-specific assessment of ST14, concluding that the site is viable allowing for the required level of planning standards as per the policies set out in the Local Plan. The following table provides our assessment of the suitability and robustness of the assumptions that inform this assessment:

	Information provided in Local Plan Viability Assessment	C&W comments / assessment
Ownership / owners	No information is provided as to the ownership status, freehold / leasehold nor whether any legal encumbrances affect title.	Latest details on landinsight indicate site is in a mix of ownerships. No details provided as to whether land agreements in place or under control of single promoter / developer. Clarity is required as to the status of any land agreements and approach to delivery, which will have a significant bearing on the deliverability of the site within the Local Plan period.
Gross and net areas	<ul style="list-style-type: none"> <li>Gross 55 ha</li> <li>Net 38.5 ha</li> </ul>	Net/gross 70% is high for a large scale site of this nature, typically such sites might be more like 50%, allowing for the various parts of the site that are non developable. Reducing the net area to 50% would reduce the quantity of homes

		<p>deliverable on the site to 960, undermining the credibility of its allocation as capable of delivering 1200 units in the Local Plan. Has adequate technical due diligence and masterplanning been produced to provide confidence in the proposed quantum of homes?</p>																														
<p>Development proposed (quantity of residential and commercial development)</p>	<ul style="list-style-type: none"> <li>• 1,200 dwellings in the plan period</li> <li>• 1,348 dwellings overall</li> <li>• 35 dwellings per hectare</li> <li>• 14 years to build</li> </ul>	<p>Gross to net considered to be unrealistic undermining deliverability of total quantum of homes. Unrealistic delivery rate as a result of overly optimistic lead in period (Local Plan housing trajectory assumes commencement from year 2 of Local Plan). Lichfields Start to Finish evidence indicates circa 5 years for average lead in times for large scale sites from point of adoption of Local Plan to start on site. <a href="https://lichfields.uk/content/insights/start-to-finish">https://lichfields.uk/content/insights/start-to-finish</a> Implications of deferred start would dramatically reduce quantum of homes feasible on the site within Local Plan period</p>																														
<p>Housing mix assumed</p>	<table border="1" data-bbox="512 1417 1241 1608"> <thead> <tr> <th>Housing type</th> <th>1 bed</th> <th>2 bed</th> <th>3 bed</th> <th>4+ bed</th> </tr> </thead> <tbody> <tr> <td>Market</td> <td>5-10%</td> <td>35-40%</td> <td>35-40%</td> <td>15-20%</td> </tr> <tr> <td>Affordable</td> <td>35-40%</td> <td>30-35%</td> <td>20-25%</td> <td>5-10%</td> </tr> <tr> <td>All dwellings</td> <td>15%</td> <td>35%</td> <td>35%</td> <td>15%</td> </tr> </tbody> </table> <p>Source: Mix of units proposed in latest SHMA</p> <p>Sites with fewer than 100 dwellings per net hectare:</p> <ul style="list-style-type: none"> <li>- Open Market: 45% 2 bed houses, 37.5% 3 bed houses and 17.5% 4+ bed houses</li> <li>- Affordable: 70% 2 bed houses, 22.5% 3 bed houses and 7.5% 4+ bed houses</li> </ul> <p>Average floorspace</p> <table border="1" data-bbox="512 1883 1241 2047"> <thead> <tr> <th>Type</th> <th>Unit size (sqm)</th> </tr> </thead> <tbody> <tr> <td>1-2 bed flats</td> <td>55 NIA; 63 GIA</td> </tr> <tr> <td>2 bed house</td> <td>75</td> </tr> <tr> <td>3 bed house</td> <td>93</td> </tr> <tr> <td>4+ bed house</td> <td>117</td> </tr> </tbody> </table>	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%	Type	Unit size (sqm)	1-2 bed flats	55 NIA; 63 GIA	2 bed house	75	3 bed house	93	4+ bed house	117	<p>No development appraisal provided within viability evidence document to enable scrutiny of housing mix assumptions</p>
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Revenue assumptions – market and affordable	Type		£ per sqm	Single revenue for entire York administrative area. Lack of granularity undermines credibility of viability assessment.
	Houses		£2,650	
Flats		£3,300		Table above is derived from 320 Land Registry and EPC records
Build costs				
BCIS Q3 2015		Type		£ per sqm
Flats / Apartments		£1,124		
Houses (large house builder 15 and above)		£958		Document states volume housebuilders can comfortably operate within the median cost figures in the table above.
External works have been set at a rate of 10% of build cost				
Greenfield site costs: Tested opening costs on Greenfield Sites				£17k per unit inappropriate given the scale of costs to a site of this nature.
No. of units per scheme		Cost per unit		
50-199		£5,000		2012 Local Housing Delivery Group <a href="https://www.local.gov.uk/sites/default/files/documents/viability-testing-local-p-42b.pdf">https://www.local.gov.uk/sites/default/files/documents/viability-testing-local-p-42b.pdf</a> indicated range of £17,000 to £23,000 for large scale sites. Indexed to current day, this equates to considerably greater sum.
200-499		£10,000		
500 +		£17,000		
Contingencies	4% build cost plus externals			Reasonable allowance and in line with industry standard assumptions
Professional fees	8% of build cost plus externals			Reasonable allowance and in line with industry standard assumptions
Land purchase costs	Land Purchase Costs	Rate	Unit	Reasonable allowance and in line with industry standard assumptions
	Surveyor's fees	1%	Land value	
	Legal fees	0.75%	Land value	
	Stamp Duty Land Tax	HMRC rate	Land value	
Benchmark Land Values	VOA's 2011 Property Market Report indicates that the highest average value agricultural land in North Yorkshire is worth approx. £21,000 per ha. 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.			There is a lack of evidence to support the Benchmark Land Value included.

	Benchmark land values for residential sites without planning for village/ rural sites are £800,000 per ha																	
Sale fees	3% (including legal, agents and marketing fees)	Reasonable allowance and within the tolerance of industry standard assumptions																
S106 and CIL	<p>Affordable housing</p> <ul style="list-style-type: none"> <li>30% affordable housing on greenfield sites</li> <li>Split into the following AH tenure types: 20% intermediate, 80% Social and Affordable Rented housing (equally split in testing)</li> <li>Below shows the tested transfer values by Affordable Housing Tenure</li> </ul> <table border="1"> <thead> <tr> <th>Housing tenure</th> <th>Value of Open Market Unit</th> <th>House</th> <th>Flat</th> </tr> </thead> <tbody> <tr> <td>Social rent</td> <td>40%</td> <td>£1,060</td> <td>£1,320</td> </tr> <tr> <td>Affordable rent</td> <td>50%</td> <td>£1,325</td> <td>£1,650</td> </tr> <tr> <td>Intermediate / shared ownership</td> <td>70%</td> <td>£1,855</td> <td>£2,310</td> </tr> </tbody> </table> <p>S106 costs</p> <ul style="list-style-type: none"> <li>For the same used S106 receipts averaged around £3,300 per unit. However, this will vary based on the individual sites.</li> <li>Policy Layer 1 - £413</li> <li>Policy Layer 2 £378</li> <li>Policy Layer 3 £246</li> <li>Policy layer 4 £202</li> <li>Policy layer 5 £196</li> </ul>	Housing tenure	Value of Open Market Unit	House	Flat	Social rent	40%	£1,060	£1,320	Affordable rent	50%	£1,325	£1,650	Intermediate / shared ownership	70%	£1,855	£2,310	S106 cost underestimates likely cost of S106 obligations/items in Local Plan (see planning requirements of Local Plan policy below)
Housing tenure	Value of Open Market Unit	House	Flat															
Social rent	40%	£1,060	£1,320															
Affordable rent	50%	£1,325	£1,650															
Intermediate / shared ownership	70%	£1,855	£2,310															
Compliance with Local Plan policy	<p>ST14 supports Local Plan vision in delivering a sustainable garden village situated to the north of the outer ring road.</p> <p>In addition to complying with the policies within this Local Plan, the site must be master planned and be delivered in accordance with the following key principles.</p> <ul style="list-style-type: none"> <li>Create a new 'garden village' reflecting existing urban form of York and main York urban area as a compact city surrounded by villages.</li> <li>Deliver a sustainable housing mix in accordance with the Council's most up to date SHMA and AH policy.</li> <li>Create a new local centre incorporating appropriate shops, services and community facilities to meet the needs of future residents.</li> <li>Deliver on site, accessible combined nursery and primary education facilities, which are well connected to housing by dedicated pedestrian cycleways</li> <li>Secure developer contributions for secondary school places as necessary to meet the need for new places.</li> <li>Ensure provision of new all-purpose access roads to the east/south from A1237 Outer Ring Road/ Wigginton Road roundabout and off the Wigginton Road (B1363).</li> </ul>																	

	<ul style="list-style-type: none"> <li>• Demonstrate that all transport issues have been addressed in consultation with the Council as necessary, to ensure sustainable transport provision at the site is achievable. The impacts of the site individually and cumulatively with site's ST7,</li> <li>• ST8, ST9, ST15 and ST35 should be addressed.</li> <li>• Deliver local capacity upgrades to the outer ring road in the vicinity of the site, to include associated infrastructure to protect public transport journey times on junction approaches. Opportunities to provide grade separated dedicated public transport routes across the A1237 should be explored in feasibility, viability and cost-benefit terms.</li> <li>• Deliver high quality, frequent and accessible public transport services throughout the development site, which provide links to other local rural communities where feasible, as well as to main employment centres. It is envisaged such measures will enable upwards of 15% of trips to be undertaken using public transport</li> <li>• Encourage maximum take-up of more active forms of transport (walking and cycling), ensure the provision of high quality, safe, direct and accessible pedestrian and cycle links which create well-connected internal streets and walkable neighbourhoods</li> <li>• Maintain landscape buffers around the site to prevent to coalescence with adjacent settlements and maintain the setting of the city and the village of Skelton.</li> <li>• Protect and enhance local green assets, trees and hedge-lines and enhance the existing landscape character.</li> <li>• Provide open space to the west of the site to minimise the visual proximity of the development areas to Skelton.</li> <li>• The site is approximately 600m north of the A1237, 550m west of the B1363 and 1700m east of the A19.</li> <li>• Section of the A1237 is one of the most congested parts of the northern outer ring road between its junction with the B1363 and its junction with Clifton Moor Gate.</li> <li>• The likely increase in traffic on the A1237 will require significant capacity enhancements to be made to it, including junctions.</li> <li>• Further detailed transport assessment work will be required to assess the implications of this site and the cumulative impact of sites across the city alongside associated viability work.</li> </ul>	
Finance	Finance cost of 6.5% pa on negative balance	Reasonable allowance and within the tolerance of industry standard assumptions
Profit	<ul style="list-style-type: none"> <li>- 20% open market values</li> <li>- 6% affordable housing</li> </ul>	Reasonable allowance and within the tolerance of industry standard assumptions

### 3. Conclusion

- 3.1 In conclusion, we would highlight a number of weaknesses in the Local Plan viability evidence as they relate to the proposed allocation to the West of Wigginton Road (ref ST14):
- Lack of clarity regarding how land will be delivered given multitude of land owners and likely requirements for assembly / collaboration / equalisation arrangements
  - Optimistic and broad brush assumptions regarding density and site coverage, which experience shows will likely not enable the quantity of homes to be delivered that are indicated to be proposed
  - Inadequate due diligence relating to site development and infrastructure costs and as a result extremely broad brush assumptions that are unlikely to reflect the true needs of the site.
- 3.2 As a result of these shortcomings we consider that both viability and deliverability have not been evidenced and thus the proposal to allocate land at this location risks undermining Local Plan delivery.

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