Shropshire Council

Local Plan

Delivery & Viability Study

July 2020

Planning & Development

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Tables of Contents

1. Introduction

Scope

1.1 Shropshire Council (SC / the Council) is undertaking a Local Plan Review that will set out the future spatial strategy for the County and will include sites for allocation. This Viability Study has been commissioned to inform the further development of the Plan. HDH Planning & Development Ltd has been appointed to advise Shropshire Council in connection with several matters:

a. Review of affordable housing policy (including tenure split).

b. Whole plan viability to consider all other standards and policy requirements.

c. To consider a review of the Community Infrastructure Levy (CIL).

1.2 This document sets out the methodology used, and the key assumptions adopted. It contains an assessment of the effect of the policies, which could be set out in the emerging Plan and in relation to the potential development sites to be allocated. This will allow Shropshire Council to further engage with stakeholders, to ensure that the new Plan is effective.

1.3 A consultation event was held on 19th February 2020. Representatives of the main developers, development site landowners, 'call for site' landowners, their agents, planning agents and consultants working in the area and housing providers were invited.

1.4 In the several years before this report, various Government announcements were made about changes to the planning processes. The Ministry of Housing Communities and Local Government (MHCLG) updated the National Planning Policy Framework, (2018 NPPF), and published new Planning Practice Guidance (PPG) in July 2018. In February 2019 the NPPF was further updated (2019 NPPF), although these changes did not impact on viability. In May 2019 the viability sections of the PPG were updated again. In addition to these changes, the CIL Regulations and accompanying guidance (within the PPG) were also updated from 1st September 2019. The methodology used in this report is consistent with the 2019 NPPF, the CIL Regulations (as amended) and the updated PPG.

1.5 It is important to note, at the start of a study of this type, that not all sites will be viable, even without any policy requirements (or CIL). It is inevitable that Council's requirements will render some sites unviable. The question for this report is not whether some development site or other would be rendered unviable, it is whether the delivery of the overall Plan is likely to be threatened.

COVID 19

1.6 This update is being carried out during the coronavirus pandemic. The coronavirus (Covid-19) was reported in China, in December 2019 and was declared a pandemic in March 2020. It is too early to predict what the impact on the economy, and therefore development economics, may be.

1.7 There are real material uncertainties around the values of property and the costs of construction that are a direct result of the Covid 19 pandemic. It is not the purpose of this assessment to predict what the impact may be and how long the effect will be. We expect there to be a pause in activity due to uncertainty in the wider economy, evidence of this is being reported by estate agents and developers. It is likely that, the development markets will be checked, and house prices may fall. This may well have an adverse impact on viability. In terms of timing there is a likelihood that the direct impact of the virus will continue until a vaccine or similar prophylactic / cure is widely available and this may not be until next year (2021).

1.8 This assessment is conducted at April 2020 costs and values.

Report Structure

1.9 This report follows the following format:

Chapter 2 The reasons for, and approach to viability testing, including a review of the requirements of the CIL Regulations, 2019 NPPF and updated PPG.

Chapter 3 The methodology used.

Chapter 4 An assessment of the housing market, with the purpose of establishing the worth of different types of housing in different areas.

Chapter 5 An assessment of the non-residential market.

Chapter 6 An assessment of the costs of land to be used when assessing viability.

Chapter 7 The cost and general development assumptions to be used in the development appraisals.

Chapter 8 A summary of the various policy requirements and constraints that influence the type of development that come forward.

Chapter 9 A summary of the range of modelled sites (typologies) and Strategic Sites used for the financial development appraisals.

Chapter 10 The results of the appraisals and consideration of residential development.

Chapter 11 The results of the appraisals and consideration of non-residential development.

Chapter 12 Conclusions in relation to the deliverability of development. This chapter is written as a stand-alone summary.

HDH Planning & Development Ltd (HDH)

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

a. District wide and site-specific viability analysis.

b. Community Infrastructure Levy.

c. Housing Market Assessments.

Caveat and Material Uncertainty

1.11 The findings contained in this report are based upon information from various sources including that provided by Shropshire Council and by others, upon the assumption that all relevant information has been provided. This information has not been independently verified by HDH. The conclusions and recommendations contained in this report are concerned with policy requirements, guidance and regulations which may be subject to change. They reflect a Chartered Surveyor's perspective and do not reflect or constitute legal advice.

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

1.13 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

1.14 Market activity is being impacted in many sectors. As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

1.15 Our assessment is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our report than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the assessment under frequent review.

Compliance

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

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

a. HDH confirms that in preparing this report the firm has acted with objectivity, impartially and without interference and with reference to all appropriate available sources of information.

b. HDH is appointed by Shropshire Council and has followed a collaborative approach involving the LPA, developers, landowners and other interested parties. There has not been agreement on all points by all parties, it has therefore been necessary to make a judgment when making assumptions in this report.

c. The tender specification under which this project is undertaken is included as **Appendix 1** of this report. The project, as specified could not be undertaken in the proposed timetable so both the timetable and the specification were subsequently updated.

d. HDH confirms it has no conflicts of interest in undertaking this project.

e. HDH confirms that, in preparing this report, no performance-related or contingent fees have been agreed.

f. The presumption is that a viability assessment should be published in full. HDH has prepared this report on the assumption that it will be published in full.

g. HDH confirms that a non-technical summary has been provided (in the form of Chapter 12). Viability in the plan-making process is a technical exercise that is undertaken specifically to demonstrate compliance (or otherwise) with the NPPF and PPG. It is firmly recommended that this report only be published and read in full.

h. The time to undertake this project has been limited, by the Council's wider plan-making timescale. Whilst it is accepted that it would have preferable to allow an additional week for the consultation process to be undertaken, the consultation event was well attended and numerous, substantial comments were received. On balance, HDH confirms that adequate time has been taken to allow engagement with stakeholders through this project.

i. This assessment incudes appropriate sensitivity testing in Chapter 10. This includes the effect of different tenures, different Affordable housing requirements against different levels of developer contributions, and the impact of price and cost change.

j. The Guidance includes a requirement that, '*all contributions to reports relating to assessments of viability, on behalf of both the applicants and authorities, must comply with these mandatory requirements. Determining the competency of subcontractors is the responsibility of the RICS member or RICS-regulated firm*'. Much of the information that informed this Viability Assessment was provided by Shropshire Council. This information was not provided in a subcontractor role and, in accordance with HDH's instructions, this information has not been challenged nor independently verified.

1.18 In December 2019 the RICS published draft technical guidance in the form of *RICS draft guidance note - Assessing financial viability in planning under the National Planning Policy Framework for England, 1st edition* for consultation. Whilst this is a draft document, we confirm that this report is generally in accordance with this further draft guidance (in as far as it relates to plan-wide viability assessments).

Metric or Imperial

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

1m	=	3.28ft (3' and 3.37")	1ft	=	0.30m
$1m^2$	=	10.76 sqft	1sqft	=	0.0929m^2
1ha	=	2.471acres	1acre	=	0.405ha

1.20 A useful broad rule of thumb to convert m^2 to sqft is simply to add a final zero.

2. Viability Testing

2.1 Viability testing is an important part of the planning process. The requirement to assess viability forms part of the National Planning Policy Framework (NPPF) and is a requirement of the CIL Regulations. In each case the requirement is slightly different, but they have much in common.

National Planning Policy Framework

2.2 Paragraph 34 of the 2019 NPPF says that Plans should set out what development is expected to provide, and that the requirement should not be so high as to undermine the delivery of the plan.

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

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

> *Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.*
>
> *2019 NPPF Paragraph 57*

2.4 Careful consideration has been made to the updated PPG (see below). This Viability Assessment will become the reference point for viability assessments submitted through the development management process.

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

> ***Deliverable**: To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:*
>
> *a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*

> *b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.*
>
> *2019 NPPF Glossary*

2.6 Under the heading *Identifying land for homes*, the importance of viability is highlighted:

> *Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:*
>
> *a) specific, deliverable sites for years one to five of the plan period[32]; and*
>
> *b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.*
>
> *2019 NPPF Paragraph 67*

2.7 Under the heading *Making effective use of land*, viability forms part of ensuring land is suitable for development:

> *Local planning authorities, and other plan-making bodies, should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, including suitable sites on brownfield registers or held in public ownership, using the full range of powers available to them. This should include identifying opportunities to facilitate land assembly, supported where necessary by compulsory purchase powers, where this can help to bring more land forward for meeting development needs and/or secure better development outcomes.*
>
> *2019 NPPF Paragraph 119*

2.8 The 2019 NPPF does not include technical guidance on how to undertake viability work. This is included within the PPG, the viability sections of which were updated in July 2018 and again in May 2019. The CIL sections of the PPG were updated in September 2019.

Planning Practice Guidance

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

> *173 ... To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.*
>
> *174 ... the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle...*

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

> *... ensure policy compliance and optimal public benefits through economic cycles...*
>
> *PPG 10-009-20190509*

> *and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.*
>
> *PPG 10-009-20190509*

2.11 The purpose of viability testing is now to ensure that '*maximum benefits in the public interest*' has been secured. This is a notable change in emphasis. The requirement to consider viability links to paragraph 57 of the 2019 NPPF (see above):

> *Plans should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards including the cost implications of the Community Infrastructure Levy (CIL) and planning obligations. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and the total cumulative cost of all relevant policies will not undermine deliverability of the plan.*
>
> *PPG 23b-005-20190315*

2.12 This assessment takes a proportionate approach to considering the cumulative impact of policies and planning obligations.

2.13 The updated PPG includes 4 main sections concerning viability:

Section 1 - Viability and plan making

2.14 The overall requirement is that:

> *...policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106...*
>
> *PPG 10-001-20190509*

2.15 This study takes a proportionate approach, building on the Council's existing evidence, and considers all the local and national policies (including emerging national policies) that will apply to new development.

> *It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.*
>
> *PPG 10-002-20190509*

2.16 Consultation has formed part of this study.

> *Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites*

> *and development to be deliverable, without the need for further viability assessment at the decision making stage.*
>
> *PPG 10-002-20190509*

2.17 A range of levels of affordable housing have been tested against a range of levels of developer contributions.

> *It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies.*
>
> *PPG 10-002-20190509*

2.18 The site selection process is underway and several potential Strategic Sites have been identified (for the purpose of this Viability Assessment, Strategic Sites are those which are considered key sites on which the delivery of the plan relies and not just those included within the Strategic Sites Consultation). These will be tested individually, and, in due course, Shropshire Council will specifically engage with the promoters of the potential Strategic Sites in the Plan. The modelling in this assessment is based on the long list of sites that are being considered for allocation. This is subject to further change so, in due course, it may be necessary to revisit this when the actual preferred allocations have been selected.

> *Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.*
>
> *PPG 10-003-20180724*

2.19 This study is based on typologies[1] that have been developed by having regard to the potential sites that are most likely to be identified through the emerging Plan.

> *Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology.*
>
> *PPG 10-004-20190509*

[1] The PPG provides further detail at 10-004-20190509:

> *A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period.*
>
> *In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan.*

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

> *It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites.*
>
> *PPG 10-005-20180724*

2.21 The potential Strategic Sites are considered individually (for the purpose of this Viability Assessment, Strategic Sites are those which are considered key sites on which the delivery of the plan relies and not just those included within the Strategic Sites Consultation).

> *Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.*
>
> *It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.*
>
> *PPG 10-006-20190509*

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

Section 2 - Viability and decision taking

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

Section 3 - Standardised inputs to viability assessment

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

> *Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.*
>
> *This National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment.*
>
> *Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the government's recommended approach to assessing*

> *viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making.*
>
> *In plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.*
>
> *PPG 10-010-20180724*

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

> *Gross development value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.*
>
> *For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative.*
>
> *PPG 10-011-20180724*

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

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

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

2.28 All these costs are taken into account.

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

> *To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).*
>
> *PPG 10-013-20190509*

2.30 The PPG goes on to set out:

> *Benchmark land value should:*
>
> - *be based upon existing use value*
> - *allow for a premium to landowners (including equity resulting from those building their own homes)*
> - *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees*
>
> *Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*
>
> *This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*
>
> *In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.*
>
> *PPG 10-014-20190509*

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

> *Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).*

> *Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.*
>
> *PPG 10-015-20190509*

2.32 As set out in Chapter 6 below, this report has applied this methodology to establish the EUV.

2.33 The PPG sets out an approach to the developers' return.

> *Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.*
>
> *For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.*
>
> *PPG 10-018-20190509*

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

Section 4 - Accountability

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

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

Community Infrastructure Levy Regulations and Guidance

2.37 The Council has adopted CIL, and this study reviews CIL (relative to the other policies in the emerging Plan). In any event, the CIL Regulations are broad, so it is necessary to have regard to them and the CIL Guidance (which is contained within the PPG) when undertaking a plan-wide viability assessment and considering the deliverability of development. The CIL Regulations came into effect in April 2010 and have been subject to several subsequent amendments[2]. CIL Regulation 14 (as amended) sets out the core principle for setting CIL.

[2] **SI 2010 No. 948**. The Community Infrastructure Levy Regulations 2010 *Made 23rd March 2010, Coming into force 6th April 2010.* **SI 2011 No. 987**. The Community Infrastructure Levy (Amendment) Regulations 2011 *Made*

Setting rates

(1) In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

(2) In setting rates …

2.38 Viability testing in the context of CIL is to assess the '*effects*' on development. Ultimately the test that will be applied to CIL is as set out in the examination section of the PPG. On preparing the evidence base on economic viability, the Guidance says:

> *A charging authority should be able to explain how their proposed levy rate or rates will contribute towards new infrastructure to support development across their area. Charging authorities will need to summarise their viability assessment. Viability assessments should be proportionate, simple, transparent and publicly available in accordance with the viability guidance. Viability assessments can be prepared jointly for the purposes of both plan making and preparing charging schedules. This evidence should be presented in a document (separate from the charging schedule) that shows the potential effects of the proposed levy rate or rates on the viability of development across the authoritys area. Where the levy is introduced after a plan has been made, it may be appropriate for a local authority to supplement plan viability evidence with assessments of recent economic and development trends, and through working with developers (e.g. through local developer forums), rather than by procuring new evidence.*
>
> *PPG 25-019-20190901*

2.39 This study has drawn on the existing available evidence. In due course, this study will form one part of the evidence that Shropshire Council will use if a decision is made to formally review CIL. The Council would also need consider other 'existing available evidence', the comments of stakeholders and wider priorities.

2.40 When CIL was introduced, councils were restricted in relation to pooling S106 contributions from more than five developments[3]. The May 2019 amendments to CIL Regulations published lifted these 'pooling restrictions'. Payments requested under the s106 regime must be (as set out in CIL Regulation 122):

28th March 2011, Coming into force 6th April 2011. **SI 2011 No. 2918**. The Local Authorities (Contracting Out of Community Infrastructure Levy Functions) Order 2011. *Made 6th December 2011, Coming into force 7th December 2011.* **SI 2012 No. 2975**. The Community Infrastructure Levy (Amendment) Regulations 2012. *Made 28th November 2012, Coming into force 29th November 2012.* **SI 2013 No. 982**. The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th April 2013, Coming into force 25th April 2013.* **SI 2014 No. 385**. The Community Infrastructure Levy (Amendment) Regulations 2013. *Made 24th February 2014, Coming into force 24th February 2014.* **S1 2015 No. 836**. COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES, The Community Infrastructure Levy (Amendment) Regulations 2015. *Made 20th March 2015*. **SI 2019 No. 966** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND The Community Infrastructure Levy (Amendment) (England) Regulations 2019. Made - 22nd May 2019. **2019 No. 1103** COMMUNITY INFRASTRUCTURE LEVY, ENGLAND AND WALES The Community Infrastructure Levy (Amendment) (No. 2) Regulations 2019 *Made 9th July 2019. Coming into Force 1st September 2019*.

[3] CIL Regulations 123(3)

a. necessary to make the development acceptable in planning terms;

b. directly related to the development; and

c. fairly and reasonably related in scale and kind to the development.

2.41 A local authority which wishes to review (or introduce) CIL must set out in a Charging Schedule the types of development to be charged (and any exceptions) and the rates of charge to be applied. CIL, once introduced, is mandatory on all developments within the categories and areas where the levy applies. This is unlike s106 agreements (including affordable housing) which are negotiated with developers on a site by site basis (subject to the restrictions in CIL Regulation 122 and within the constraints of paragraphs 10-007 and 10-008 of the PPG). This means that CIL must not prejudice the viability of most sites.

Wider Changes Impacting on Viability

2.42 There have been a number of changes at a national level since Shropshire Council's existing viability work. Paragraph 63 of the 2019 NPPF now sets out national thresholds for the provision of affordable housing:

> *Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.*

2.43 In this context, major development is as set out in the Glossary to the 2019 NPPF:

> ***Major development:*** *For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m² or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.*

Shropshire includes a number of parishes[4] that are defined as being within the Designated Rural Area. A threshold of 6 units is assumed to apply within the designated rural area and a threshold of 10 units is assumed to apply elsewhere.

[4] Acton Burnell, Acton Round, Adderley, Alderbury with Cardeston, Alveley, Ashford Bowdler, Ashford Carbonel, Astley Abbotts, Astley, Aston Eyre, Atcham, Badger, Barrow, Baschurch, Beckbury, Berrington, Bicton, Billingsley, Boningale, Boraston, Boscobel, Burford, Chelmarsh, Cheswardine, Chetton, Child's Ercall, Claverley, Cleobury Mortimer, Clive, Cockshutt, Condover, Cound, Deuxhill, Donington, Eardington, Ellesmere Rural, Ford, Glazeley, Gobowen, Selattyn and Weston Rhyn, Great Hanwood, Great Ness, Greete, Grinshill, Hadnall, Hinstock, Hodnet, Hordley, Ightfield, Kemberton, Kinlet, Kinnerley, Knockin, Little Ness, Llanyblodwel, Llanymynech and Pant, Loppington, Ludford, Melverley, Middleton Scriven, Milson, Montford, Moreton Corbet and Lee Brockburst, Moreton Say, Morville, Myddle and Broughton, Neen Savage, Neen Sollars, Neenton, Norton in Hales, Oswestry Rural, Petton, Pimhill, Pitchford, Prees, Quatt Malvern, Richard's Castle, Romsley, Rudge, Ruyton-XI-Towns, Ryton, Shawbury, Sheriffhales, Sidbury, St. Martins, Stanton upon Hine Heath, Stockton, Stoke upon Tern, Stottesdon, Sutton Maddock, Sutton upon Tern, Tasley, Tong, Uffington, Upton Cressett, Upton Magna, Welshampton and Lyneal, Wem Rural, West Felton, Westbury, Weston Rhyn, Weston-under-Redcastle, Whitchurch Rural, Whittington, Whixall, Withington, Woore and Worfield.

Affordable Home Ownership

2.44 The amended Community Infrastructure Levy Regulations include provisions which exempt Starter Homes from the Levy where the dwelling is sold to individuals whose total household annual income is no more than £80,000 (£90,000 in Greater London).

2.45 The 2019 NPPF (paragraph 64) sets out a policy for a minimum of 10% affordable home ownership units on larger sites.

> *Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership[5], unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:*
>
> *a) provides solely for Build to Rent homes;*
>
> *b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
>
> *c) is proposed to be developed by people who wish to build or commission their own homes; or*
>
> *d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.*
>
> *Paragraph 64, 2019 NPPF*

2.46 This is tested.

First Homes Consultation

2.47 In February 2020 the Government launched a consultation on First Homes. The consultation is exploring a number of options. In broad terms is suggested that development should include an element of First Homes where these are discounted for first time buyers by at least 30% from market values. At this stage the proportion of First Homes to be delivered has not been proposed. In this assessment, First Homes are considered.

2.48 The consultation does suggest that First Homes would not be subject to CIL.

Affordable Housing

2.49 Prior to the Summer 2015 Budget, Affordable Rents were set at up to 80% of open market rent and increased, annually, by inflation plus 1%, and Social Rents were set through a formula, again with an annual inflation plus 1% increase. Under arrangements announced in 2013, these provisions were to prevail until 2023, and formed the basis of many housing associations' and other providers' business plans. Housing associations knew their rents would go up and those people and organisations who invest in such properties (directly or

[5] Footnote 29 of the 2018 NPPF clarifies as '*As part of the overall affordable housing contribution from the site*'.

indirectly) knew that the rents were going up year on year. This made them attractive as each year the rent would always be a little more relative to inflation.

2.50 In the Summer Budget, it was announced that Social Rents and Affordable Rents would be reduced by 1% per year for 4 years. This change reduced the value of affordable housing. In October 2017 the Government announced that Rents will rise by CPI +1% for five years from 2020. The values of affordable housing have been considered in Chapter 4 below.

Environmental Standards

2.51 The Government launched a consultation on 'The Future Homes Standard'[6] towards the end of 2019. This is linked to achieving the 'net zero' greenhouse gas emissions by 2050. The Council is exploring the policy options in this regard. At this stage a policy has not been drafted. This is considered in Chapter 8 below.

Biodiversity

2.52 In March 2019 the Government announced that new developments must deliver an overall increase in biodiversity. Following a consultation, the Chancellor confirmed in the Spring Statement that the Government will use the forthcoming Environment Bill to mandate 'biodiversity net gain'.

2.53 Biodiversity net gain requires developers to ensure habitats for wildlife are enhanced and left in a measurably better state than they were pre-development. They must assess the type of habitat and its condition before submitting plans, and then demonstrate how they are improving biodiversity – such as through the creation of green corridors, planting more trees, or forming local nature spaces.

2.54 Improvements on-site are encouraged, but in the rare circumstances where they are not possible, developers may need to pay a levy for habitat creation or improvement elsewhere.

2.55 The costs of this type of intervention are modest and will be achieved through the use of more mixed planting plans, that use more locally appropriate native plants. To a large extent the costs will be unchanged, but more thought and care will however go into the planning of the landscaping. There will be an additional cost of establishing the base line 'pre-development' situation as a survey will need to be carried out. The Government's impact assessment[7] suggest an average cost in the region of £21,000 per hectare (including fees). This has been tested.

[6] https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

[7] https://www.gov.uk/government/consultations/biodiversity-net-gain-updating-planning-requirements

Viability Guidance

2.56 There is no specific technical guidance on how to test viability in the 2019 NPPF or the updated PPG, although the updated PPG includes guidance in a number of specific areas. There are several sources of guidance and appeal decisions[8] that support the methodology HDH has developed. This study follows the *Viability Testing in Local Plans – Advice for planning practitioners* (LGA/HBF – Sir John Harman) June 2012[9] (known as the **Harman Guidance**). This contains the following definition:

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

2.57 The planning appeal decisions, and the HCA good practice publication[10] suggest that the most appropriate test of viability for planning policy purposes is to consider the Residual Value of schemes compared with the Existing Use Value (EUV), plus a premium. The premium over and above the EUV being set at a level to provide the landowner with an inducement to sell. This approach is now specified in the PPG (see above).

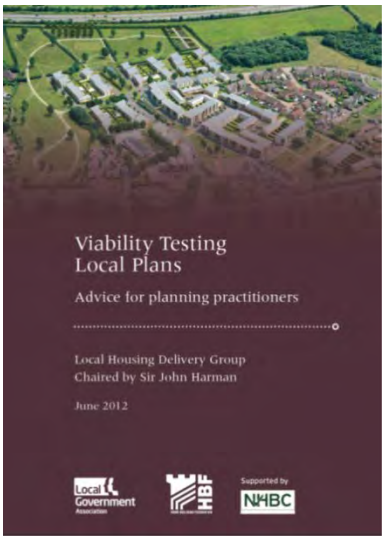
2.58 The Harman Guidance and *Financial viability in planning*, *RICS guidance note, 1st edition* (GN 94/2012) which was published during August 2012 set out the principles of viability testing[11]. Additionally, the Planning Advisory Service (PAS) provides viability guidance and manuals for local authorities.

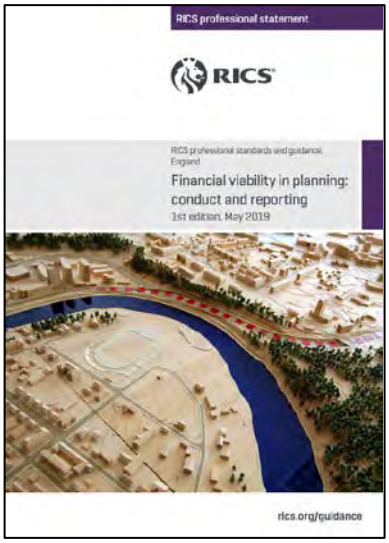
[8] Barnet: APP/Q5300/ A/07/2043798/NWF, Bristol: APP/P0119/ A/08/2069226, Beckenham: APP/G5180/ A/08/2084559, Bishops Cleeve; APP/G1630/A/11/2146206 Burgess Farm: APP/U4230/A/11/2157433, CLAY FARM: APP/Q0505/A/09/2103599/NWF, Woodstock: APP/D3125/ A/09/2104658, Shinfield APP/X0360/ A/12/2179141, Oxenholme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

[9] Viability Testing in Local Plans has been endorsed by the Local Government Association and forms the basis of advice given by the, CLG funded, Planning Advisory Service (PAS).

[10] *Good Practice Guide*. Homes and Communities Agency (July 2009).

[11] There are two principle pieces of relevant guidance; *Draft Financial viability in planning: conduct and reporting RICS professional statement, England (October 2018)* and *Financial Viability in planning (1st edition), RICS guidance note 2012*. The 2012 guidance note, is subject to a full review to reflect the changes in the 2019 NPPF and the updated PPG (July 2018) so relatively little weight is given to this.





2.59 There is considerable common ground between the 2012 RICS Guidance and the Harman Guidance, but they are not consistent. The RICS Guidance recommends against the 'EUV plus a margin' – which is the methodology recommended in the Harman Guidance (and required by the PPG).

> *One approach has been to exclusively adopt current use value (CUV) plus a margin or a variant of this, i.e. existing use value (EUV) plus a premium. The problem with this singular approach is that it does not reflect the workings of the market as land is not released at CUV or CUV plus a margin (EUV plus).….*
>
> *Financial viability in planning, RICS guidance note, 1st edition (GN 94/2012)*

2.60 *Financial viability in planning*, *RICS guidance note, 1st edition* (GN 94/2012) does not fit with 2019 NPPF and updated PPG so is subject to a full review (by the RICS) to reflect the changes in the 2019 NPPF and the updated PPG. Little weight is given to this RICS Guidance in this regard at this stage.

2.61 *Financial viability in planning: conduct and reporting. 1st edition, May 2019* was published in May 2019. This includes mandatory requirements for RICS members and RICS-regulated firms. This guidance concerns professional standards (objectivity, transparency, etc), HDH confirms that the May 2019 Guidance has been followed in full.

2.62 This study follows the EUV Plus (EUV+) methodology. The methodology is to compare the Residual Value generated by the viability appraisals, with the EUV plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the EUV is central to the assessment of viability. It must be set at a level to provide a return to the landowner. To inform the judgement as to whether the uplift is set at the appropriate level, reference is made to the value of the land both with and without the benefit of planning, and the general pattern of development on the ground.

2.63 This approach is in line with that recommended in the Harman Guidance (as endorsed by LGA, PAS) – and also broadly in line with the main thrust of the RICS Guidance of having reference to market value.

2.64 In September 2019 the House Builders Federation (HBF) produced further guidance in the form of *HBF Local Plan Viability Guide* (Version 1.2: Sept 2019). This guidance draws on the Harman Guidance and the 2012 RICS Guidance, (which the RICS is updating as it is out of date), but not the more recent May 2019 RICS Guidance. This HBF guidance stresses the importance of following the PPG and of consultation, both of which this report has done. We do have some concerns around this guidance as it does not reflect '*the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission*' as set out in paragraph 10-009-20190509 of the PPG. The HBF Guidance raises several 'common concerns'. Regard has been had to these under the appropriate headings through this report.

3. Methodology

Viability Testing – Outline Methodology

3.1 This report follows the Harman Guidance and was put to the consultation event on 19th February 2020. The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation is:

Gross Development Value
(The combined value of the complete development)

LESS

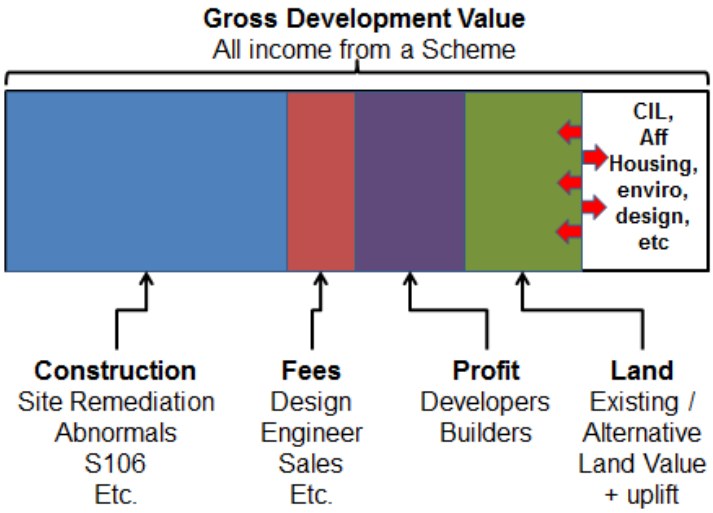
Cost of creating the asset, including a profit margin
(Construction + fees + finance charges)

=

RESIDUAL VALUE

3.2 The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory return (i.e. profit).

3.3 In the following graphic, the bar illustrates all the income from a scheme. This is set by the market (rather than by the developer or local authority). Beyond the economies of scale that larger developers can often enjoy, the developer has relatively little control over the costs of development, and whilst there is scope to build to different standards the costs are largely out of the developer's direct control – they are what they are.



3.4 The essential balance in viability testing is around the land value and whether or not land will come forward for development. The more policy requirements and developer contributions a planning authority asks for, the less the developer can afford to pay for the land. The purpose

of this assessment is to quantify the costs of Shropshire Council's policies and to assess the effect of these and then make a judgement as to whether or not land prices are squeezed to such an extent that the Plan is not deliverable.

3.5 The land value is a difficult topic since a landowner is unlikely to be entirely frank about the price that would be acceptable, always seeking a higher one. This is one of the areas where an informed assumption has to be made about the 'uplift' (the landowner's premium) above the 'EUV' which would make the landowner sell.

3.6 This study is not trying to mirror any particular developer's business model – rather it is making a broad assessment of viability in the context of plan-making and the requirements of the 2019 NPPF, the PPG and CIL Regulations.

Limitations of viability testing in the context of the NPPF

3.7 High level viability testing does have limitations. The assessment of viability is a largely quantitative process based on financial appraisals – there are however types of development where viability is not at the forefront of the developer's mind and they will proceed even if a 'loss' is shown in a conventional appraisal. By way of example, an individual may want to fulfil a dream of building a house and may spend more than the finished home is actually worth, a community may extend a village hall even though the value of the facility in financial terms is not significantly enhanced or the end user of an industrial or logistics building may build a new factory or depot that will improve its operational efficiency even if, as a property development, the resulting building may not seem to be viable.

3.8 This is a challenge when considering policy proposals. It is necessary to determine whether or not the impact of a policy requirement on a development type that may appear only to be marginally viable will have material impact on the rates of development or whether the developments will proceed anyway. Some development comes forward for operational reasons rather than for property development purposes.

The meaning of Landowner Premium

3.9 The landowner premium is the amount that when added to the EUV gives the BLV[12]. The updated PPG says:

[12] The phrase 'landowner premium' is new in the updated PPG. Under the 2012 NPPF, and the superseded PPG, the phrase 'competitive return' was used. This is at the core of a viability assessment. The 2012 RICS Guidance includes the following definition:

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

Benchmark land value should:

- *be based upon existing use value*
- *allow for a premium to landowners (including equity resulting from those building their own homes)*
- *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*

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

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

PPG 10-014-20190509

3.10 There has been much discussion as to what may and may not be a landowner premium. The term has not been given a firm definition through the appeal, planning examination or legal processes[13]. The level of return to the landowner is discussed and the approach taken in this study is set out in the later parts of Chapter 6 below.

3.11 This study is about the economics of development however, viability brings in a wider range than just financial factors. The following graphic is taken from the Harman Guidance and illustrates some of the non-financial as well as financial factors that contribute to the assessment process. Viability is an important factor in the plan-making process, but it is one of many factors.

[13] 'Competitive return' was considered at the Shinfield Appeal (January 2013) (APP/X0360/A/12/2179141, Land at The Manor, Shinfield, Reading RG2 9BX) and the case is sometimes held up as a firm precedent, however as confirmed in the Oxenholme Road Appeal (October 2013) (APP/M0933/ A/13/ 2193338, Land to the west of Oxenholme Road, Kendal, Cumbria) the methodology set out in Shinfield is site specific and should only be given limited weight. More recently further clarification has been provided in the Territorial Army Centre, Parkhurst Road, Islington Appeal (June 2017) (APP/V5570/W/16/3151698 Former Territorial Army Centre, Parkhurst Road, Islington, London, N7 0LP) which has subsequently been confirmed by the High Court (Parkhurst Road Limited v Secretary of State for Communities and Local Government and The Council of the London Borough of Islington [2018] EWHC 991 (Admin)). This notes the importance of comparable data but stresses the importance of the quality of the comparable.

Existing Available Evidence

3.12 The 2019 NPPF, the PPG, the CIL Regulations and CIL Guidance are clear that the assessment of viability should, wherever possible, be based on existing available evidence rather than new evidence. The evidence that is available from Shropshire Council has been reviewed. This includes the following studies prepared earlier in the plan-making process and to inform the setting of CIL. These studies were subject to consultation and include:

a. *Affordable Housing Viability Study* (Fordham Research, April 2010).

b. *Analysis of CIL and Affordable Targets* (Fordham Research, August 2010).

c. *Further Analysis of CIL (Retail)* (Fordham Research, February 2011).

d. *Shropshire Viability Study* (Shropshire Council, May 2013).

3.13 It is accepted that these are somewhat historic, however they make a useful starting point. The Harman Guidance is also clear that an assessment of viability should build on the existing available evidence.

3.14 Shropshire Council also holds evidence of what is being collected from developers under the s106 regime. This is being collected, by the Council, outside this study[14].

[14] Paragraphs 10-020-20180724 to 10-028-20180724 of the PPG introduce reporting requirements in this regard. In particular 10-027-20180724 says:

Stakeholder Engagement

3.15 The PPG and the CIL Guidance require stakeholder engagement. The preparation of this viability assessment includes specific consultation and engagement with the industry. A consultation event was held on the 19th February 2020. Residential and non-residential developers (including housing associations), landowners and planning professionals were invited. **Appendix 2** includes the details of those invited and the attendees, and **Appendix 3** includes the presentation given. Over 60 people attended, **Appendix 4** includes a summary of notes taken.

3.16 The event started with a recap of viability testing in the context of the 2019 NPPF and updated PPG. Then the main assumptions for the viability assessments were set out including development values, development costs, land prices, developers' and landowners' returns. Comments were taken through the presentation.

3.17 Following the event, copies of the presentation and an early iteration of this study were circulated to all those invited, and the stakeholders were asked to make any further representations by email. About 30 written responses were received in addition to the comments made at the event[15]. These are summarised in **Appendix 5**[16]. The comments of the consultees are reflected through this report and the assumptions adjusted where appropriate.

3.18 The following general comments were made.

a. Very limited time allowed for comment.

   It is accepted that the time for feedback was limited. Having said this, numerous comments were made and the timings of the project were out of our control.

b. It is difficult to comment on a draft report without knowing what the findings are.

   This is not accepted as this misses the point of the consultation. The purpose of the consultation was to establish an overall methodology and to ensure that there was a broad consensus on the assumptions used (costs and values etc). The implication of the comment is that the responses may change depending on the results. This would not be the case as this study is an objective review of development viability in the County.

How should monitoring and reporting inform plan reviews?

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

Paragraph: 027 Reference ID: 10-027-20180724

[15] Consultees were asked to make brief comments on the draft report, within their area of expertise. HDH had presented a wide range of data and information sources. Consultees were particularly to asked to provide evidence to support their comments and very general comments that this or that were too high or low were not helpful. What is required is comments that this or that is too high or low because of experience at a particular site or place.

[16] At the consultation it was agreed that these would be anonymised.

c. Some tables are blank so can't be commented on at this stage.

This is accepted – but the purpose of the consultation was to establish an overall methodology and to ensure that there was a broad consensus on the assumptions used (costs and values etc) so that when the results are presented the discussion can concentrate on the use of the evidence rather than the data behind the evidence.

d. Strategic sites should be identified and tested separately.

This is agreed and are now assessed, albeit in a high-level assessment.

e. General approach.

It was agreed that the general approach was appropriate, however a local housebuilder suggested that a standardised approach was not suitable and that it was necessary to take into account the site-specific conditions, size of development and developer, specification, LPA requirements etc.

This is not accepted. The PPG sets out an approach based on typologies. Further, at the plan-making stage there are not detailed plans of the potential allocations to allow for site specific modelling.

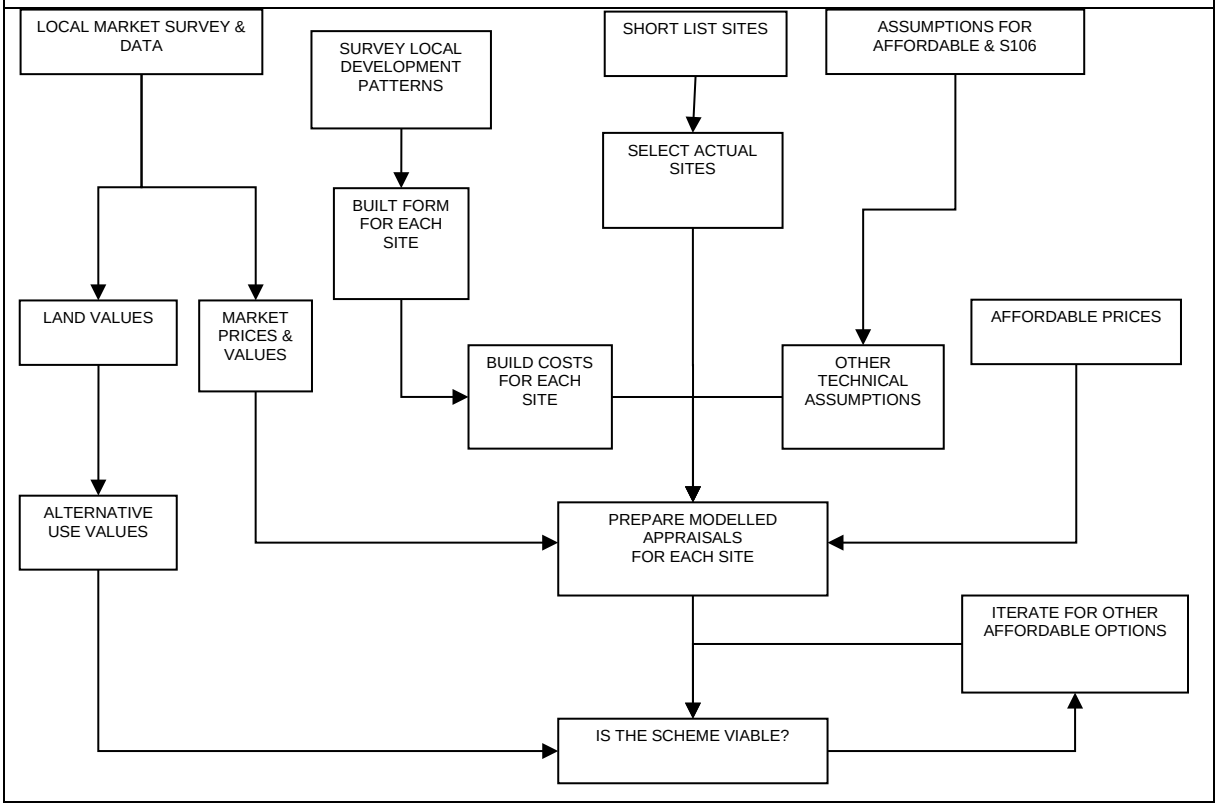
3.19 The consultation process has been carried out fully in accordance with the requirements of the updated PPG, the Harman Guidance and the RICS Guidance.

Viability Process

3.20 The assessment of viability as required under the 2019 NPPF and the CIL Regulations is a quantitative and qualitative process. The updated PPG requires that (PPG 10-001-20190509) '*...policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106*'.

3.21 The basic viability methodology is summarised in the figure below. It involves preparing financial development appraisals for a representative range of 'typologies', and using these to assess whether development, generally, is viable. The typologies were modelled based on discussions with Council officers, the existing available evidence supplied to us by the Council, and on our own experience of development. Details of the modelling are set out in Chapter 9. This process ensures that the appraisals are representative of typical development in the Shropshire Council area over the plan-period.

Figure 3.1 Viability Methodology



Source: HDH 2020

3.22 In addition to modelling a range of typologies, the following Strategic Sites are considered individually. In due course, Shropshire Council will then specifically engage with the promoters of the potential Strategic Sites to be included within the Plan.

Table 3.2 Strategic Sites

Settlement	*Site Name*	*Preferred Site Allocation Reference*	*Gross site size (ha)*	*Number of Dwellings Proposed*	*Employment Site Area (Ha) Proposed*
Bridgnorth	Stanmore Garden Development, Bridgnorth	P54	86	850	16
		P56			
		P58a			
		STC002			
		STC004			
		STC005			
		STC006			
	Tasley Garden Development, Bridgnorth	BRD030	128.1	1,050	16
Shifnal	East of Shifnal Industrial Estate, Shifnal	SHF018b	40	0	15
		SHF018d			
Shrewsbury	Land North of Mytton Oak Road, Shrewsbury	SHR057	25	400	0
		SHR177			
	Land between Mytton Oak Road and Hanwood Road, Shrewsbury	SHR060	105	1,400	20
		SHR158			
		SHR161			
	Land to the west of the A49, Shrewsbury	SHR166	45	0	18
	Land west of Ellesmere Road, Shrewsbury	**SHR173**	23.3	500	0
Former Ironbridge Power Station	Former Ironbridge Power Station	IRN001	140	1,000	6
Clive Barracks Tern Hill	Clive Barracks Tern Hill	BNT002	72	750	5.75

Source: Shropshire Council (May 2020)

3.23 The local housing markets were surveyed to obtain a picture of sales values. Land values were assessed to calibrate the appraisals and to assess EUVs. Alongside this, local

development patterns were considered, to arrive at appropriate built form assumptions. These in turn informed the appropriate build cost figures. Several other technical assumptions were required before appraisals could be produced. The appraisal results were in the form of £/ha 'residual' land values, showing the maximum value a developer could pay for the site and still make an appropriate return. The Residual Value was compared to the EUV for each site. Only if the Residual Value exceeded the EUV, and by a satisfactory margin (the Landowners' Premium), could the scheme be judged to be viable.

3.24 The appraisals are based on existing and emerging policy options as summarised in Chapter 8 below. The preparation of policies within the emerging Local Plan Review is still ongoing, so the policy topics used in this assessment may be subject to change. For appropriate sensitivity testing a range of options including different levels of affordable housing provision and different levels of developer contribution are tested.

3.25 A bespoke viability testing model designed and developed by HDH specifically for area wide viability testing as required by the 2019 NPPF and CIL Regulations[17] is used. The purpose of the viability model and testing is not to exactly mirror any particular business model used by those companies, organisations or people involved in property development. The purpose is to capture the generality and to provide high level advice to assist Shropshire Council in assessing the deliverability of the Local Plan and to assist the Council in considering CIL.

[17] This Viability Model is used as the basis for the Planning Advisory Service (PAS) Viability Workshops. It is made available to Local Authorities, free of charge, by PAS and has been widely used by Councils across England (and, to a lesser extent, Wales).

4. Residential Market

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

Shropshire's Residential Market

4.2 Shropshire is a largely rural area focussed on the County Town of Shrewsbury. The area ranges from the Welsh Marches to the western edges of the West-Midlands industrial areas.

a. The Economic Growth Strategy for Shropshire (2017-2021) identifies six existing sectors with potential for growth, these are advanced manufacturing including engineering, agri-food and agri-tech, food and drink processing, health and social care, visitor economy (and heritage based businesses), environmental science and technologies and creative and digital industries.

b. Shrewsbury is the County Town. It contains about 25% of the total population and is the main commercial, cultural and administrative centre for Shropshire. There are a range of services and facilities and employment opportunities which serve both residents and a wider hinterland.

c. Bridgnorth, Ludlow, Market Drayton, Oswestry and Whitchurch are the five main market towns are Principal Centres. Together they contain around 20% of the total population. They also provide a range of facilities, services and employment opportunities for their resident communities and surrounding rural hinterland.

d. Albrighton, Bishop's Castle, Broseley, Church Stretton, Cleobury Mortimer, Craven Arms, Ellesmere, Highley, Much Wenlock, Shifnal and Wem, are Key Centres and also provide facilities, services and employment opportunities for their resident communities and surrounding rural hinterland.

e. Shropshire is a diverse county in relation to its landscape, topography, settlement type and character and provides a range of attractive living environments in terms of the choice of location, settlement, opportunity, lifestyle and accessibility and as such is a desirable location to live.

f. The Shropshire Hills AONB makes up a significant amount of the Southern part of the County.

g. The main transport links are generally good, with key strategic corridors identified at the M54/A5 (east); A5 (west), A41/M54, and the A49, however much of the County is deeply rural, with relatively poorer connectivity.

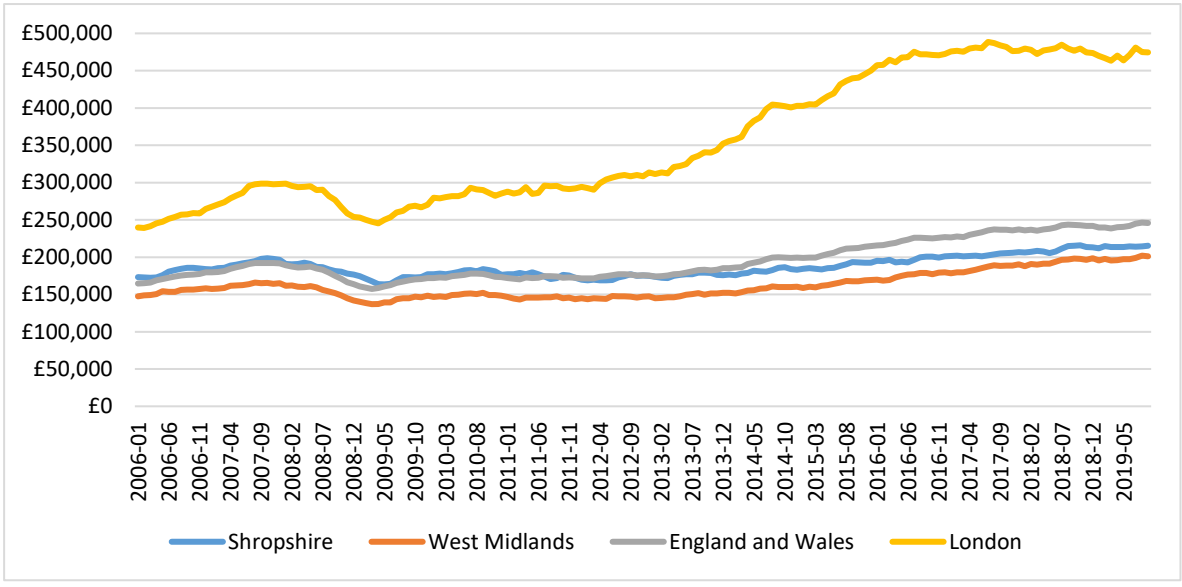
h. The County benefits from good train links, both north/south and east/west, including direct trains to London, Birmingham and Manchester.

4.3 Overall, the market is perceived to be vibrant, with a strong market for the right scheme in the right place. Having said this, there is no doubt that some areas remain challenging and the relatively low house prices in some areas do lead to some areas seeing relatively little development coming forward.

National Trends and the relationship with the wider area

4.4 The housing market peaked late in 2007 (see the following graph) and then fell considerably in the 2007/2008 recession during what became known as the 'Credit Crunch'. Average house prices across England and Wales have recovered to their pre-recession peak (strongly influenced by London).

Figure 4.1 Average House Prices (£)



Source: Land Registry (December 2019)

4.5 Prices in Shropshire are now about 8% above their November 2007 peak which is notably less than the increase in England and Wales (about 28%). House prices in the West Midlands have increased by about 22%. It is important to appreciate that the national, headline figures are skewed by London which has seen an increase of nearly 60% over the same period.

4.6 Up to the pre-recession peak of the market, the long-term rise in house prices had, at least in part, been enabled by the ready availability of credit to home buyers. Prior to the increase in prices, mortgages were largely funded by the banks and building societies through deposits taken from savers. During a process that became common in the 1990s, but took off in the early part of the 21st Century, many financial institutions changed their business model whereby, rather than lending money to mortgagees that they had collected through deposits, they entered into complex financial instruments and engineering through which, amongst other things, they borrowed money in the international money markets, to then lend on at a margin or profit. They also 'sold' portfolios of mortgages that they had granted. These portfolios also became the basis of complex financial instruments (mortgage backed securities and derivatives etc.).

4.7 During 2007 and 2008, it became clear that some financial institutions were unsustainable, as the flow of money for them to borrow was not certain. As a result, several failed and had to be rescued. This was an international problem that affected countries across the world – but most particularly in North America and Europe. In the UK, the high-profile institutions that were rescued included Royal Bank of Scotland, HBoS, Northern Rock and Bradford and Bingley. The ramifications of the recession were an immediate and significant fall in house prices, and a complete reassessment of mortgage lending with financial organisations becoming averse to taking risks, lending only to borrowers who had the least risk of default and those with large deposits.

4.8 It is important to note that, at the time of this report, the housing market is actively supported by the Government through products and initiatives such as Help-to-Buy. In addition, the historically low Bank of England's base rates, have contributed to the wider economic recovery, including a rise in house prices.

4.9 There is a degree of uncertainty in the housing market as reported by the RICS. The May 2020 RICS UK Residential Market Survey[18] said:

> *With estate agents in England being permitted to reopen on the 13th of May, the latest RICS Residential Market Survey results point to a slight improvement in the outlook for sales over the coming twelve months. That said, given the economic uncertainty caused by the pandemic, overall sentiment remains cautious.*
>
> *In terms of new buyer enquiries, the headline net balance moved from a record low of -94% in April, to post a reading of -5% in May. As such, this indicator is consistent with a much more stable demand picture over the month. Alongside this, although the newly agreed sales indicator remained in negative territory (net balance -35%), the latest reading was significantly less downbeat than that returned last month (net balance -93%). Similarly, despite a net balance of -20% of contributors reporting that new instructions coming onto the market continued to fall in May, this is noticeably less negative compared to the reading of -97% last time out. It is important to highlight that current activity metrics did not see any meaningful changes in Scotland, Northern Ireland and Wales, where restrictions on estate agents were not removed in May.*
>
> *Looking ahead, near term sales expectations turned broadly neutral in May, with the net balance coming in at -4% (up from -58% previously). Further out, twelvemonth sales expectations are now slightly positive, as a net balance of +10% of contributors now envisage sales picking up (-6% in the April results).*
>
> *With regards to house prices, the survey's headline price indicator (capturing changes over the past three months) moved deeper into negative territory. Indeed, the national net balance slipped to -32% compared to a reading of -22% in April, representing the weakest monthly figure going back to 2010. Going forward, near term price expectations remain downbeat, albeit to slightly lesser degree than beforehand, with the net balance standing at -43%. Furthermore, twelve-month price expectations also remain negative, evidenced by a net balance of -16% of survey participants anticipating prices will fall over the year ahead.*

4.10 When ranked across England and Wales, the average house price for Shropshire is 193rd (out of 348) at about £248,000[19]. To set this in context, the Council at the middle of the rank

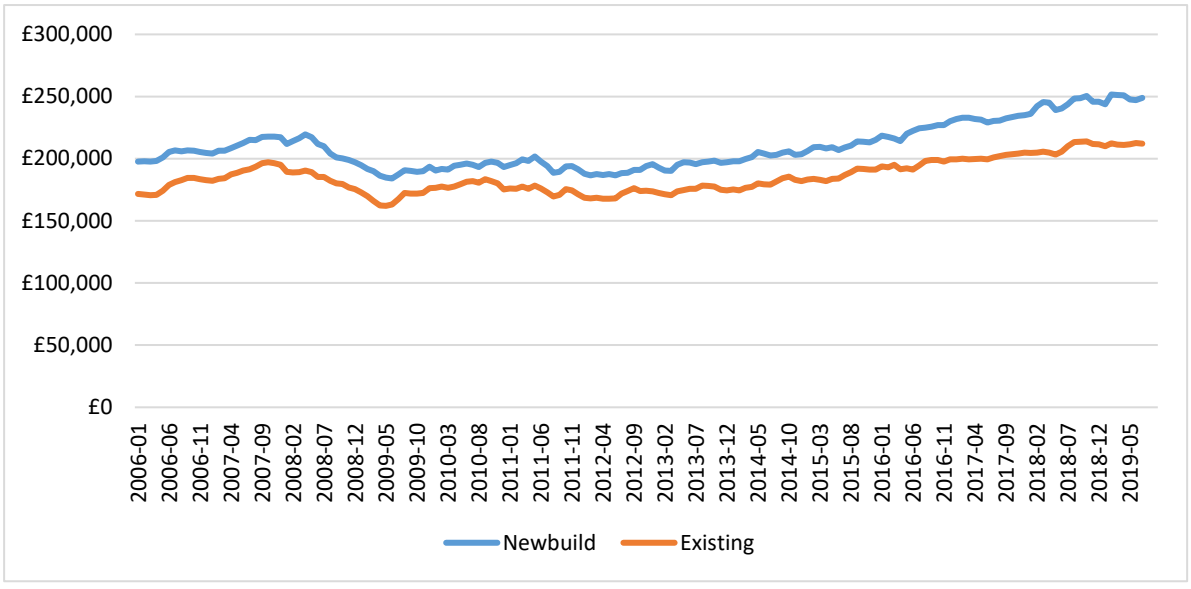
[18] https://www.rics.org/uk/news-insight/research/market-surveys/uk-residential-market-survey/

[19] Mean house prices for administrative geographies: HPSSA dataset 12 (Release 25th September 2019).

(174 – Ryedale), has an average price of £265,000. The Shropshire median price is a lower than the mean at £215,000[20].

4.11 The figure above shows that prices in the Shropshire area have seen a significant recovery since the bottom of the market in mid-2009. A characteristic of the data is that the values of newbuild homes have increased faster than that for existing homes. The Land Registry shows that the average price paid for newbuild homes in Shropshire (£248,837) is £36,725, or 17.3% higher than the average price paid for existing homes (£212,112).

Figure 4.2 Change in House Prices. Existing v Newbuild – Shropshire

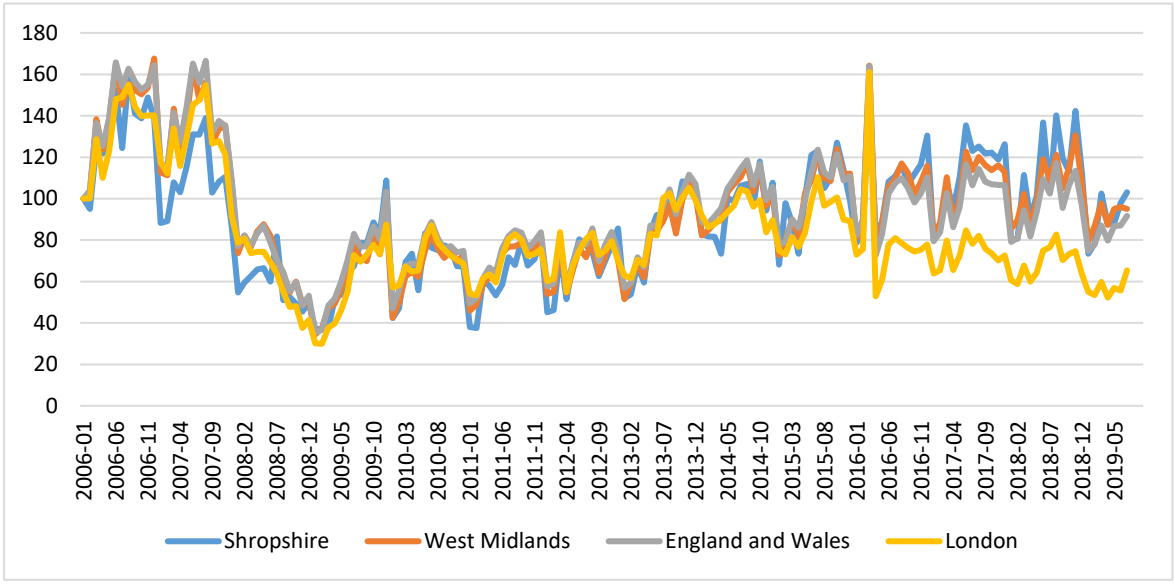


Source: Land Registry (December 2019)

4.12 The rate of sales (i.e. sales per month) in the Shropshire Council area is a little greater than the wider country, underlining the fact that the local market is an active market. The slowdown in transactions seen in London has not been seen in the County.

[20] Median house prices for administrative geographies: HPSSA dataset 9 (Release 25th September 2019)

Figure 4.3 Sales per Quarter – Indexed to January 2006



Source: Land Registry (December 2019)

4.13 This report is being completed after the United Kingdom voted to leave the European Union (EU). It is not possible to predict the impact of leaving the EU, beyond the fact that the UK and the UK economy is in a period of uncertainty. Negotiations around the details of the exit are underway but not concluded, so the future of trade with the EU and wider world are not yet known.

4.14 A further uncertainty is around the coronavirus pandemic. Coronavirus (COVID-19) was first reported in China, in December 2019 and was declared a pandemic in March 2020. It is too early to predict what the impact on the economy, and therefore house prices, may be.

a. World stock markets fell substantially, and to a large extent, have recovered.

b. The Government imposed restrictions on movement and implemented guidance on social distancing. Nearly all construction sites were closed, or at least slowed down very substantially, although these are largely open again.

c. The Government paused house moves, and sales, although these are now resumed.

4.15 There are real material uncertainties around the values of property that are a direct result of the Covid 19 pandemic. It is not the purpose of this assessment to predict what the impact may be and how long the effect will be. There is mixed feedback about the property market. There is anecdotal evidence of an increased demand for larger units (with space for working from home) and with private outdoor space. Conversely, employees in some sectors that have been particularly affected by the coronavirus and the Government's restrictions, have found their ability to secure a loan restricted.

4.16 At the time of this update there is no statistical evidence of a fall in house prices. We expect there to be a pause in activity due to uncertainty in the wider economy. The economy is in a period of uncertainly and, whilst it is not the purpose of this assessment to forecast of how

house prices and values may change in the future, it is necessary to set the report in the wider context and provide sensitivity testing. HM Treasury brings together some of the forecasts in its monthly *Forecasts for the UK economy: a comparison of independent forecasts* report[21].

Table 4.1 Consolidated House Price Forecasts

Forecasters and dates of forecasts			GDP	Quarterly GDP			Private consumption	Government consumption	Fixed investment	Inventories (contribution to GDP growth (ppt))	Domestic demand	Total exports	Total imports	Net trade (contribution to GDP growth (ppt))	Output Gap (as % of potential GDP)
City forecasters				Q1	Q2										
Bank of America - Merrill Lynch	Mar	*	0.8	0.3	0.2		1.2	4.2	-0.9	-1.4	-	-	-	0.8	-
Barclays Capital	Mar	*	-0.2	0.1	-0.8		0.1	4.3	-1.9	-3.4	-	-	-	2.7	-
Bloomberg Economics	Jan		1.3	0.4	-		1.6	0.9	1.6	-	-	3.2	1.3	0.5	-0.5
Capital Economics	Mar	*	-1.0	0.0	-2.5		-	-	-	-	-	-	-	-	-
Citigroup	Feb		0.7	0.3	0.3		0.9	1.8	1.1	-0.9	0.2	3.1	1.1	0.6	-
Commerzbank	Mar	*	0.1	0.1	-0.6		0.6	3.7	-2.5	-0.3	0.2	-1.3	-1.4	0.0	-0.4
Daiwa Capital Markets	Jan		0.8	0.3	-		1.1	1.7	0.4	-1.8	1.1	7.4	1.5	1.5	-0.3
Deutsche Bank	Mar	*	0.5	0.1	-0.2		0.5	2.8	-0.4	-	-	-	-	-	-
Goldman Sachs	Jan 19'		1.5	-	-		0.8	1.4	1.8	-	1.2	0.8	0.7	-	-
HSBC	Mar	*	1.1	0.3	0.4		1.0	4.1	1.2	-	-0.2	3.0	-1.4	-	-
ING Financial Markets	Jan		1.2	0.3	-		1.4	1.3	0.3	-	0.7	2.1	0.3	0.5	-
JP Morgan	Mar	*	0.6	0.3	-0.3		1.0	4.1	-	-3.1	1.0	4.8	-3.3	2.5	-
Morgan Stanley	Jan		1.4	0.3	-		1.3	3.0	2.2	-0.3	1.8	1.4	1.3	0.0	0.1
Natwest Markets	Feb		1.2	0.2	0.4		1.3	3.5	0.2	-	0.3	0.8	-2.0	0.9	-0.5
Nomura	Dec		1.0	0.2	-		1.6	2.6	0.2	0.1	1.1	2.4	2.0	0.1	-
Pantheon	Mar	*	-0.2	-0.2	-1.5		-0.1	4.0	-1.8	-0.3	0.0	-1.0	-0.3	-0.2	-
Santander GBM	Dec		1.0	0.2	-		1.4	1.4	0.9	-0.7	0.0	2.9	-0.5	1.0	-0.7
Schroders Investment Management	Feb		0.9	-	-		1.3	-	1.3	-	-	-	-	-	-
Societe Generale	Feb		0.7	0.3	0.3		0.9	2.1	0.1	-0.9	-0.6	4.1	-0.5	1.4	-0.5
UBS	Mar	*	0.5	0.5	1.0	YoY	0.8	3.2	-1.3	-2.7	-1.8	5.9	-1.6	2.3	-
Non-City forecasters															
British Chambers of Commerce	Jan		1.1	0.3	-		1.3	3.0	0.3	-	-	1.1	1.4	-	-
Beacon Economic Forecasting	Mar	*	1.2	0.3	0.7		1.8	3.8	-0.1	-0.4	1.8	2.6	3.4	-0.5	-
Cambridge Econometrics	Aug		1.3	-	-		2.1	1.4	2.1	-	-	1.8	3.1	-	-
CBI	Mar	*	1.2	0.3	0.4		1.2	2.0	0.7	-0.4	0.4	1.8	-1.0	0.8	-0.3
CEBR	Feb		1.5	-	-		1.5	1.9	3.1	0.5	1.5	0.5	0.3	0.0	-
Economic Perspectives	Feb		1.1	0.2	0.5		0.4	4.0	1.7	0.3	0.4	-1.2	-2.3	0.4	-
Experian Economics	Jan		1.1	0.3	-		1.3	1.0	1.6	-0.8	0.5	2.1	-1.2	1.0	-
EIU	Mar	*	0.8	0.2	0.0		0.0	3.6	-0.7	0.4	1.0	-1.7	-1.1	-0.2	-0.4
Heteronomics	Mar	*	0.7	0.2	0.0		1.3	2.8	-2.9	-1.1	0.9	-1.9	-4.8	0.9	0.2
IHS Markit Economics	Oct		0.5	-	-		0.7	1.5	-2.4	-	0.3	0.5	-1.5	-	-
ITEM Club	Mar	*	0.5	0.1	-0.1		0.9	2.7	0.0	-	0.2	-0.1	-1.2	0.3	-
Kern Consulting	Mar	*	0.9	-	-		1.1	1.3	0.8	0.1	1.1	-	-	-	0.0
Liverpool Macro Research	Mar	*	1.9	-	-		1.4	0.6	-7.1	-	-	-	-	-	-
NIESR	Feb		1.3	0.3	0.6		1.1	0.8	2.2	-0.3	1.0	1.8	0.5	0.4	-
Oxford Economics	Feb		1.0	0.2	0.3		1.6	1.2	1.1	0.3	1.6	-2.6	-0.5	-0.6	-0.7
PwC	Dec		1.0	-	-		1.4	2.7	-0.5	-	-	3.3	0.0	-	-
European Commission	Feb		1.2	0.4	0.4		-	-	-	-	-	-	-	-	-
OECD	Mar	*	0.8	-	-		1.0	1.0	0.0	-1.5	-0.3	1.2	-2.8	1.3	-
IMF	Oct		1.4	-	-		-	-	-	-	-	-	-	-	-
Average of forecasts made in the last 3 months															
Independent			0.8	0.2	-0.1		1.0	2.6	0.0	-0.9	0.6	1.5	-0.6	0.7	-0.3
New (marked *)			0.6	0.2	-0.3		0.9	3.0	-1.1	-1.2	0.4	1.2	-1.4	0.9	-0.2
City			0.6	0.2	-0.4		0.9	3.0	0.0	-1.5	0.2	2.8	-0.4	1.0	-0.3
Range of forecasts made in the last 3 months															
Highest			1.9	0.4	0.7		1.8	4.3	3.1	0.5	1.8	7.4	3.4	2.7	0.2
Lowest			-1.0	-0.2	-2.5		-0.1	0.6	-7.1	-3.4	-1.8	-2.6	-4.8	-0.6	-0.7
Median			0.9	0.3	0.2		1.1	2.8	0.3	-0.4	0.5	1.6	-0.8	0.6	-0.4
OBR	Mar		1.1	0.2	0.4		1.1	3.7	-0.8	-0.1	1.1	-0.6	-0.2	-0.2	-0.1

Source: *Forecasts for the UK economy: a comparison of independent forecasts* No 392 (HM Treasury, March 2020. Table 2 - 2020: Growth in prices and monetary indicators (% change)

4.17 As stated above there is clearly uncertainty in the market, and it is not for this study to try to predict how the market may change in the coming years, and whether or not there will be a

[21] No 383, May 2019.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/801759/PU797_Forecast_for_the_UK_Economy_May_2019_covers.pdf

further increase in house prices. Generally, the expectation is that house prices return to growth relatively quickly.

4.18 Property agents Savills are predicting the following changes in price:

Table 4.2 Savills Autumn 2019 Property Price Forecasts

	2020	2021	2022	2023	2024	5 Year
Mainstream UK	1.0%	4.5%	3.0%	3.0%	3.0%	15.3%
Mainstream West Midlands	3.0%	5.0%	3.0%	3.0%	3.0%	18.2%
Prime Midlands / North	2.0%	5.0%	4.5%	4.0%	3.5%	20.5%

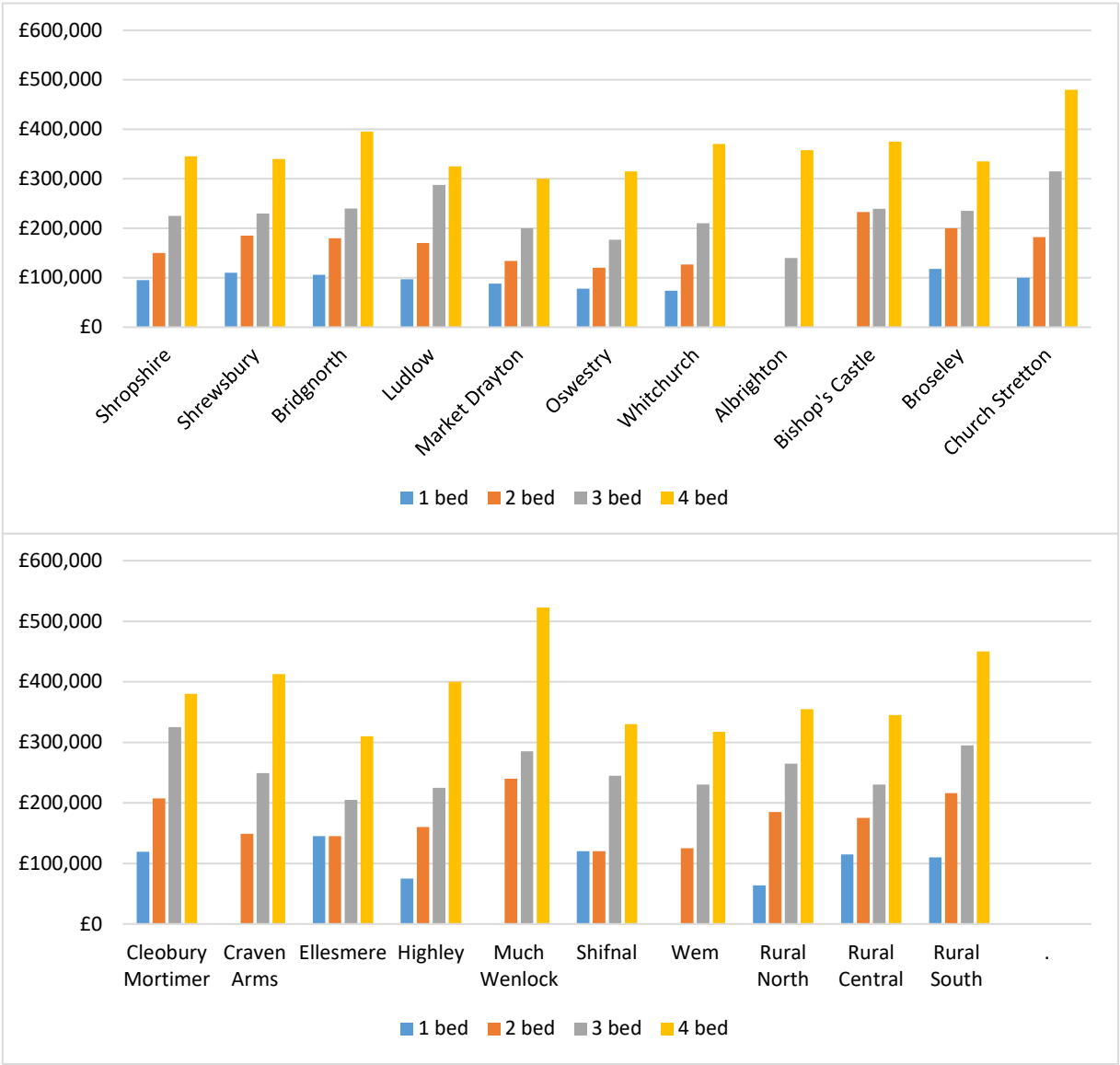
Source: Residential Property Forecasts (Savills, Autumn 2019) & https://www.savills.co.uk/insight-and-opinion/research-consultancy/residential-market-forecasts.aspx

The Local Market

4.19 A survey of asking prices across the Shropshire Council area was carried out in December 2019. Through using online tools such as rightmove.co.uk and zoopla.co.uk, median asking prices were estimated. The data is based on the following areas:

Strategic Centre	Shrewsbury.
Principal Centres	Bridgnorth, Ludlow, Market Drayton, Oswestry and Whitchurch.
Key Centres	Albrighton, Bishop's Castle, Broseley, Church Stretton, Cleobury Mortimer, Craven Arms, Ellesmere, Highley, Much Wenlock, Shifnal and Wem.
The rural area	Three catchments – north, central and south

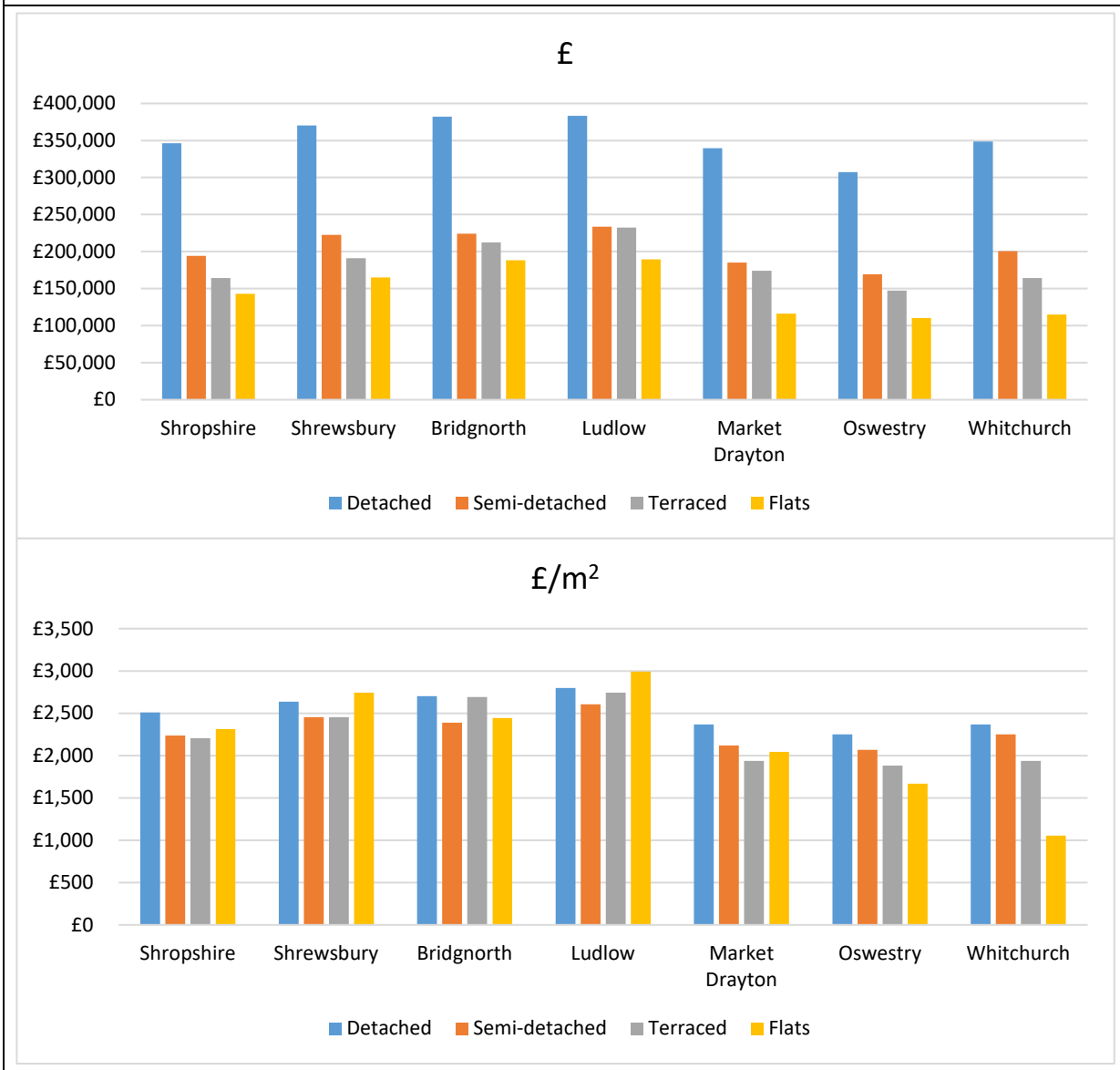
Figure 4.4 Median Asking Prices (£)



Source: Rightmove.co.uk (December 2019)

4.20 It is important to note that the above are asking prices and that they reflect the seller's aspiration of value, rather than the value, they are however a useful indication of how prices vary across areas.

Figure 4.5 Values (£/m²)



Source: Zoopla.co.uk (December 2019)

4.21 The Land Registry publishes data of all homes sold. Across the Shropshire Council area 4,495 home sales are recorded since the start of 2018[22]. These transactions (as recorded by the Land Registry) are summarised as follows.

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

Table 4.3 Average Price Paid by Postcode Area - Count					
	Detached	**Flats**	**Semi-detached**	**Terraced**	**ALL**
CW3	11		1	1	13
DY12	1		1		2
DY14	31	3	11	11	56
LD7			2		2
LL14	4		1	1	6
SY1	73	52	122	139	386
SY10	72	5	36	9	122
SY11	96	21	143	90	350
SY12	46	6	43	12	107
SY13	111	16	57	59	243
SY15	5		1	1	7
SY2	108	70	134	79	391
SY21	1				1
SY22	18	1	5	5	29
SY3	190	77	180	119	566
SY4	213	10	96	49	368
SY5	205	11	103	37	356
SY6	45	9	20	9	83
SY7	68	5	23	19	115
SY8	83	32	51	62	228
SY9	12		7	9	28
TF10	2				2
TF11	129	8	77	35	249
TF12	17		24	15	56
TF13	21		8	8	37
TF4				1	1
TF6	1		1		2
TF8	2	1	3	1	7
TF9	125	12	105	40	282
WR15	9		3		12
WV15	28	6	28	29	91
WV16	94	18	47	66	225
WV5	10		1		11
WV6	1		3	1	5
WV7	20	3	19	13	55
WV8	1				1
All	**1,853**	**366**	**1,356**	**920**	**4,495**

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

Table 4.4 Average Price Paid by Postcode Area - Average					
	Detached	**Flats**	**Semi-detached**	**Terraced**	**ALL**
CW3	£345,135		£285,000	£162,500	£326,460
DY12	£605,000		£220,000		£412,500
DY14	£346,903	£111,667	£174,045	£192,818	£270,080
LD7			£177,500		£177,500
LL14	£220,375		£128,000	£100,000	£184,917
SY1	£299,282	£159,821	£174,654	£166,401	£193,253
SY10	£318,188	£84,600	£173,718	£139,222	£252,782
SY11	£258,892	£84,000	£158,026	£135,930	£175,569
SY12	£285,501	£129,000	£170,489	£178,416	£218,496
SY13	£300,766	£78,372	£166,187	£139,166	£215,319
SY15	£352,700		£130,000	£195,000	£298,357
SY2	£322,527	£195,358	£214,567	£197,134	£237,426
SY21	£465,000				£465,000
SY22	£202,175	£68,000	£161,150	£108,719	£174,362
SY3	£378,536	£162,009	£236,407	£174,757	£261,035
SY4	£323,216	£107,750	£196,002	£157,403	£262,096
SY5	£326,822	£104,227	£205,361	£189,711	£270,552
SY6	£432,865	£113,944	£245,775	£219,500	£330,065
SY7	£371,131	£122,600	£246,500	£180,855	£303,963
SY8	£339,017	£132,906	£195,873	£242,368	£251,788
SY9	£343,542		£210,000	£192,611	£261,643
TF10	£637,500				£637,500
TF11	£334,120	£100,250	£215,643	£173,942	£267,454
TF12	£294,073		£186,086	£145,380	£207,965
TF13	£372,593		£311,500	£200,313	£322,134
TF4				£204,000	£204,000
TF6	£545,000		£176,000		£360,500
TF8	£219,475	£80,000	£167,650	£385,000	£200,986
TF9	£320,866	£113,954	£165,508	£176,084	£233,679
WR15	£328,911		£171,000		£289,433
WV15	£349,621	£195,750	£225,839	£183,662	£248,501
WV16	£342,929	£127,858	£203,482	£184,882	£250,234
WV5	£448,700		£395,000		£443,818
WV6	£750,000		£287,000	£370,000	£396,200
WV7	£340,075	£133,000	£220,658	£210,115	£256,809
WV8	£300,000				£300,000
All	**£330,936**	**£145,679**	**£197,336**	**£175,541**	**£243,744**

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Figure 4.6 Land Registry Price Paid Data

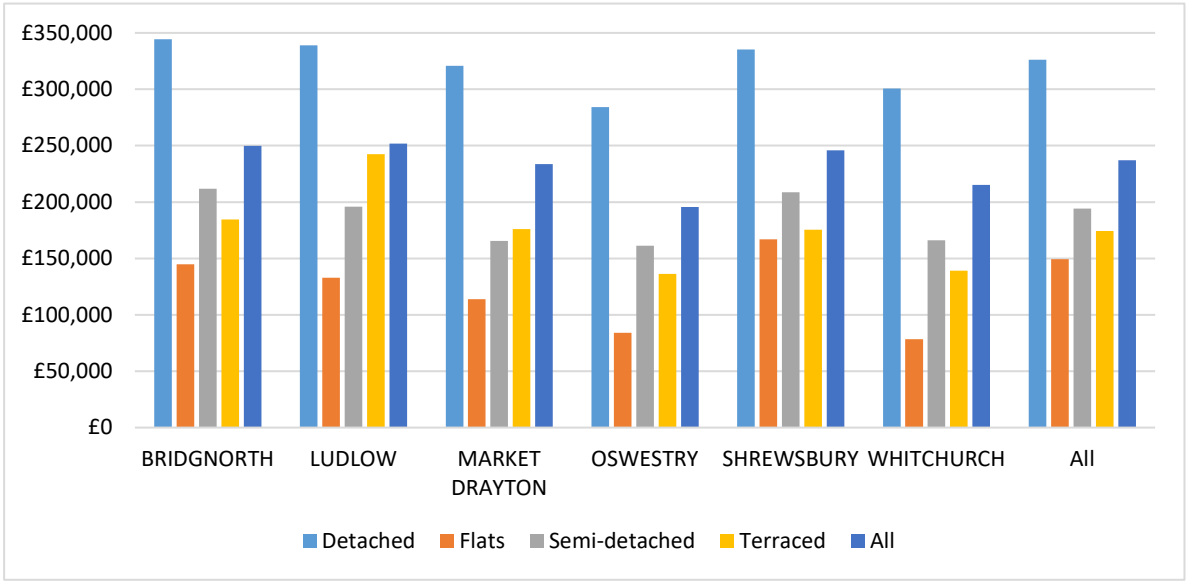

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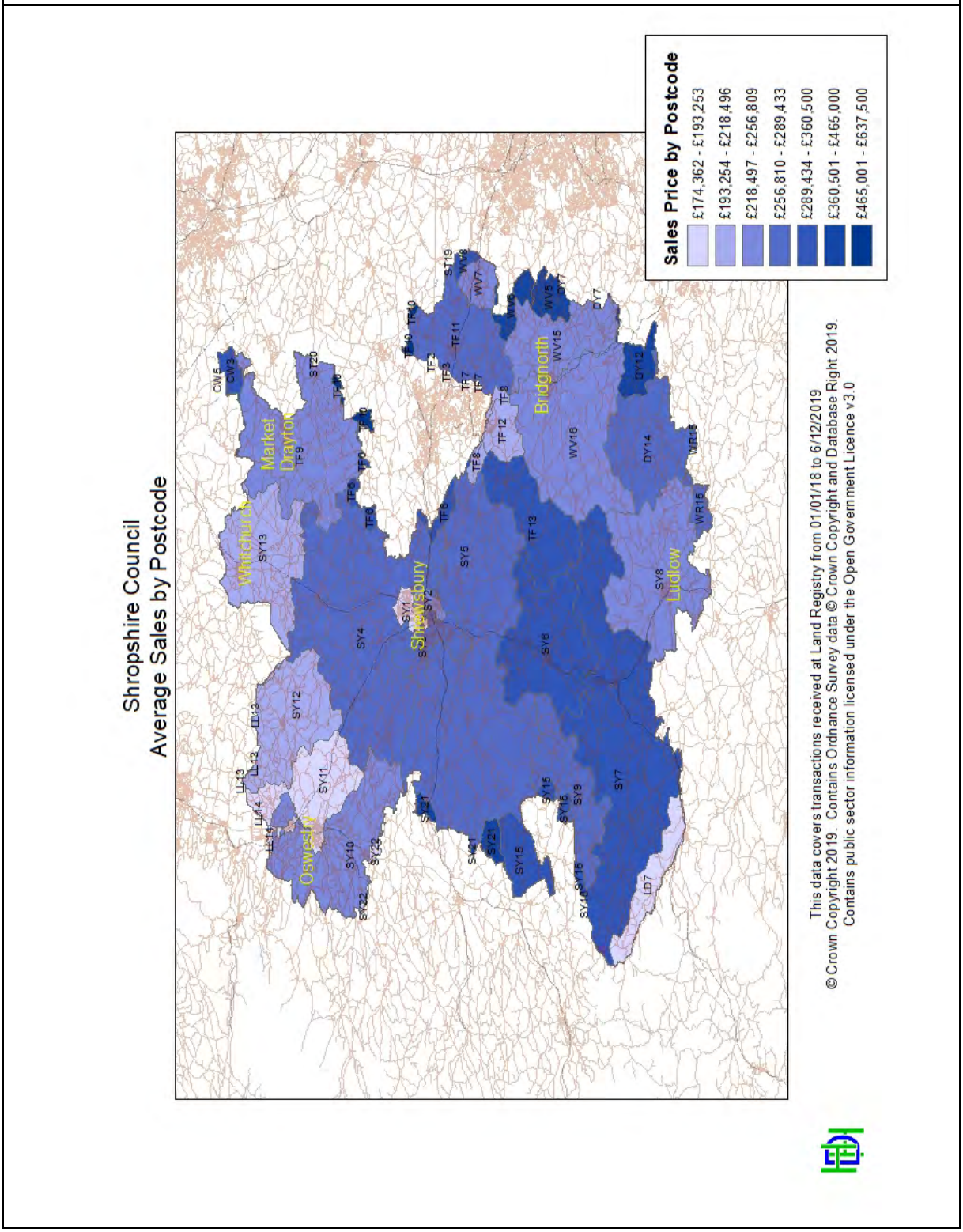
Figure 4.7 Land Registry Price Paid Data by Postcode



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4.22 The different types of dwelling have significantly different values, largely due their different size. The geographical differences in prices are illustrated in the following maps showing the median price by ward, the first being for all properties and the second just for newbuild.

Figure 4.8 Median Prices – All Properties

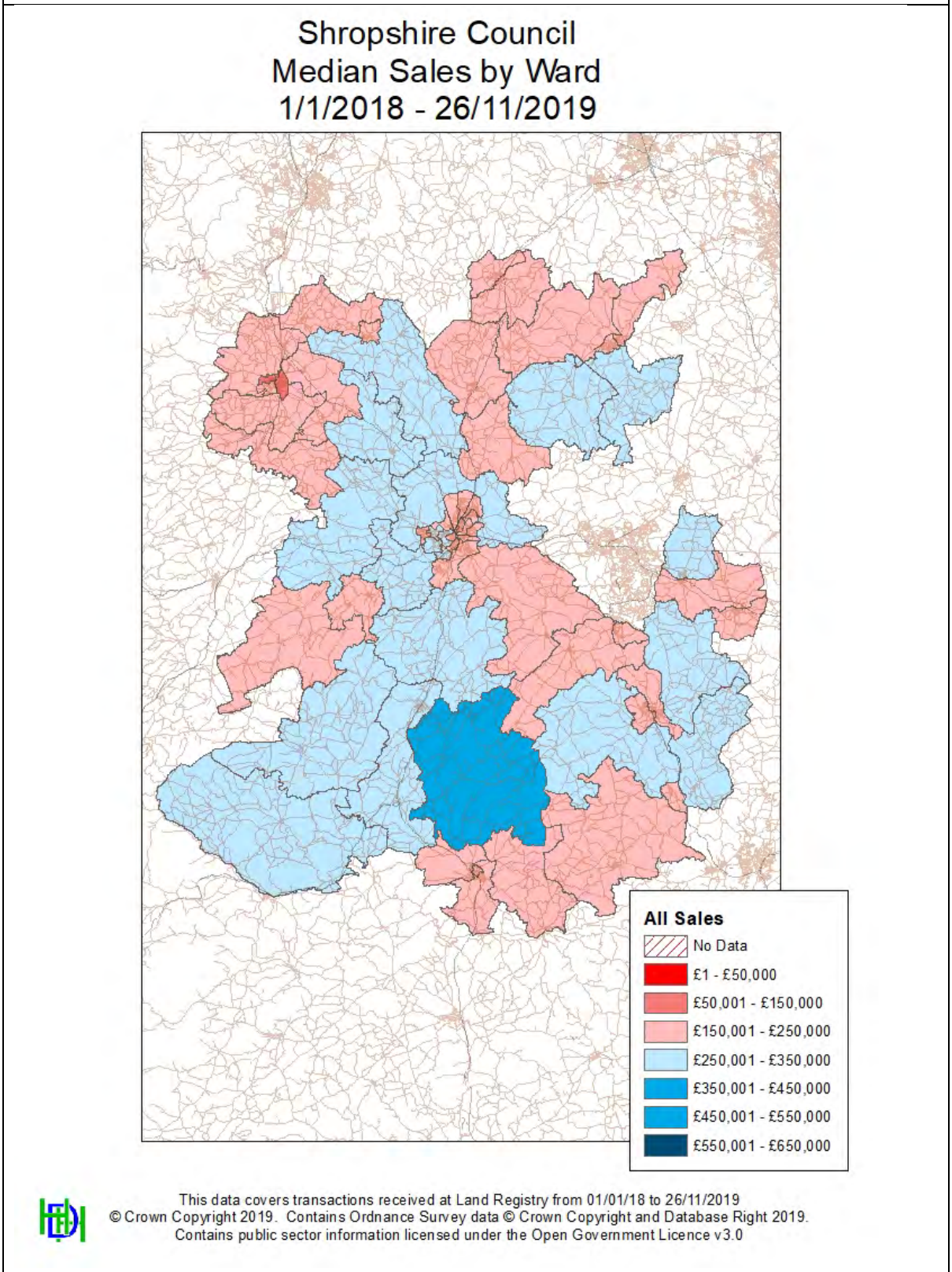

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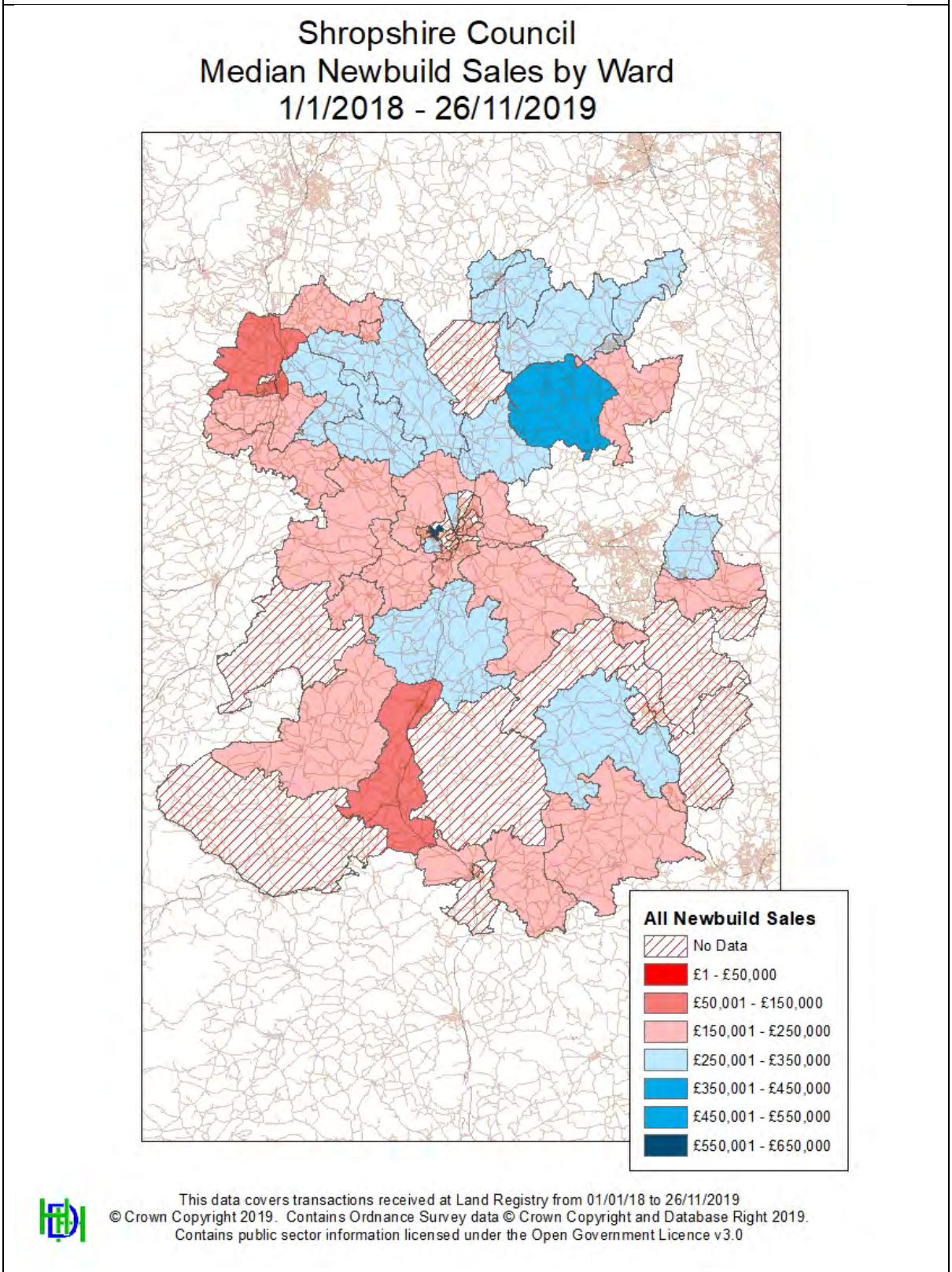
Figure 4.9 Median Prices – Newbuild Properties



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

Newbuild Sales Prices

4.24 This study is concerned with new development, so the key input for the appraisals is the price of new units. Recent newbuild sales prices from the Land Registry have been reviewed and a survey of new homes for sale during December 2019 was carried out.

4.25 As set out above, the Land Registry publishes data of all homes sold. Across the Shropshire Council area 1,566 newbuild home sales are recorded since the start of 2018. These transactions (as recorded by the Land Registry) are summarised in the following table and detailed in **Appendix 6**. Each dwelling sold requires an Energy Performance Certificate (EPC)[23]. The EPC contains the floor area (the Gross Internal Area – GIA) as well as a wide range of other information about the construction and energy performance of the building. This information is also included in **Appendix 6**.

4.26 The price paid data from the Land Registry has been married with the floor area from the EPC Register. The HBF Guidance raises concerns about the use of EPC data highlighting a discrepancy between unit sizes on the EPC Register saying:

> *Internal areas obtained from Energy Performance Certificates are used in revenue / coverage calculations. However, these generally do not represent actual Gross Internal Area as the calculation methodology is different.*

4.27 We understand that this relates, at least in part, to internal garages for the purpose of this study (which is mainly concerned with houses rather than flats). Internal garages are not included within the EPC area but can be included in the developers' own records. Whilst some new homes do have internal garages this is a minority (33 out of the 196 or so being advertised for sale at the time of this report). Bearing in mind the need to establish the values on a £/m^2 basis this data can still be given considerable weight.

4.28 Further, the HBF Guidance suggests that the EPC information may not be reliable and understates the size of the buildings in question – with the consequence of overstating the value on a £/m^2 basis. Whilst we note these concerns, we have checked the guidance for undertaking EPCs and this states[24]:

> *When undertaking internal dimensions measure between the inner surfaces of the external or party walls. Any internal elements (partitions, internal floors, walls, roofs) are disregarded.*
>
> *In general, rooms and other spaces, such as built in cupboards, should be included in the calculation of the floor area where these directly accessible from the occupied dwelling. However, unheated spaces clearly divided from the dwelling should not be included.*

[23] https://www.epcregister.com/

[24] Page 6, Energy Performance Certificates for Existing Dwellings. RdSAP Manual. Version 8.0

4.29 Additionally, the DCLG guidance describes the floor area as follows[25]:

> *The total useful floor area is the total area of all enclosed spaces measured to the internal face of the external walls, that is to say it is the gross floor area as measured in accordance with guidance issued to surveyors:*
>
> *a. the area of sloping surfaces such as staircases, galleries, raked auditoria, and tiered terraces should be taken as their area on the plan; and*
>
> *b. areas that are not enclosed, such as open floors, covered ways and balconies, are excluded.*

4.30 As set out in Chapters 2 and 3 above, the work in this study is based on existing available evidence and is proportionate. It is our firm view that the use of EPC data is appropriate in a study of this type. As with any dataset there are bound to be discrepancies and occasions where there is an element of human error, however the substantial sample size and use of averages should minimise this.

4.31 The HBF Guidance suggests that the Land Registry was not a good source for newbuild homes saying that it does not show the incentives that were included (such as Stamp Duty contributions, flooring, white goods, turfing, costs/losses associated with part exchange transactions, mortgage subsidy schemes run by some developers, etc). It is accepted that some developers offer incentives that are not reflected in the price recorded on the Land Registry. As set out below, sales offices and agents were contacted to enquire about the price achieved relative to the asking prices, and the incentives available to buyers.

4.32 The Land Registry data can be broken down by house type and is summarised as follows. The data is sorted by Post Towns in the Land Registry dataset. Whilst some of towns lie outside the Shropshire County area, we confirm that the actual property is located within the Council area. This data has been updated since the consultation as the Land Registry data set, wrongly included a number of Affordable Home Ownership sales:

[25] Improving the energy efficiency of our buildings. A guide to energy performance certificates for the marketing, sale and let of dwellings. April 2014, Department for Communities and Local Government.

Table 4.5 Prices Paid – Newbuild Homes

	Detached			Flats			Semi-detached			Terraced			All		
	Count	£	£/m2	Count	£	£/m2	Count	£	£/m2	Count	£	£/m2	**Count**	**£**	**£/m2**
BRIDGNORTH	13	£280,421	£2,590	0			17	£163,261	£2,281	0			**30**	**£214,031**	**£2,414**
BROSELEY	11	£295,412	£2,341	0			11	£180,540	£2,386	3	£153,328	£2,473	**25**	**£230,418**	**£2,376**
CHURCH STRETTON	0			1	£95,000	£1,484	0			0			**1**	**£95,000**	**£1,484**
CREWE	4	£412,496	£2,803	0			0			0			**4**	**£412,496**	**£2,803**
ELLESMERE	11	£287,539	£2,206	0			13	£155,804	£2,407	9	£173,296	£2,111	**33**	**£204,486**	**£2,260**
KIDDERMINSTER	1	£240,000	£2,222	0			11	£223,636	£2,023	1	£205,000	£1,898	**13**	**£223,462**	**£2,029**
LLANYMYNECH	11	£189,650	£2,257	0			0			6	£127,500	£2,056	**17**	**£167,715**	**£2,186**
LUDLOW	20	£221,809	£2,910	18	£243,150	£4,197	0			0			**38**	**£231,659**	**£3,520**
MARKET DRAYTON	83	£308,566	£2,228	0			30	£182,817	£2,277	12	£222,063	£2,003	**125**	**£270,082**	**£2,218**
OSWESTRY	34	£313,970	£2,361	8	£107,277	£2,221	17	£164,276	£2,167	19	£152,289	£2,289	**78**	**£221,941**	**£2,287**
SHIFNAL	179	£316,223	£2,537	0			54	£227,071	£2,593	25	£183,452	£2,578	**258**	**£284,698**	**£2,553**
SHREWSBURY	427	£339,175	£2,726	89	£188,008	£2,841	175	£213,486	£2,716	90	£193,083	£2,757	**781**	**£277,026**	**£2,740**
WHITCHURCH	79	£306,495	£2,342	0			11	£201,853	£2,071	0			**90**	**£289,797**	**£2,309**
All	**873**	**£320,920**	**£2,576**	**116**	**£190,195**	**£2,997**	**339**	**£204,640**	**£2,542**	**165**	**£184,919**	**£2,550**	**1,493**	**£269,313**	**£2,598**

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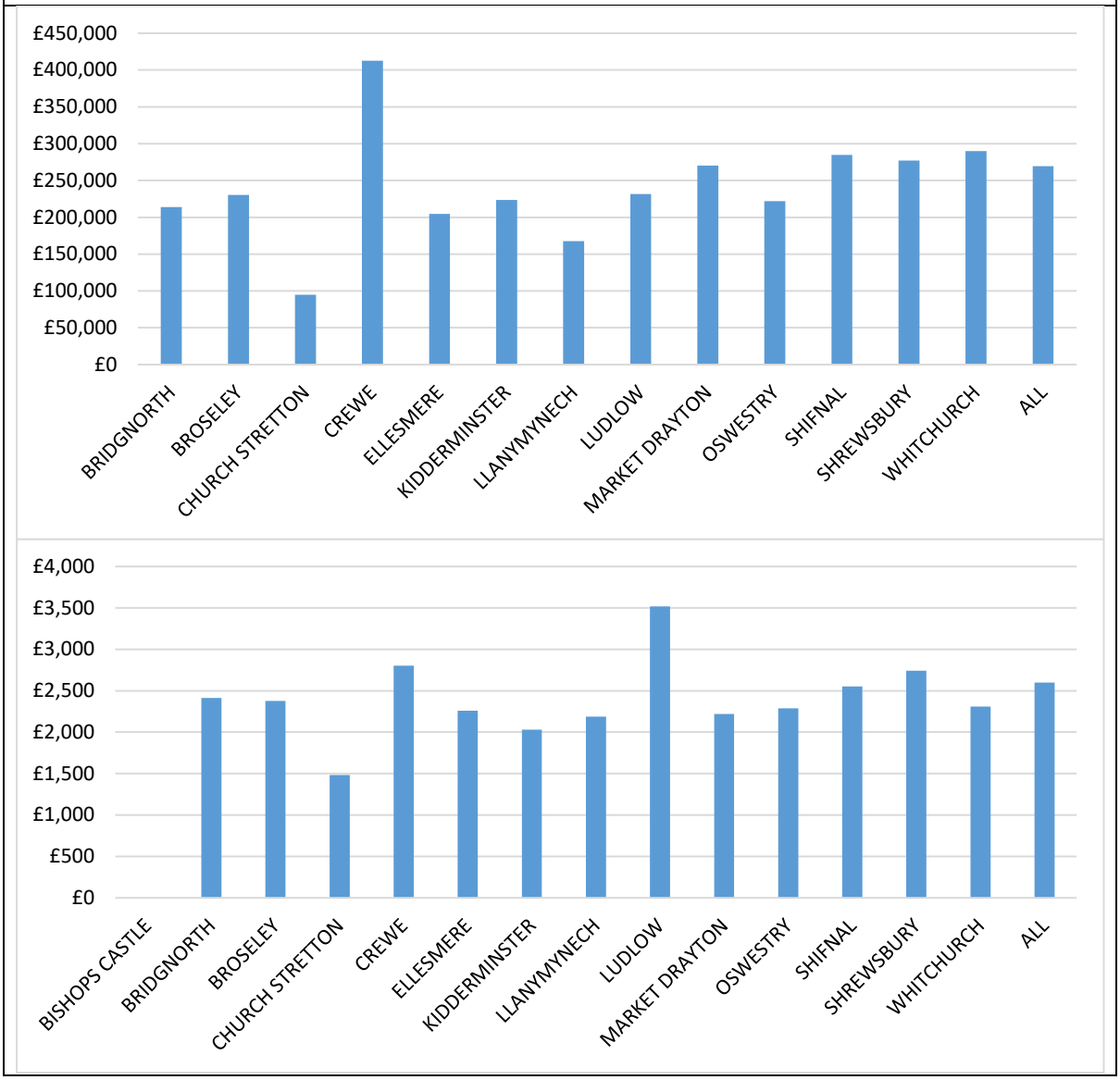
Figure 4.10 Average Price Paid



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4.33 The average price paid is £2,598/m^2. Care should be taken when considering the disaggregated data as some of the sample sizes are small. Across the area, flats are approximately 25% more expensive than houses. Whilst we would expect flats to be more expensive when considered on a £/m^2 basis, this difference is more than would be usual. The figures are skewed by the flats mainly coming forward in the higher value settlements.

4.34 The above data shows variance across the area, however it necessary to consider the reason for that variance. An important driver of the differences is the situation rather than the location of a site. Based on the existing data, the value will be more strongly influenced by the specific site characteristics, the immediate neighbours, and the environment, rather than in which particular ward or postcode sector the scheme is located.

4.35 At the time of this research (December 2019) there were about 195 new homes being advertised for sale in the Shropshire Council area. The analysis of these shows that asking prices for newbuild homes vary very considerably, starting at £110,000 and going up to £725,000. The average is £328,000. These are summarised in the following table and set out in detail in **Appendix 7**.

Table 4.6 Summary of Newbuild Asking Prices

	Detached	Flats	Semi-Detached	Terraced	All
Bishops Castle	£239,000				£239,000
Broseley	£508,750	£154,950			£357,121
Central Rural	£363,200	£210,647	£212,967	£238,821	£303,489
Church Stretton	£575,000				£575,000
Cleobury Mortimer	£325,000				£325,000
Ellesmere	£436,249		£272,667	£258,333	£333,800
Ludlow	£406,667		£408,750		£407,857
Market Drayton	£293,000			£237,500	£283,750
North Rural	£342,781		£174,975	£219,950	£323,679
Oswestry			£207,500		£207,500
Pontesbury	£360,250		£194,950		£323,517
Shifnal	£351,995		£239,995		£314,662
Shrewsbury	£370,893		£255,162	£311,577	£309,772
South Rural	£470,992		£293,271	£298,317	£389,549
Wem	£280,000				£280,000
Whitchurch	£333,738				£333,738
ALL	**£377,917**	**£201,364**	**£265,037**	**£267,852**	**£328,147**

Source: Market Survey (December 2019)

Table 4.7 Summary of Newbuild Asking Prices (£m^2)					
Row Labels	Detached	Flats	Semi-Detached	Terraced	All
Bishops Castle	£2,439				£2,439
Broseley	£2,353	£2,767			£2,663
Central Rural	£2,788	£3,019	£2,987	£2,824	£2,832
Church Stretton	£1,343				£1,343
Cleobury Mortimer	£3,316				£3,316
Ellesmere	£2,663		£2,407	£2,697	£2,596
Ludlow	£3,440		£4,325		£3,945
Market Drayton	£2,023			£2,013	£2,021
North Rural	£2,609		£3,175		£2,647
Oswestry			£1,928		£1,928
Pontesbury	£2,651		£3,430		£2,846
Shifnal	£2,844		£3,038		£2,941
Shrewsbury	£2,526		£3,045	£3,427	£2,929
South Rural	£2,785		£3,179	£2,870	£2,904
Wem	£3,079				£3,079
Whitchurch	£2,725				£2,725
ALL	**£2,693**	**£2,893**	**£3,115**	**£2,878**	**£2,814**

Source: Market Survey (December 2019)

4.36 Through the February 2020 consultation it was suggested that there were more new properties available than those presented. The above date is based on new homes that were being advertised for sale through the developer's websites and the main sales portals such as Rightmove. No specific examples of omissions were provided, however this may be because some developers only advertise a limited number of units at a time, even when more units are actually available for sale.

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

Price Assumptions for Financial Appraisals

4.38 It is necessary to form a view about the appropriate prices for the schemes to be appraised in the study. The preceding analysis does not reveal simple clear patterns with sharp boundaries. It is necessary to relate this to the pattern of development expected to come

forward in the future. Bringing together the evidence above (which we acknowledge is varied), the following approach was defined as a result of comments made through the September 2019 consultation.

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

b) Flatted Schemes. This is considered to be a separate development type that is only likely to take place in the town centres. These are modelled as conventional development and on a Build to Rent basis (see below).

c) Large Greenfield Sites. These are the potential Strategic Sites, and large greenfield sites (over 200 units or so). Following the consultation, a premium was added to such sites that are modelled in line with the garden town principles.

d) Medium Greenfield Sites. These are the greenfield sites in the range of 10 to 200 units that are likely to be brought forward by a single developer.

e) Small Greenfield Sites. These areas are in the smaller settlements and villages in the countryside. A premium value is applied to these.

4.39 Based on the asking prices from active developments, and informed by the general pattern of all house prices across the study area, and the assumptions used by developers in appraisals submitted through the development management process, the prices put to the consultation are as in the table below.

4.40 It is important to note that this is a broad brush, high level study to test Shropshire Council's policy as required by the NPPF. The values between new developments and within new developments will vary considerably. No single source of data should be used in isolation and it is necessary is draw on the widest possible sources of data.

Table 4.8 Pre-consultation Residential Price Assumptions (£/m²)

	A	B	C
Larger Brownfield	2,750	2,450	2,300
Smaller Brownfield	2,450	2,300	2,280
Urban Flatted Schemes	4,000	3,500	3,000
Large Greenfield Sites	3,200	2,750	2,500
Medium Greenfield Sites	2,750	2,600	2,500
Small Greenfield Sites	3,500	3,000	2,750

Source: HDH (February 2020)

4.41 Following the February 2020 consultation, the following points were made (these have been grouped by topic):

a. Nuance and detail:

A more nuanced approach should be taken to sub areas and the County should be disaggregated further. Specific values could be ascribed to the strategic sites. A specific figure was not suggested, but the implication was that a figure of between 5% and 10% less than £3,200/m^2 would be appropriate for SW Shrewsbury.

It is not appropriate to average values due to the size of the County. No alternative vales or approach was proposed.

Strategic sites may be creating new markets so comparables may not be relevant.

Average prices (for newbuild and existing) across Shropshire do not all follow the HDH price areas.

There is a divergence of values across Shropshire, so averages are meaningless.

It is accepted that prices vary within the price areas suggested. Prices also vary within towns, from site to site and within sites. Whilst it is necessary to take a high-level approach in a study of this type, care needs to be taken in the use of the data. A range of data sources are presented, which are not wholly consistent, all of which have been commented on in some way or another. Some of the sample sizes are small. Rather than try and base value areas on small samples of data, it is more appropriate and robust to take a more cautious approach and use larger areas, even if these may contain higher value sub areas.

On the use of averages the PPG (paragraph 10-011-20180724) specifically suggests this approach. There will of course be values above and below the average.

b. Values are too high:

The values are 'unduly optimistic'. No alternative values were suggested and no alternative evidence was provided.

Only the Zone 3 prices are close to the overall average price paid.

Frustratingly no evidence was submitted to support these statements. Through the consultation, consultees were asked to provide evidence to support their comments and very general comments that this or that were too high or low were not helpful. What is required is comments that this or that is too high or low because of experience at a particular site or place.

c. Internal Garages

Some of the units (particularly the larger (4 bed) units may contain internal garages. Using the EPC data may skew the figures (as the garage area is excluded).

This is correct. 33 of the 196 new homes for sale at the time of this assessment. This is less than 20% of the sample. Whilst this is significant, this is still considered to be a useful source of information.

d. Data quality:

Some sample sizes very small.

Limited weight should be given to asking prices as they are an 'aspirational starting point for developers'.

Information from sales offices on discounts may not be reliable and greater weight should be put on the actual price paid. The data presented shows the average price paid is about 9% less than the average asking price.

Again, these points are all agreed. As with all the data presented in this report, it must be given appropriate weight and taken for what it is. Asking prices are not prices paid but can be used to build a picture of values. Small sample sizes must be acknowledged and not given undue weight.

e. Inflation

Inflation should be applied to strategic sites.

It is beyond the scope of this report to undertake detailed economic forecasting of the type required to predict how values (and costs) my change in the future. The property markets are in an uncertain period so the impact of changes in prices has been tested.

4.42 Following the consultation, the residential value assumptions were updated as follows. These take into account the average price paid and the asking prices, discounted to reflect incentives and garages, and the wider relative difference between settlements reflected in the wider (second hand) market:

Table 4.9 Post-consultation Residential Price Assumptions (£/m²)

	South	South Higher	North	Shrewsbury
Brownfield	£2,560	£3,250	£2,375	£2,700
Flatted Schemes	£2,600	£4,000	£2,375	£2,840
Large Greenfield Sites	£2,700	£3,250	£2,375	£2,735
Medium Greenfield Sites	£2,700	£3,250	£2,375	£2,735
Small Greenfield Sites	£3,250	£3,500	£3,000	£3,500

Source: HDH (May 2020)

4.43 In this iteration of this report we have included a higher value sub area within the South, that includes the towns of Bishops Castle, Church Stretton and Ludlow. There is certainly a case for doing this as the house prices in these towns are somewhat greater than in the wider south. The areas are as follows:

A. **South**. The rural areas to the south of Shrewsbury including the towns of Minsterley, Pontesbury, Craven Arms, Much Wenlock, Cleobury Mortimer, Broseley, Bridgnorth, Highley, Shifnal and Albrighton.

B. **South Higher**. The sites within and adjacent to the towns of Bishops Castle, Church Stretton and Ludlow.

C. **North**. The rural areas to the north of Shrewsbury, including the towns of Wem, Whitchurch and Market Drayton. This also includes the rural areas in the northwest, including Oswestry and Ellesmere. These areas have been brought together there is very little price differentiation across the area.

D. **Shrewsbury** and the sites adjoining the town.

4.44 The following values are used for the potential Strategic Sites. A higher value is attributed to the sites that are to follow garden town principles, reflecting the lower densities.

Table 4.10 Strategic Site Price Assumptions (£/m²)			
		Pre-Consultation	Post Consultation
Stanmore Garden Development	Bridgnorth	£3,200	£3,000
Tasley Garden Development	Bridgnorth	£3,200	£3,000
North of Mytton Oak Road	Shrewsbury	£3,200	£2,735
Between Mytton Oak Road and Hanwood Road	Shrewsbury	£3,200	£2,735
West of Ellesmere Road	Shrewsbury	£3,200	£2,735
Ironbridge Power Station	Ironbridge	£3,500	£3,500
Clive Barracks	Tern Hill	£2,750	£2,750

Source: HDH (May 2020)

Ground Rents

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

Build to Rent

4.46 The Council has not seen Build to Rent schemes coming forward however this is a growing development format. The Built to Rent sector is a different sector to mainstream housing. The value of housing that is restricted to the Private Rented Sector (PRS) housing is different to that of unrestricted market housing.

4.47 The value of the units in the PRS (where their use is restricted to PRS and they cannot be used in other tenures) is, in large part, the worth of the income that the completed let unit will produce. This is the amount an investor would pay for the completed unit. This will depend on the amount of the rent and the cost of managing the property (letting, voids, rent collection, repairs etc.). This is well summarised in *UNLOCKING THE BENEFITS AND POTENTIAL OF BUILD TO RENT*, A British Property Federation report commissioned from Savills, academically reviewed by LSE, and sponsored by Barclays (February 2017):

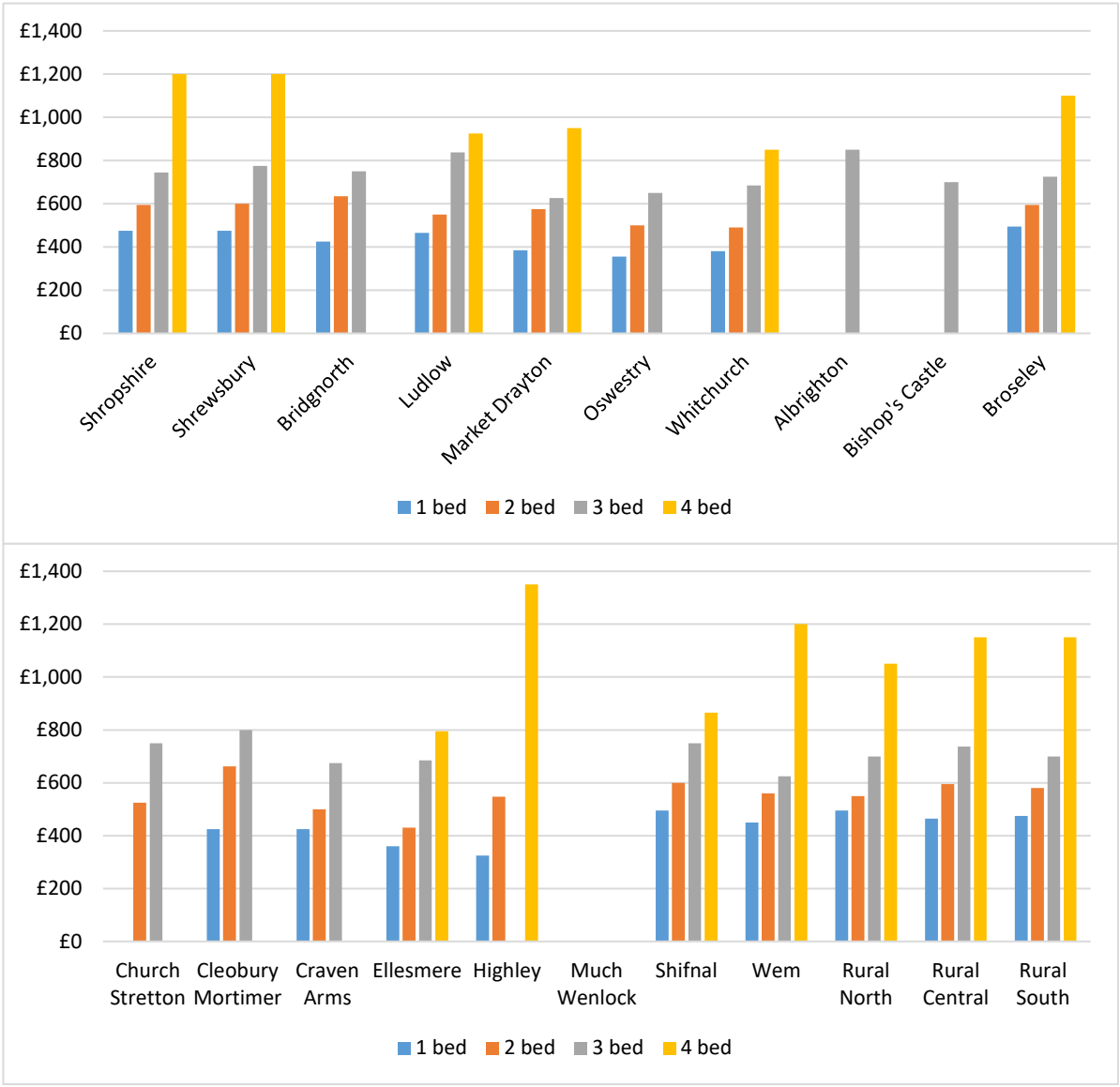
> *A common comment from BTR players is that BTR schemes tend to put a lower value on development sites than for sale appraisals. Residential development is different to commercial in that it has two potential end users - owners and renters. Where developers can sell on a retail basis to owners (or investors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

4.48 In estimating the likely level of rent, we have undertaken a survey of market rents across the Shropshire Council area:

Table 4.11 Rents Reported by Rightmove (£/month)				
	1 bed	2 beds	3 beds	4 beds
Shropshire	£475	£595	£745	£1,200
Shrewsbury	£475	£600	£775	£1,200
Bridgnorth	£425	£635	£750	
Ludlow	£465	£550	£837	£925
Market Drayton	£385	£575	£627	£950
Oswestry	£355	£500	£650	
Whitchurch	£380	£490	£685	£850
Albrighton			£850	
Bishop's Castle			£700	
Broseley	£495	£595	£725	£1,100
Church Stretton		£525	£750	
Cleobury Mortimer	£425	£662	£800	
Craven Arms	£425	£500	£675	
Ellesmere	£360	£430	£685	£795
Highley	£325	£547		£1,350
Much Wenlock				
Shifnal	£495	£600	£750	£865
Wem	£450	£560	£625	£1,200
Rural North	£495	£550	£700	£1,050
Rural Central	£465	£595	£737	£1,150
Rural South	£475	£580	£700	£1,150

Source: Rightmove.co.uk (December 2019)

Figure 4.11 Rents Reported by Rightmove (£/month)



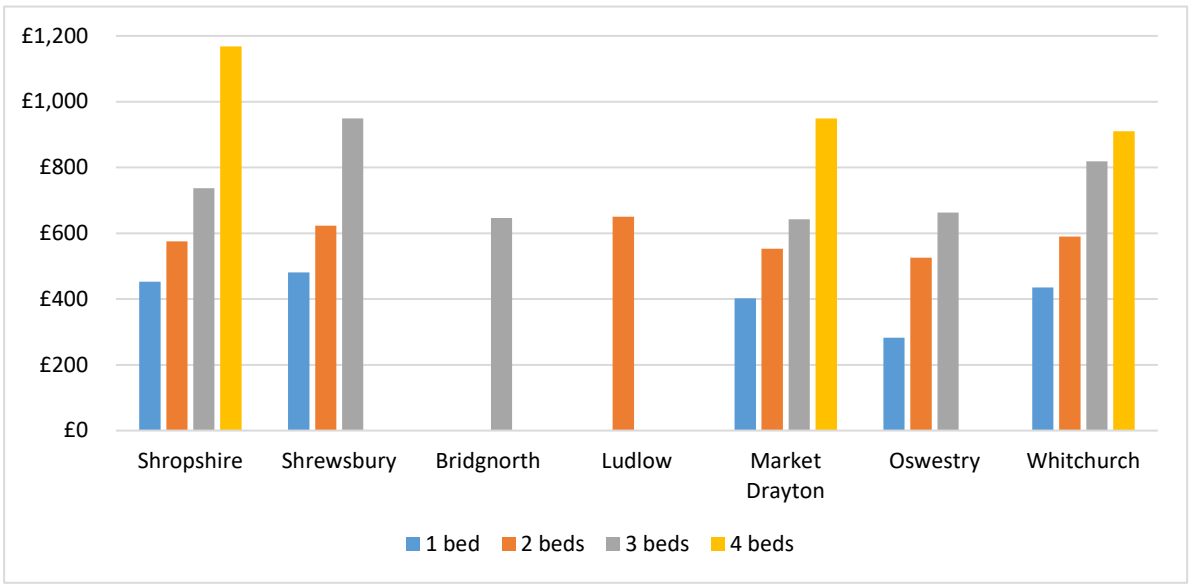
Source: Rightmove.co.uk (December 2019)

Table 4.12 Median Asking Rents Reported by Zoopla (£/month)

	1 bed	2 beds	3 beds	4 beds
Shropshire	£453	£575	£737	£1,168
Shrewsbury	£481	£623	£949	
Bridgnorth			£646	
Ludlow		£650		
Market Drayton	£402	£553	£642	£949
Oswestry	£282	£526	£663	
Whitchurch	£435	£590	£819	£910

Source: Zoopla.co.uk (December 2019)

Figure 4.12 Median Asking Rents Reported by Zoopla (£/month)



Source: Zoopla.co.uk (December 2019)

4.49 In calculating the value of PRS units it is necessary to consider the yields. Several sources of information have been reviewed.

4.50 Savills in their *Investing in Private Rent* (Savills, 2018) report a North-South divide:

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

4.51 Knight Frank in their *Residential Yield Guide* (February 2018) reported a 4.0% to 4.24% yield in Prime Regional Cites and 5.0% to 5.25% in Secondary Regional Cities.

4.52 Having considered a range of sources a gross yield of 5% has been assumed. It is also assumed that such development will be flatted and in or close to the town centres.

4.53 In considering the rents to use in this assessment it is necessary to appreciate that much of the exiting rental stock is relatively poor so new PRS units are likely to have rental values that are well in excess of the averages and yields that are below the averages. Having reconsidered the evidence in this regard the assessment of values has been updated as follows:

Table 4.13 Capitalisation of Private Rents				
	1 bed	2 bed	3 bed	4 bed
Gross Rent (£/month)	£465	£585	£745	£1,200
Gross Rent (£/annum)	£5,580	£7,020	£8,940	£14,400
Value	£111,600	£140,400	£178,800	£288,000
m^2	50	70	84	97
£/m^2	£2,232	£2,006	£2,129	£2,969

Source: HDH (December 2019)

4.54 In this study we have assumed a value for private rent, in all areas, of £2,200/m^2.

4.55 Through the February 2020 consultation it was suggested that the value be assessed on a net rent (gross less 20%) rather than a gross basis. Where the value is assessed on a net basis we would normally make an allowance of 20% for management, repairs and the like (which would be in line with the consultees suggestion), but also use a lower yield, in this case of 4% or so. This would produce a similar value.

Affordable Housing

4.56 A core output of this study is advice as to level of the affordable housing requirement. The adopted Core Strategy Policy CS11 requires that:

> *... all new open market housing development makes appropriate contributions to the provision of local needs affordable housing having regard to the current prevailing target rate, set using the Shropshire Viability Index.*

4.57 This is in the context of:

> *Seeking to achieve an overall target of 33% local needs affordable housing from all sources for the first five years of the plan period, comprised of 20% social-rented and 13% intermediate affordable housing. Subsequent targets will be set through the Housing Strategy for Shropshire. Individual schemes will encompass a mix of tenures including social-rented and intermediate housing determined by the Council using the most recent information on housing needs at the local level;*

4.58 For the purpose of this study 20% affordable housing, with a 70% Affordable Rent / 30% Intermediate Housing is taken to be the starting point. It is assumed that such housing is constructed by the site developer and then sold to a Registered Provider (RP). This is a simplification of reality as there are many ways in which affordable housing is delivered, including the transfer of free land to RPs for them to build on or the retention of the units by the scheme's overall developer.

Affordable Housing Values

4.59 Prior to the Summer 2015 Budget, Affordable Rents were set at up to 80% of open market rent and generally went up, annually, by inflation (CPI) plus 1%, and Social Rents were set through a formula, again with an annual inflation plus 1% increase. Under arrangements announced in 2013, these provisions were to prevail until 2023, and formed the basis of many

housing associations' and other providers' business plans. Housing associations knew their rents would go up and those people and organisations who invest in such properties (directly or indirectly) knew that the rents were going up year on year. This made them attractive as each year the rent would always be a little more relative to inflation.

4.60 In the Budget, it was announced that Social Rents and Affordable Rents would be reduced by 1% per year for 4 years. This change reduced the value of affordable housing. In October 2017 the Government announced that Rents will rise by CPI +1% for five years from 2020. The values of affordable housing have been considered in Chapter 4 below.

4.61 We have considered the value of affordable housing in this context.

Social Rent

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

Table 4.14 Shropshire Social Rent (£/week)

Unit Size	Net Rent	Social Rent Rate	Service Charge	Gross Rent	Unit Count
Non-self-contained	£87.54	£87.54	£4.12	£91.66	1
Bedsit	£62.34	£60.47	£5.48	£67.19	26
1 Bedroom	£74.24	£73.94	£4.99	£76.83	2,101
2 Bedroom	£86.49	£85.68	£3.84	£88.84	3,562
3 Bedroom	£94.30	£94.07	£2.04	£95.27	4,377
4 Bedroom	£100.14	£100.29	£1.99	£101.03	224
5 Bedroom	£114.55	£114.25	£3.78	£116.06	20
6+ Bedroom	£145.08	£143.83	£1.52	£146.00	5
All Self-Contained	£87.63	£87.20	£3.36	£89.42	10,315
All Stock Sizes	**£87.63**	**£87.20**	**£3.36**	**£89.42**	**10,316**

Source: Table 9, RSH SDR 2019 – Data Tool[26]

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

[26] https://www.gov.uk/government/statistics/statistical-data-return-2018-to-2019

Table 4.15 Capitalisation of Social Rents				
	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Gross Rent (£/week)	£74.24	£86.49	£94.30	£100.14
Gross Rent (£/annum)	£3,860	£4,497	£4,904	£5,207
Net Rent	£3,088	£3,598	£3,923	£4,166
Value	£68,631	£79,955	£87,175	£92,574
m^2	50	70	84	97
£/m^2	£1,373	£1,142	£1,038	£954

Source: HDH (December 2019)

4.64 On this basis, a value of £1,180/m^2 across the study area is assumed.

Affordable Rent

4.65 Under Affordable Rent a rent of no more than 80% of the market rent for that unit can be charged. In the development of affordable housing for rent, the value of the units is, in large part, the worth of the income that the completed let unit will produce. This is the amount an investor (or another RP) would pay for the completed unit.

4.66 In estimating the likely level of Affordable Rent, a survey of market rents across the Shropshire Council area has been undertaken and is set out under the Build to Rent heading above.

4.67 As part of the reforms to the social security system, housing benefit /local housing allowance is capped at the 3rd decile of open market rents for that property type, so in practice Affordable Rents are unlikely to be set above these levels. The cap is set by the Valuation Office Agency (VOA) by Broad Rental Market Area (BRMA). Where this is below the level of Affordable Rent at 80% of the median rent, it is assumed that the Affordable Rent is set at the LHA Cap.

Table 4.16 BRMA LHA Caps (£/week)				
	Shropshire	Black Country	Staffordshire North	Worcester North
Shared Accommodation	£67.89	£60.00	£55.19	£61.45
One Bedroom	£87.41	£86.30	£80.55	£92.05
Two Bedrooms	£109.32	£104.89	£90.90	£117.70
Three Bedrooms	£129.47	£123.90	£109.32	£133.32
Four Bedrooms	£170.67	£151.50	£144.04	£176.56

Source: VOA (December 2019)

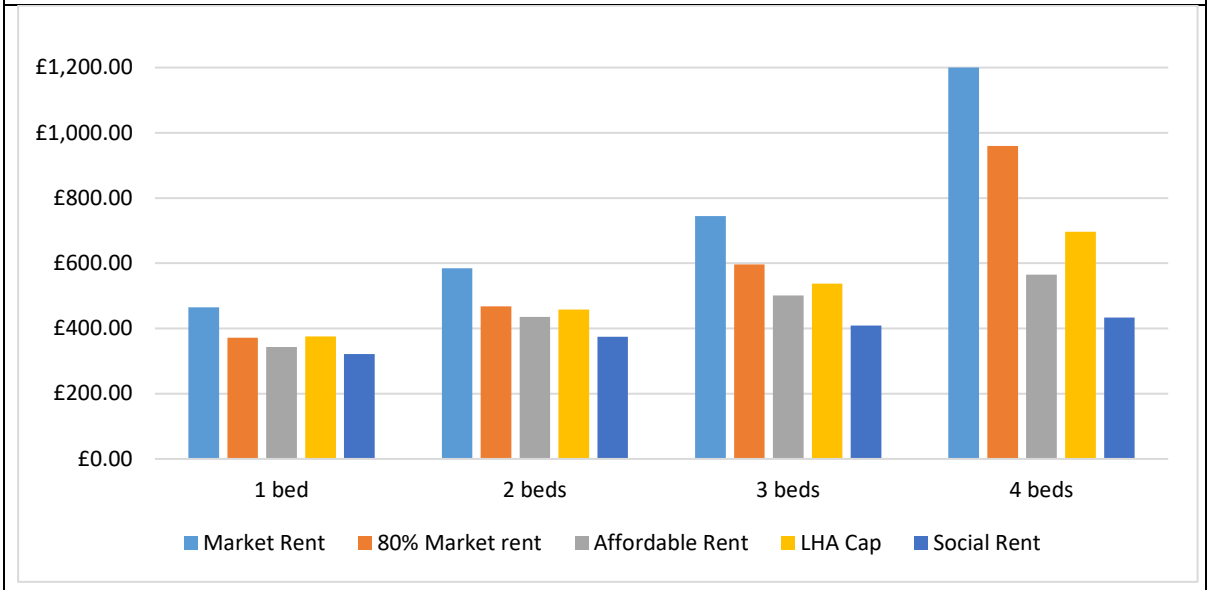
4.68 These caps are generally similar to the Affordable Rents being charged as reported in the most recent HCA data release (although this data covers both newbuild and existing homes).

Table 4.17 Shropshire Affordable Rent (£/week)		
Unit Size	Gross Rent	Unit Count
Non-self-contained	£0.00	0
Bedsit	£0.00	0
1 Bedroom	£79.22	161
2 Bedroom	£100.44	821
3 Bedroom	£115.61	652
4 Bedroom	£130.40	25
5 Bedroom	£122.94	1
6+ Bedroom	£0.00	0
All Self-Contained	£104.80	1,660
All Stock Sizes	**£104.80**	**1,660**

Source: Table11, RSH SDR 2019 – Data Tool[27]

4.69 The rents can be summarised as follows.

Figure 4.13 Rents by Tenure – £/Month



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

4.70 In calculating the value of Affordable Rent we have allowed for 10% management costs, 4% voids and bad debts and 6% repairs, and capitalised the income at 4.5%. It is assumed that the Affordable Rent is no more than the LHA cap. On this basis affordable rented property has the following worth.

[27] https://www.gov.uk/government/statistics/statistical-data-return-2018-to-2019

Table 4.18 Capitalisation of Affordable Rents				
	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Gross Rent (£/month)	£85.85	£105.70	£124.00	£160.69
Gross Rent (£/annum)	£4,464	£5,497	£6,448	£8,356
Net Rent	£3,571	£4,397	£5,159	£6,685
Value	£79,360	£97,716	£114,633	£148,551
m^2	50	70	84	97
£/m^2	£1,587	£1,396	£1,365	£1,531

Source: HDH (November 2019)

4.71 Using this method to assess the value of affordable housing, under the Affordable Rent tenure, a value of £1,450/m^2 across all areas is derived.

4.72 Through the February 2020 consultation there was a general consensus that values presented for affordable housing were appropriate. One consultee did suggest that they would expect Affordable Rent would generally be in the range of 50% to 60% of market housing (and Social Rent 35% to 45%). Historically it was more common to look at values of affordable housing for rent as a proportion of the value of market housing, but more recently we have moved to an approach where the value is calculated as above. In Shropshire there is a considerable variance in market values and less variance in rents. As rents are the principle driver of the value of affordable housing no change is made in this regard. The value of affordable rented housing is generally in the suggested range.

Intermediate Products for Sale

4.73 Intermediate products for sale include shared ownership and shared equity products[28]. Nationally, the demand for these has lessened, perhaps due to the impact of Help to Buy. We have found little evidence of the availability of such products in the study area, although SC report a need for affordable home ownership options and through the February 2020 consultation a strong demand was reported. We have assumed a value of 70% of open market value for these units. These values were based on purchasers buying an initial 30% share of a property and a 2.75%[29] per annum rent payable on the equity retained. The rental income is capitalised at 4 % having made a 5% management allowance.

4.74 The following table shows 'typical' values for shared ownership housing at a range of proportions sold:

[28] For the purpose of this assessment it is assumed that the 'affordable home ownership' products, as referred to in paragraph 64 of the 2019 NPPF fall into this definition,

[29] A rent of up to 3% may be charged – although we understand that in this area 2.75% is more normal.

Table 4.19 Value of Shared Ownership Housing at 30% to 80% of Proportion Sold

Market Value			% Sold		Rent			Value		
m2	£/m2	£	%	£	%	£/year	£	£	£/m2	**% OMV**
95	2,550	242,250	30%	72,675	2.75%	4,663	104,925	177,600	1,869	**73.31%**
95	2,550	242,250	40%	96,900	2.75%	3,997	89,935	186,835	1,967	**77.13%**
95	2,550	242,250	50%	121,125	2.75%	3,331	74,946	196,071	2,064	**80.94%**
95	2,550	242,250	60%	145,350	2.75%	2,665	59,957	205,307	2,161	**84.75%**
95	2,550	242,250	70%	169,575	2.75%	1,999	44,968	214,543	2,258	**88.56%**
95	2,550	242,250	80%	193,800	2.75%	1,332	29,978	223,778	2,356	**92.38%**

Source: HDH 2019

4.75 Through the February 2020 consultation there was a general consensus that values presented for affordable housing were appropriate. The need to test First Homes was highlighted. One consultee said that they expected the value of affordable housing to buy to be in the range of 60% to 70%. Having checked this with a local housing association the approach taken is considered to be appropriate and representative of the market.

Grant Funding

4.76 It is assumed that grant is not available.

Older People's Housing

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

> ***Retirement living or sheltered housing****: This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.*
>
> ***Extra care housing or housing-with-care:*** *This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.*

4.78 Shropshire has an aging population and does attract both sheltered and Extra Care developments however it is beyond the scope of this project to test this sector as they will be subject to a viability assessment at the point of a planning application

5. Non-Residential Market

5.1 This chapter sets out an assessment of the markets for non-residential property, providing a basis for the assumptions of prices to be used in financial appraisals for the sites tested in the study. There is no need to consider all types of development in all situations – and certainly no point in testing the types of scheme that are unlikely to come forward as planned development. In this study we have considered the larger format office and industrial use and retail uses and hotel uses.

5.2 Across Shropshire, market conditions broadly reflect a combination of national economic circumstances and local supply and demand factors. However, even within the Shropshire Council area, there will be particular localities, and ultimately site-specific factors, that generate different values and costs.

National Overview

5.3 The various non-residential markets in the Shropshire Council area reflect national trends. The retail markets are particularly challenging:

> *The Q4 2019 RICS UK Commercial Property Market Survey results are consistent with a modestly stronger outlook emerging for rents and capital values over the year ahead. Anecdotal evidence suggests greater political clarity is expected to spur on some pent-up activity which had been placed on hold due to Brexit uncertainty. That said, this is unlikely to change the fortunes of the retail sector which continues to struggle against structural headwinds. Indeed, the latest survey figures show no let-up in the ongoing downturn across the retail portion of the commercial property market.*
>
> *At the headline level, occupier demand continued to slip in Q4, evidenced by a net balance of -12% of survey participants reporting a decline. However, disaggregating the figures shows the retail sector was the only area to see an outright decline, posting a net balance -58%. Conversely, tenant demand increased in the industrial segment, while respondents cited a flat trend in demand for office space. Alongside this, availability was also reported as unchanged in the office sector, together with a further modest dip in the supply of industrial space. By way of contrast, retail vacancies are still cited to be rising sharply, in keeping with pattern established since early 2017.*
>
> *RICS – Q4 2019: UK Commercial Property Market Survey*

Non-Residential Market

5.4 The *Shropshire Employment Land Review* (BE Group, November 2011) includes a detailed assessment of the local employment markets so that will not be repeated here.

5.5 This study is concerned with new property that is likely to be purpose built. There is little evidence of a significant variance in price for newer premises more suited to modern business, although very local factors (such as the access to transport network) are important.

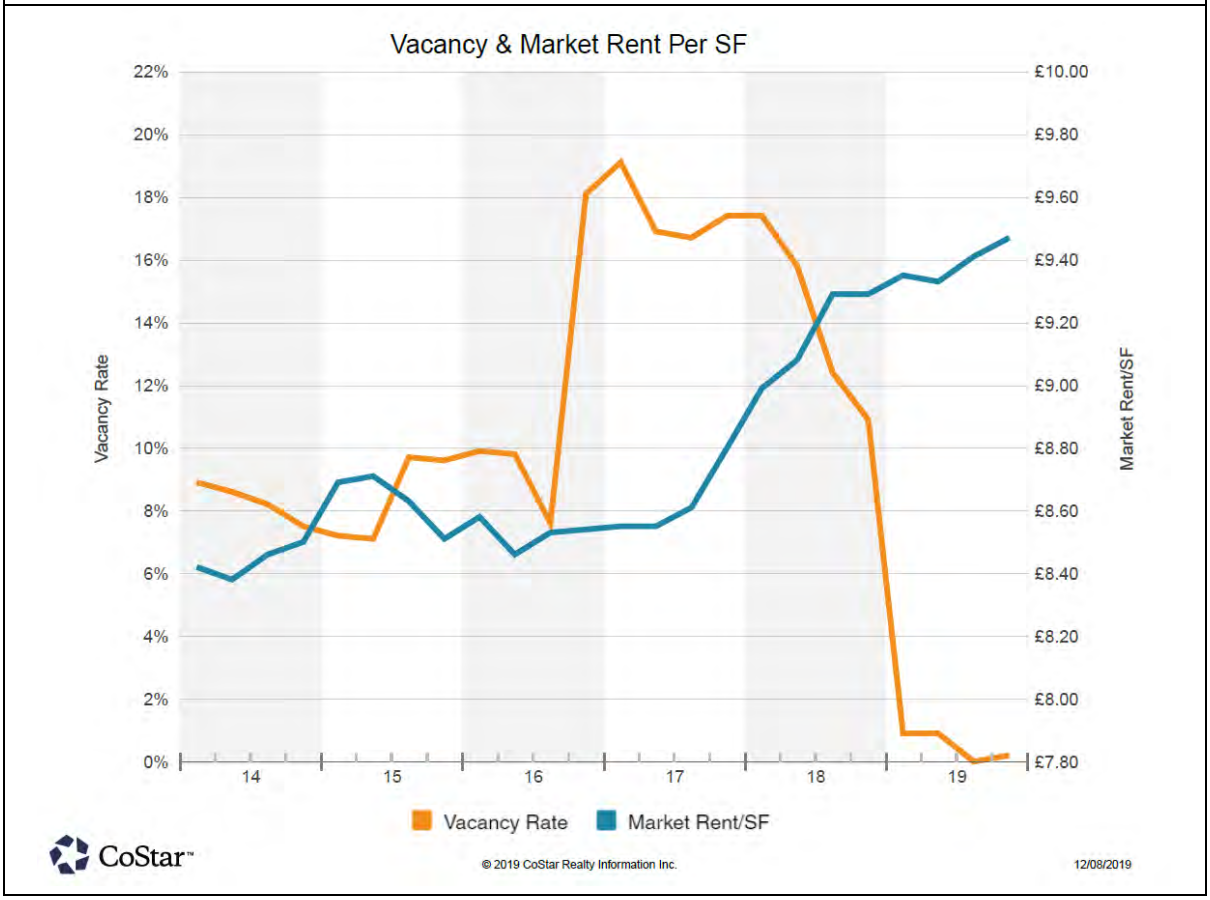
5.6 Various sources of market information have been analysed, the principal sources being the local agents, research published by national agents, and through the Estates Gazette's Property Link website (a commercial equivalent to Rightmove.co.uk). In addition, information from CoStar (a property industry intelligence subscription service) has been used. Clearly

much of this commercial space is 'second hand' and not of the configuration, type and condition of new space that may come forward in the future, so is likely to command a lower rent than new property in a convenient well accessed location with car parking and that is well suited to the modern business environment. **Appendix 8** includes market data from CoStar.

Offices

5.7 CoStar data shows an increase in rents and a decrease in vacancy, in the office sector over the last five years.

Figure 5.1 Offices. Vacancy Rates v Rent (£/sqft)



Source: CoStar (December 2019)

5.8 CoStar is currently reporting rents (for all types of office) of about £100/m^2/year (£9.50sqft/year). On the whole these buildings are not modern offices that are best suited to current work practices. Newer offices, with adequate parking and with a flexible layout, are around £172/m^2/year (£16sqft/year).

5.9 A median yield of a little under 7% is reported, although this is based on a small sample size. The Council's economic growth team report yields in the 6% to 6.5% range. 6.25% has been assumed.

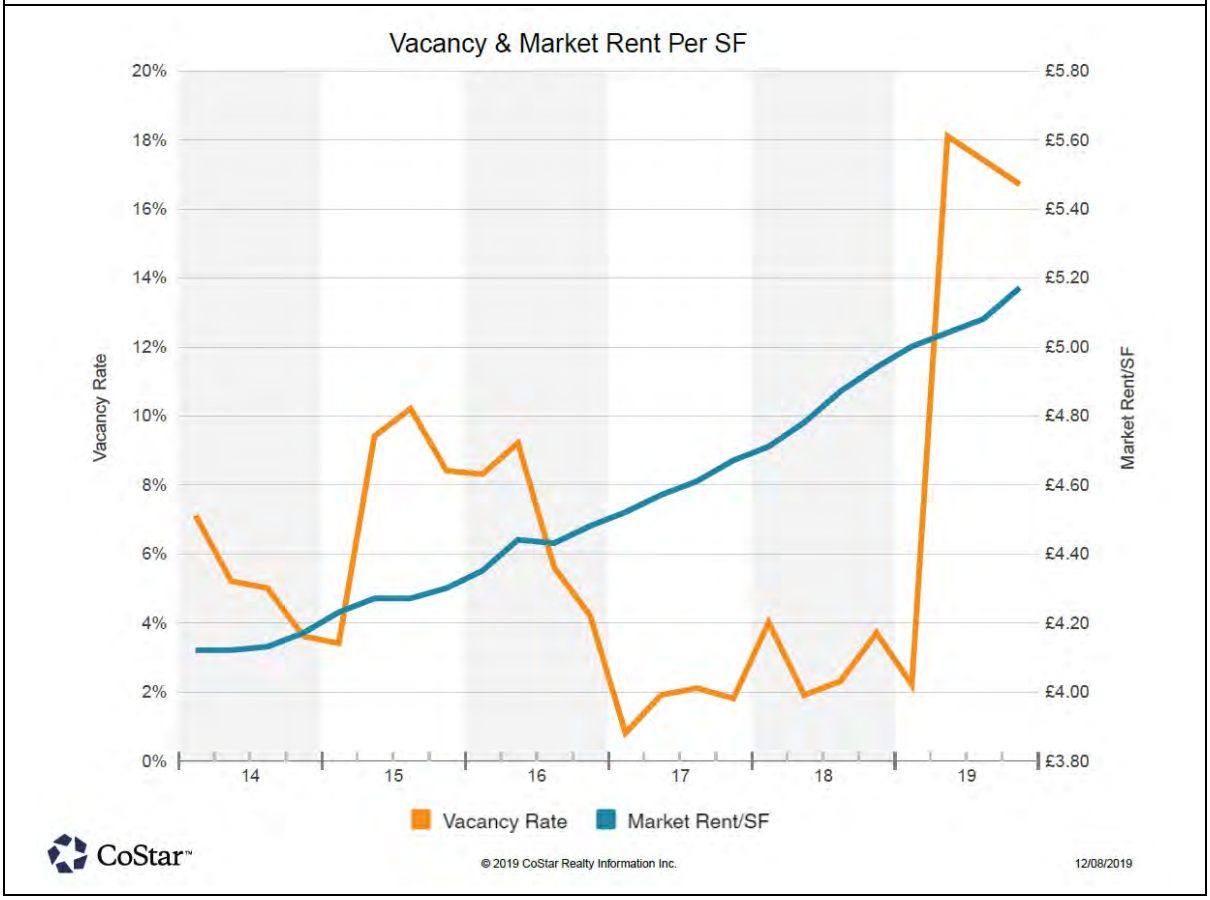
5.10 On this basis new office development would have a value of £2,590/m^2 (having allowed for a rent free / void period of 12 months). CoStar reports average sales prices of £1,850/m^2

(£172/sqft) and median sales prices of £1,130/m^2 (£105/sqft). Bearing in mind the nature of the new development that this study is concerned with, office development is assumed to have a value of £2,500/m^2.

Industrial and Distribution

5.11 CoStar data also shows a steady increase in rents over the last five years in the industrial sector, but also a recent increase in vacancies. This increase in vacancies is not recognised on the ground where agents report reasonable demand for well-located units:

Figure 5.2 Industrial. Vacancy Rates v Rent (£/sqft)



Source: CoStar (December 2019)

5.12 CoStar is currently reporting average rents (for all types of industrial space) of about £37.70/m^2/year (£3.50/sqft/year). On the whole these buildings are not modern facilities that are suited to modern industry. More modern buildings that are well located and with adequate parking are securing rents in the £54/m^2/year (£5/sqft/year) to £75/m^2/year (£7/sqft/year) range. A median and an average yield of 7% is reported, however the sample size is very small and newer properties are likely to be less than this. The Council's economic growth team report prime yields of about 4.75%. 5% has been assumed.

5.13 On this basis new industrial development would have a value of £1,333/m^2 (having allowed for a rent free / void period of 12 months). CoStar reports average sales prices for newer buildings of being up to £2,000/m^2. Generally, sales are in the rage of £860/m^2 (£80/sqft) to

£1,175/m^2 (£100/sqft). Bearing in mind the nature of the new development that this study is concerned with, industrial development is assumed to have a value of £1,200/m^2.

5.14 At the time of this assessment there is anecdotal evidence that asking rents are higher for higher specification new units and that this is due to the shortage of supply.

Retail

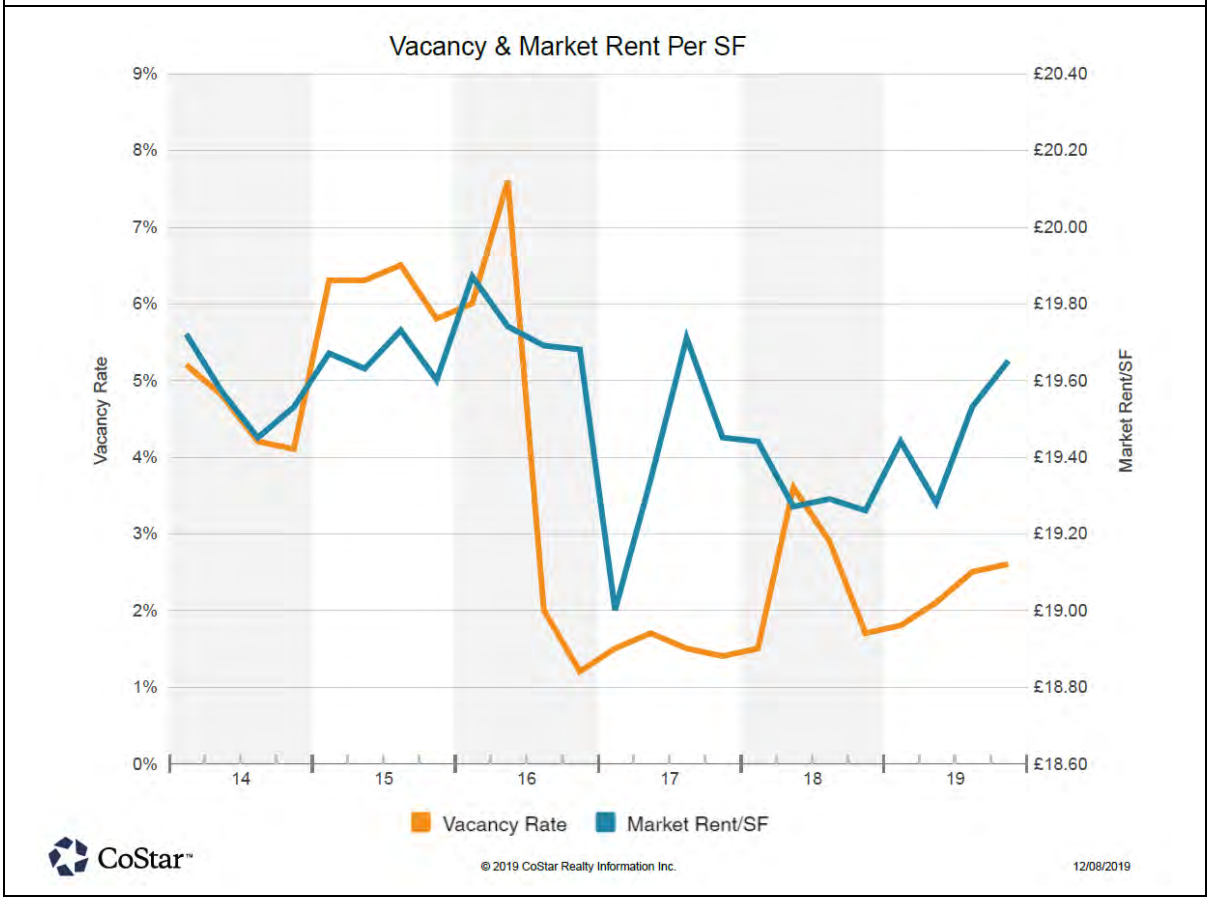
5.15 Shrewsbury is a regional shopping destination, taking the role of a traditional County Town with a large (although relatively sparsely populated) catchment. The smaller market towns also have a distinct place in the retail hierarchy of the County. The market towns are busy with a broad range of local shops and services.

5.16 Even before the Coronavirus pandemic, the retail market was in a period of uncertainty. The rise in the online retailer sector has put pressure on the high street and shopping centres. Several national chains have been put into administration or have entered Company Voluntary Arrangements (CVA)[30]. The value of shopping centres in particular has been put under pressure and is less attractive to investors than it was a few years ago.

5.17 Surprisingly, bearing in mind the gloomy picture that can be taken generally, the CoStar data shows a fall in vacancies over the last 5 years. The fall in rents is to be expected.

[30] A CVA is a legally binding agreement with a company's creditors. As part of the process companies (subject to circumstances) may be able renegotiate the terms of a lease.

Figure 5.3 Retail. Vacancy Rates v Rent (£/sqft)



Source: CoStar (December 2019)

5.18 The retail market is segmented with the core high street areas of thriving but the remaining areas, being of largely secondary retailing areas doing less well. Retailing in secondary locations is challenging – although the data does reveal some surprisingly high rents.

5.19 Across the Shropshire Council area rents are generally around £130/m^2/year (£12/sqft/year), although there are considerable differences within this. Rents for good units in the central locations are currently over £430/m^2/year (£40/sqft/year)[31] although generally they are below this level at around £215/m^2/year (£20/sqft/year). Yields are reported to be in the range of 6.75% to about 10%, with an average of 8.07% and median of 8.21%.

5.20 A value (based on a £430/m^2/year / 8% yield / 12-month incentive) of £5,741/m^2 (£533/sqft) is derived for city-centre, shop-based retail in central Shrewsbury. This is at the top end of the range of values reported by CoStar. A value of £5,000/m^2 (£465/sqft) is assumed, although it is important to note that such values would be restricted to the best, prime locations in central Shrewsbury.

[31] These rents are calculated over the whole building area rather than just the sales area.

5.21 As one moves away from the best locations into the secondary situations where rents are normally in the range of £107/m^2/year (£10/sqft/year) to £160/m^2/year (£15/sqft/year), although yields are rather higher at around 10% to give a value of £1,200/m^2 (£110/sqft) or so.

5.22 We have given consideration to supermarkets and retail warehouses. There is little local evidence that is publicly available relating to these in the Shropshire Council area, however drawing on our wider experience we have assumed supermarket rents of £250/m^2/year (£23/sqft/year) with a yield of 5.5% to give a value of £4,300/m^2 (£400/sqft). This reflects the increased confidence in this sector after a difficult period faced by the traditional supermarket operators.

5.23 As well as mainstream supermarkets, we have considered the smaller units developed by operators such as Lidl and Aldi, in this case we have assumed a rent of £215/m^2/year (£20/sqft/year) and a 5% yield to give a value of £4,100/m^2 (£380/sqft).

5.24 In the case of retail warehouses, there has been a change within the market over the last few years with a move towards more smaller stores on the out of town retail parks. Whilst little such development is planned it may be that some of the existing out of town / retail warehouse space will be redeveloped. We have assumed a rent of £180/m^2/year (£16.70/sqft/year) and a yield of 6% giving a value of £2,670/m^2 (£250/sqft) (allowing for a 2 year rent free / void period).

Hotels

5.25 There have been a number of new hotels in the area and there is a recognised need (and demand) for further provision. For the hotel sector, a rental of £6,500/room/year for newbuild hotels is assumed to apply across the area. Assuming a yield of 5%, this equates to a value of about £5,250/m^2 (£487/sqft). It is important to note that this study is only concerned with newbuild hotels[32].

Appraisal Assumptions

5.26 The following assumptions have been used:

[32] 60 rooms x £6,500 = £270,000. 5% yield = £7,800,000. 60 rooms @19m^2 + 30% circulation space = £5,263/m^2

Table 5.2 Commercial Values £/m² 2019					
	Rent £/m²	Yield	Rent free period		Assumption
Offices	£172	6.25%	1.0	£2,590	£2,500
Industrial	£70	5.00%	1.0	£1,333	£1,200
Retail - Centre	£430	7.00%	1.0	£5,741	£5,000
Retail (elsewhere)	£130	10.00%	1.0	£1,182	£1,200
Large Supermarket	£250	5.50%	1.0	£4,308	£4,300
Small Supermarket	£215	5.00%	1.0	£4,095	£4,100
Retail warehouse	£180	6.00%	2.0	£2,670	£2,670
Hotel (per room)	£6,500	5.00%	0.0	£5,263	£5,250

Source: HDH (December 2019)

5.27 Through the February 2020 consultation one consultee suggested that the values presented were 'overly optimistic', although no alternative evidence was provided to support this statement and no alternative suggestions were made. It was also suggested that consideration should be given to transport connections and infrastructure.

5.28 It is accepted that the proximity to transport connections will impact on the values of employment space, in Shropshire this applies particularly to industrial uses where access to the M54, and then to the wider motorway network is readily available. Rather than increase values in this area a cautious approach is taken with the above values being applied across the whole County.

6. Land Values

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

6.2 In this context it is important to note that the PPG says (at 10-016-20180724) that the '*Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. For any viability assessment data sources to inform the establishment the landowner premium should include market evidence and can include benchmark land values from other viability assessments*'. It is therefore necessary to consider the EUV as a starting point.

6.3 In the various viability studies carried out by Fordham Research to support CIL in 2011 the following assumptions were used.

Table 6.1 2011 Land Values

Industrial Land	£370,650
Agricultural	£24,710
Amenity Land	£308,875
Shrewsbury Centre	£7,413,000
Market Town	£1,235,500

Source: *Affordable Housing Viability Study* (Fordham Research, April 2010), and *Further Analysis of CIL (Retail)* (Fordham Research, February 2011).

6.4 It is important to note that the *Affordable Housing Viability Study* (Fordham Research, April 2010) *and the Further Analysis of CIL (Retail)* (Fordham Research, February 2011) were prepared before the updated PPG was released so does not explicitly follow the 'EUV plus' approach, as now set out in the PPG.

Existing Use Values

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

6.6 The updated PPG includes a definition of land value as follows:

> *How should land value be defined for the purpose of viability assessment?*
>
> *To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+).*
>
> *In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.*
>
> *PPG: 10-013-20190509*
>
> *What is meant by existing use value in viability assessment?*
>
> *Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development).*
>
> *Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency data; public sector estate/property teams' locally held evidence.*
>
> *PPG: 10-015-20190509*

6.7 It is important to fully appreciate that land value should reflect emerging policy requirements and planning obligations. The Residual Value for a particular typology needs to be compared with the EUV, to determine if there is another use which would derive more revenue for the landowner. If the Residual Value does not exceed the EUV, then the development is not viable; if there is a surplus (i.e. profit) over and above the 'normal' developer's profit having paid for the land, then there is scope to make developer contributions.

6.8 For the purpose of the present study, it is necessary to take a comparatively simplistic approach to determining the EUV. In practice, a wide range of considerations could influence the precise value that should apply in each case, and at the end of extensive analysis, the outcome might still be contentious. The 'model' approach is outlined below:

i. For sites in agricultural use, then agricultural land represents the EUV. It is assumed that greenfield sites of 0.5ha or more fall into this category.

ii. For paddock and garden land on the edge of or in a smaller settlement a 'paddock' value is adopted. This is assumed for greenfield sites of less than 0.5ha.

iii. Where the development is on brownfield land, we have assumed an industrial value. In the city-centres a higher value is considered.

Residential Land

6.9 In May 2018, DCLG published *Land value estimates for policy appraisal*[33]. This sets out land values as at May 2017 and was prepared by the Valuation Office Agency (VOA). The Shropshire Council figure is £1,730,000/ha. It is important to note this figure assumes nil Affordable Housing. As stressed in the paper, this is a hypothetical situation and '*the figures on this basis, therefore, may be significantly higher than could be reasonably obtained in the actual market*'.

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

6.11 There are few larger development sites being publicly marketed in the area at the time of this assessment, however there are a number of small development sites being marketed in the area:

33 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710539/Land_Values_2017.pdf

Table 6.2 Building Sites for Sale

			Ha	Units	Asking Price	£/ha	£/unit	
Shackerley Lane	Codsall Wood			7	£1,250,000		£178,571	Consent for 7 2&3 bed houses. Barn conversion
Adjacent Water Lane	Newport		0.40		£1,000,000	£2,500,000		Town centre redevelopment
Nesscliffe		Shrewsbury	0.71	16	£795,000	£1,119,718	£49,688	Consent for 16 units. No Affordable
Cherry Tree Hill	Coalbrookdale	Telford		4	£650,000		£162,500	4 very large houses
Land at Station Yard	Llanymynech		3.20		£650,000	£203,125		Ex-rail yard. No consent.
Calcutts Road	Jackfield	Telford	0.48	9	£600,000	£1,250,000	£66,667	Consent to demolish 1 and replace.
Manor Farm	Shrewsbury		2.00	2	£600,000	£300,000	£300,000	Large single plot, with conversion
Ellesmere Road	St Martins	Oswestry	0.22	7	£450,000	£2,045,455	£64,286	Consent for 7 detached. I demotition
Glyn Road	Selattyn	Oswestry	0.45	9	£400,000	£888,889	£44,444	Consent for 7
Bartons Lane	Market Drayton		0.09	6	£400,000	£4,444,444	£66,667	6 x 3 bed houses following demotion of 1
Pontesford Hill	Pontesbury		0.34	2	£400,000	£1,176,471	£200,000	2 large plots
Grafton	Montford Bridge	Shrewsbury	0.28	3	£400,000	£1,428,571	£133,333	Consent for 3 detached
Woodbatch Road	Bishops Castle		0.75	9	£400,000	£533,333	£44,444	Consent for up to 9 (2 affordable)
Bache Mill	Diddlesbury	Craven Arms	0.27	4	£325,000	£1,203,704	£81,250	Consent for 2 detached and pair of Semis
Ness Strange	Great Ness	Nesscliffe	0.20	1	£300,000	£1,500,000	£300,000	Single plot
Welshampton	Nr Ellesmere			7	£300,000		£42,857	Consent for 7 (2 affordable)
Wilcott	Nesscliffe	Shrewsbury		2	£275,000		£137,500	Consent for 2 detached
Hodgebower	Ironbridge		0.60	1	£250,000	£416,667	£250,000	3 bed detached on large site
Church Street	Ruyton		0.15	2	£240,000	£1,600,000	£120,000	Consent for 2
Pontesbury		Shrewsbury	0.12	1	£215,000	£1,791,667	£215,000	Single plot
Rose Green	Tibberton	Newport	0.08	1	£210,000	£2,625,000	£210,000	Single plot
Allscott		Telford		2	£200,000		£100,000	2 bungalows
Victoria Road	Much Wenlock			3	£570,000		£190,000	3 selfbuild plots
Shrewsbury Road	Wem		0.12	1	£189,000	£1,575,000	£189,000	Single large bungalow
Adj The Chaple	Stoke St Milborough		0.08	1	£175,000	£2,187,500	£175,000	Single plot
Hodnet	Market Drayton		0.14	1	£170,000	£1,214,286	£170,000	Single plot
Weston Lullingfields		Shrewsbury		1	£170,000		£170,000	Single plot
Shawbury		Shrewsbury	0.07	1	£170,000	£2,428,571	£170,000	Single plot
Darby Close	Nesscliffe			1	£160,000		£160,000	Single selfbuild plot
The Lyde	Minsterley		0.16	1	£160,000	£1,000,000	£160,000	Single plot
Bucknell	Knighton			1	£160,000		£160,000	Single plot
Llanyblodwel	Oswestry			2	£150,000		£75,000	Double plot
Welsh Walls	Oswestry			1	£145,000		£145,000	3 bed detached
Porth Y Waen	Oswestry		0.08	1	£138,000	£1,725,000	£138,000	Selfbuild plot
Porth Y Waen	Oswestry		0.08	1	£138,000	£1,725,000	£138,000	Selfbuild plot
Porth Y Waen	Oswestry		0.10	1	£138,000	£1,380,000	£138,000	Selfbuild plot
Brook Villas	Pontesbury		0.03	1	£135,000	£4,500,000	£135,000	4 bed plot
Main Road	Pontesbury			1	£130,000		£130,000	4 bed plot
Yarlington Orchard	Pontesbury		0.04	1	£130,000	£3,250,000	£130,000	4 bed plot
Racecourse Lane	Bicton Heath		0.20	1	£125,000	£625,000	£125,000	3 bed detached
Hopesgate	Minsterley		0.07	1	£110,000	£1,571,429	£110,000	Barn conversion
Alexandra Road	Market Drayton			1	£95,000		£95,000	Single plot
Kinnerley	Oswestry			1	£95,000		£95,000	Outline for 3 bed
Stafford Street	Market Drayton			1	£90,000		£90,000	Single plot
Station Road	Llanymynech			1	£83,000		£83,000	Single plot
Mount Houses	Chirk Bank		0.02	1	£74,995	£3,749,750	£74,995	Outline plot
Mill Road	Meole Village	Shrewsbury	0.05	1	£55,000	£1,100,000	£55,000	Outline 2 bed detached
Regent Street	Wellington	Telford	0.02	1	£40,000	£2,000,000	£40,000	Lapsed plot

Source: Market Survey (December 2019)

6.12 It is important to note that the above prices are asking prices – so reflect the landowner's aspiration. In setting the BLV the important point is the minimum amount a landowner will accept.

6.13 Through the February 2019 consultation it was pointed out that some of the sites have been on the market for a very long time. This is agreed and suggests that some landowners have unrealistic aspirations with regard to value.

6.14 Recent transactions based on planning consents over the last few years and price paid information from the Land Registry have been researched and are set out in **Appendix 9.** The data is summarised in the following tables, the amount of affordable housing in the scheme is shown, being the key indicator of policy compliance (as required by the PPG).

Table 6.3 Sales of Consented Development Land

Planning App	Site Name	ha	All Units	Aff Units	Aff %	£/ha	£/unit
18/03113/ful	Magistrates Court Oswestry	0.22	10	1	10.00%	£535,718	£11,786
17/05189/ful	Rocks Green, Ludlow	12.5	200	30	15.00%		
18/00018/out	Southlands Ave, Gobowen	1.623	27	4	14.81%	£616,143	£37,037
17/06087/out	North East of Stone Drive, Shifnal (final phase)	5.04	105	16	15.24%	£1,190,476	£57,143
14/02286/out 17/02174/REM	Shropshire Stone and Granite Station Rd, Baschurch	2.54	48	7	14.58%	£141,732	£7,500
14/00581/out 16/04719/ful	Land Opp Sch, Kinnerley	0.59	18	2	11.11%	£889,831	£29,167
16/04228/out 18/03637/rem	Copthorne Barracks, Shrewsbury	6.47	224	45	20.09%		
14/03664/ful	Calverhall Rd, Ightfield	2.507	9	1	11.11%	£398,883	£111,111
14/00246/out	Churncote, Bicton Heath (SUE West)	23.8	296	45	15.20%		
18/02392/out	Ellesmere Rd, Bagley, Shrewsbury	0.8	36	3	8.33%	£750,000	£16,667
13/04954/out 18/02681/rem	Llwyn rd, Oswestry	0.5	11	1	9.09%	£760,000	£34,545
19/00048/rem/ development zone W	South of Oteley Rd, Shrewsbury	1.53	49	7	14.29%	£2,656,209	£82,939
19/01040/ful	Greenfields, off Tudor Close Market Drayton	0.62	21	2	9.52%		
18/03137/out	Sth of Mytton, Shrewsbury	0.38	3	1	33.33%		

15/03779/out 18/00939/rem	Lower House Farm. Knockin	1.2	17	1	5.88%	£666,667	£47,059
14/00582/FUL 19/00335/VAR	Adj Chronicle House Chester St, Shrewsbury	0.49	11	1	9.09%	£867,347	£38,636
17/01697/OUT and 19/02949/REM	Old Coleham, Shrewsbury	0.285	43	8	18.60%	£7,894,737	£52,326
13/03452/ful	Land off Abbotts Way, Station Road, Hodnet	2.5	44	5	11.36%		
18/01934/ful	Towers Lawn, Frogmore Rd, Market Drayton	0.2	12	1	8.33%		
14/04608/OUT /18/02413/REM	Foldgate Lane, Ludford	17.69	137	34	24.82%		

Source: Shropshire Council and Land Registry (December 2019)

6.15 These values are on a whole site (gross area) basis and range considerably. The average is about £1,500,000/ha (£44,000/unit) and the median is £755,000/ha (£38,000/unit). The average for schemes that have provided affordable housing at (or very near) the policy requirement (which varies across the County) is £1,400,000/ha (£39,500/unit) and the median is £755,000/ha (£36,000unit).

6.16 Through the February 2020 consultation several comments were made with regard to the above data:

> *The PPD data for Shropshire Stone and Granite is incomplete.*

6.17 The data presented is taken from the Land Registry. No further information was provided.

> *The Land Opposite Kinnerley School had a development agreement with the landowner receiving 20% of the GDV. The price paid as recorded should be considered a distressed sale.*

6.18 The Land Registry data is not complete. In the spirit of transparency all the available data is presented. The above comments are reflected in the assumptions used.

6.19 Additionally, some further examples of transactions were provided:

> *In north Shropshire recent sales have been the £620,000/ha to £740,000/ha range. Examples provided:*
>
> *Market Draydon. 162 units, 7.68ha, 10% affordable. £4,500,000 (£586,000/ha).*
>
> *Hinstock. 49 units, 5,58ha. £1,880,000 (£730,000/ha).*
>
> *Tilstock. 12 units, 0.58ha, 1.8 affordable units. £400,000 (£690,000/ha).*
>
> *Shawbury. 50 units, 2.85ha – Affordable not stated. £1,480,000 (£520,000/ha).*
>
> *Bicton. 85 bed extracare home, 0.89ha. £660,000 (£742,000/ha.*

6.20 It is important to note that all the above schemes were approved under the 2012 NPPF and 2014 PPG rather than the current framework and guidance.

6.21 Further examples of transactions were provided:

Address	Location	Purchase Price	Purchase Date	Size Gross HA	Size Net	Total Units	% Aff	£/Gross Ha	£/Net ha	£/Unit
Land On The South Side Of Stanton Road Shifnal TF11 8FA	Shifnal	2,500,000	Dec-17	4.2	2.6	99	15%	£595,238	£965,234	£25,253
Land On The South Side Of Oteley Road Shrewsbury SY2 6FT	Shrewsbury	8,526,000	Dec-17	5.4	4.5	164	15%	£1,578,889	£1,897,995	£51,988
Land On The South Side Of Oteley Road Shrewsbury SY2 6JF	Shrewsbury	7,068,273	Apr-17	5.3		159	15%	£1,333,636		£44,455
Land On The West Side Of Rush Lane Market Drayton TF9 3FS	Market Drayton	2,000,000	Jul-16	6.3	5.7	162	10%	£317,460	£350,496	£12,346
Land On The North Side Of Haughton Road, Shifnal	Shifnal	6,408,000	Feb-15	6.9	5.5	184	15%	£928,696	£1,164,277	£34,826
Land On The North Side Of Haughton Road, Shifnal	Shifnal	6,084,000	Jan-15	8.8		216	15%	£691,364		£28,167
Land On The West Side Of Coppice Green Lance	Shifnal	11,800,000	May-14	10.3	7.5	200	15%	£1,145,631	£1,576,097	£59,000
Land At Copthorne Barracks Copthorne Road Shrewsbury SY3 7LT	Shrewsbury	5,644,100	May-18	6.4		224	20%	£881,891		£25,197

6.22 The average of these is £934,000/ha (£35,000/unit) and median £905,000/ha (£31,000/unit).

6.23 In considering the above it is important to note that the PPG 10-014-20190509 says:

> *Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*
>
> *This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.*
>
> *In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.*

6.24 The price paid is the maximum the landowner could achieve. The landowner is unlikely to suggest a buyer may be paying an unrealistic amount. The BLV is not the price paid (nor the average of prices paid). In relation to larger sites, and, in particular, larger greenfield sites, these have their own characteristics and are often subject to significant infrastructure costs and open space requirements which result in lower values. In the case of non-residential uses we have taken a similar approach to that taken with residential land except in cases where there is no change of use. Where industrial land is being developed for industrial purposes, we have assumed a BLV of the value of industrial land.

6.25 In addition to the above a housing association commented that they purchase land for 'exception sites' (i.e. 100% affordable housing) at about £15,000/unit. This would equate to about £500,000/ha.

6.26 It is necessary to make an assumption about the value of residential land. Initially in this assessment a value of £1,000,000/ha was assumed. This assumption was been reduced to £750,000/ha following the consultation. Through the February 2019 consultation a range of comments were received, many of these also relate to the BLV and are considered under the BLV heading below.

Previously Developed Land

6.27 *Land value estimates for policy appraisal* provides a value figure for commercial land:

Table 6.4 Industrial Land Values

		Chester	Stoke on Trent	Telford
Industrial Land	£/ha	£375,000	£400,000	£500,000
	£/acre	£151,760	£161,878	£202,347
Commercial Land: Office Edge of City Centre	£/ha	£865,000	£865,000	£865,000
	£/acre	£350,061	£350,061	£350,061
Commercial Land: Office Out of Town – Business Park	£/ha	£375,000	£400,000	£500,000
	£/acre	£151,760	£161,878	£202,347

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

6.28 CoStar (a property market data service) includes details of industrial land. These are summarised in **Appendix 10**. The average is about £2,940,000/ha (£1,190,000/acre) and the median is less at £570,000/ha (£230,000/acre).

6.29 A figure of £500,000/ha is assumed. The exception is in relation to town centre retail, where the assumption of £7,500,000/ha is carried forward form the Council's earlier work.

Agricultural and Paddocks

6.30 *Land value estimates for policy appraisal* provides a value figure for agricultural land in the area of £21,500/ha. The *RICS/RAU Rural Land Market Survey* reports agricultural land values. The most recent report[34] suggests England and Wales values of £21,043/ha (£8,516/acre) for arable land and £16,700/ha (£6,759/acre) for pasture. Values for the West Midlands (H1/2018) are a little lower than these. For agricultural land, a benchmark of £25,000/ha is assumed to apply here.

[34] https://www.rics.org/globalassets/rics-website/media/knowledge/research/market-surveys/rural-land-market-survey-h2-2018-rics-rau.pdf

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

6.32 Through the February 2019 consultation it was suggested that amenity land should be considered at a similar value to paddock land and that historically the Council has assessed this at £308,000/ha (£125,000/acre). Amenity land is a broad definition that could range from garden land through to sports pitches, as well as paddocks. Having reconsidered the data at the start of this chapter, we have broadened paddock land to include amenity land and increased the EUV to £100,000/ha.

Existing Use Values

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

Table 6.4 Existing Use Value Land Prices £/ha

PDL	Generally	£500,000
	Central Shrewsbury, Retail	£7,500,000
Agricultural		£25,000
Paddock / Amenity Land		£100,000

Source: HDH (December 2019)

Benchmark Land Values

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

> *Benchmark land value should:*
>
> - *be based upon existing use value*
> - *allow for a premium to landowners (including equity resulting from those building their own homes)*
> - *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees and*
>
> *Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.*
>
> *This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic*

benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

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

PPG 10-014-20190509

6.35 With regard to the landowner's premium, the PPG says:

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

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

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

PPG 10-016-20190509

6.36 In the pre-consultation iteration of this Viability Assessment, the following Benchmark Land Value assumptions were used:

Brownfield/Urban Sites: EUV Plus 20%.

Greenfield Sites: EUV Plus £300,000/ha.

Consultation Responses - BLV

6.37 The derivation of the BLV was the most controversial element of the pre-consultation draft report. Through the February 2019 consultation a wide range of views were expressed, and this was an area where there was not a general consensus:

a. The BLV is considered low as landowners can only sell their land once.

   No alternative evidence was provided to support a higher figure, typically £15,000/unit / £500,000/ha.

b. We purchase land for 'exception sites' at about £15,000/unit.

c. ... land values as at May 2017 were set as £1,730,000/ha by the Valuation Office Agency.

This figure assumes nil affordable housing, applying this figure would be significantly higher than could reasonably be obtained in the actual market.

d. For the Strategic Sites a basic calculation could be applied to proportionally recognise that a policy compliant development of 40% affordable housing is to be reflected. That 40% of the net developable land would be affordable i.e. reduced market value. This would be a more realistic baseline in accordance with the needs of the Report.

e. A minimum of £500,000/ha would be more realistic.

f. Too low – suggested minimum of £620,000/ha (£250,000/acre) in north of county and £1,235,000/ha (£500,000/acre) in south of the county.

g. Need to take into account capital gains tax in value.

This is not accepted as each landowner will have different tax circumstances.

h. Reference made to HCA that brownfield BLV could be EUV plus 10% to 30% and greenfield sites 10 to 20 times agricultural values.

i. Suggested £617,000 to £865,000/ net developable ha (£250,000 to £350,000/net developable acre).

j. The viability assessments are incorrectly calibrated, with an BLV that is too low.

No alternative was suggested.

k. EUV plus 20% is not sufficient for greenfield sites. Thresholds of £500k to £750k per ha and upwards are required (being based on minimum prices in options.

l. Clarification as to whether the BLV is per gross ha or per net ha. Recent options have had minimum land prices in the £450,000/ha to £618,000/ha range.

It is confirmed these are on a gross basis.

m. The figures put forward are arbitrary and there is no evidence that landowners will accept them.

n. The proposed BLV are below the average prices presented in the transactional data (on a £/unit basis).

The PPG specifically says the BLV is not the average.

o. A 30% uplift was suggested for PDL (in line with the approach taken in Oxford).

p. The land value of Strategic Sites is likely to be less than for smaller sites.

q. BLV of EUV plus £300,000/ha is too low. '*some development sites are already impacted due to the current levels of affordable housing policy, CIL and transacted deals are commonly not meeting client's expectations*'. Further examples of transactions were provided on a confidential basis. The average is £782,000/ha (£39,000/unit) and median £752,000/ha (£40,000/unit)

r. Too low. Reference to HCA 'benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value'.

s. When it comes to setting CIL it is necessary to consider an additional 'buffer'. No specific amount was suggested.

This is agreed.

t. The BLV appears to be out of step with current residential values.

No alternatives were suggested and no evidence provided.

u. £350,000 BLV may not provide a sufficient incentive for landowners. No alternative suggested.

v. A BLV of £325,000/ha is too low. '... hurdle rate of £1m to £1.2m per net developable hectare would be a representative figure for greenfield unserviced land in the rural areas of Shropshire, with actual residential land values around £1.5m/ha. '.

w. It would be more representative to assess the BLV on a net basis, having taken into account affordable housing, abnormals, infrastructure.

x. The proposed methodology can't reflect variances between individual sites.

This is accepted, however, it is necessary to take a high-level approach in this assessment.

6.38 The above comments are not consistent and range considerably. There was not a consensus as to what approach should be taken. Several consultees suggested that average values should be based on average values. This is not accepted as to take this approach would be contrary to the PPG. It is however accepted that it is necessary to review the BLV assumption.

Other Viability assessments

6.39 Under the heading '*How should the premium to the landowner be defined for viability assessment?*' paragraph 10-016-20190509 of the PPG suggests reference is made to other viability assessments. We have reviewed the assumptions used in neighbouring areas:

Cheshire West and Chester

6.40 The LOCAL PLAN (PART TWO) LAND ALLOCATIONS & DETAILED POLICIES VIABILITY STUDY (Keppie Massie, WYG, December 2017) sets out the following BLV assumptions:

	Brownfield		Greenfield	
	(£/net ha)	**(£/net acre)**	**(£/net ha)**	**(£/net acre)**
Prime Value	1,358,500	550,000	802,750	325,000
High Value	1,111,500	450,000	679,250	275,000
Medium Value	864,500	350,000	494,000	200,000
Lowest Value	494,000	200,000	370,000	150,000

Source: LOCAL PLAN (PART TWO) LAND ALLOCATIONS & DETAILED POLICIES VIABILITY STUDY (Keppie Massie, WYG, December 2017) Table 5.1: Residential Benchmark/Threshold Land Value Assumptions

Cheshire East

6.41 In the *Cheshire East Council PDCS Viability Assessment* (Keppie Massie / WYG, February 2017) the following values were used:

Value Location	Previously Developed		Greenfield	
	£ per net developable ha	£ per net developable acre	£ per net developable ha	£ per net developable acre
Very Low/Low Value	£495,000	£200,000	£370,000	£200,000
Medium Value	£865,000	£250,000	£618,000	£225,000
Higher Value	£1,235,000	£500,000	£741,000	£250,000
Prime	£1,605,000	£650,000	£990,000	£400,000

Source: Table 5.1 *Cheshire East Council PDCS Viability Assessment* (Keppie Massie / WYG, February 2017)

6.42 These were applied to the following geographical areas (being the same areas that were used for the residential price areas):

Zone	Ward
Very Low	Inner Crewe.
Low	Outer Crewe. Middlewich and Elworth
Medium	Urban Areas of Congleton. Haslington and Shavington
High	Macclesfield. Alsager, Outer Congleton, Handforth, Holmes Chapel, Nantwich and Sandbach (excluding Elworth). Audlem, Bollington, Bunbury, Chelford, Disley, Goostrey, Holmes Chapel and Wrenbury.
Prime	Knutsford, Poynton and Wilmslow. Alderley Edge, Mobberley and Prestbury.

Source: Table 6.1 *Cheshire East Council PDCS Viability Assessment* (Keppie Massie / WYG, February 2017)

6.43 In the *Cheshire East Council CIL Draft Charging Schedule Report* (Keppie Massie / WYG, August 2017) values of '*£370,000 per net developable hectare/£150,000 per net developable acre*' were used for the site-specific testing of the Strategic Sites.

Newcastle Under Lyme

6.44 Newcastle-under-Lyme Borough Council and Stoke-on-Trent City Council are working together to prepare a new Joint Local Plan. The *Stoke on Trent City Council & Newcastle Under Lyme Borough Council SHLAA Viability Assessment* (NCS, October 2016) sets out an approach based on the Shinfield principles as follows:

The Threshold Land Value is established as follows:-

Existing Use Value + % Share of Uplift from Planning Permission = Threshold Land Value.

6.45 It is important to note that such an approach predates the 2018 NPPF and updated PPG so is not in line with the current guidance.

Stafford

6.46 The *Community Infrastructure Levy (CIL) Viability Study* (HDH, March 2015) sets out:

> *... the Viability Threshold (being the amount that the Residual Value must exceed for a site to be viable) be the EUV / AUV plus a 20% uplift on all sites. This is supported both by work we have done elsewhere and by appeal decisions (see Chapter 2). Based on our knowledge of rural development, and from working with farmers, landowners and their agents, we made a further assumption for those sites coming forward on greenfield land. We added a further £250,000/ha (£100,000/acre) to reflect this premium. We also added this amount to sites that were modelled on land that was previously paddock. ...*

Telford and Wrekin

6.47 The *SHLAA Viability Study* (PBA, September 2014) sets out:

> *Consultation has been undertaken with local agents to understand typical residential land values to benchmark against analysed data. Agents have indicates [sic] that land values are about a third of historic values. Land which requires remediation is approximately £300,000 per hectare. Clean serviced land in lower value areas are likely to be around circa £740,000 per hectare, with higher value areas able to achieve £1.24 to £1.5 million per hectare.*

6.48 These approaches taken was based on average values, so not in line with the updated PPG which recommends against such an approach.

South Staffordshire

6.49 The V*iability Study – Update* (HDH, June 2017) used the following approach:

> *We assumed that the Viability Threshold (being the amount that the Residual Value must exceed for a site to be viable) of the EUV / AUV plus a 20% uplift on all sites would be sufficient. This was supported both by work we have done elsewhere and by appeal decisions (see Chapter 2). Based on our knowledge of rural development, and from working with farmers, landowners and their agents, we have made a further adjustment for those sites coming forward on greenfield land (agricultural and paddock). Following the consultation process, we added a further £335,000/ha to reflect this premium. We also added this amount to sites that were modelled on land that was previously paddock.*

Wyre Forest

6.50 The *Local Plan Viability Assessment - UPDATE* (HDH, October 2018) sets out:

> *This is an iterative process. Drawing on the viability appraisals set out in Chapter 10 below the approach taken to Viability Thresholds in the 2017 Viability assessment has been carried forward into this update and the Benchmark Land Values have been taken to be the EUV + 20%, with a further uplift of £350,000/ha on greenfield sites (having been established, in part, through the consultation process).*

Worcester

6.51 Worcester, Malvern Hills and Wychavon share are preparing the joint South Worcestershire Local Plan. *The South Worcestershire Development Plan (SWDP) Viability Assessment Review* (Aspinall Verdi, November 2019) sets out:

> *5.29 With the new NPPF (July 2018) government policy has changed to ensure that planning policies are tested and viable at a Plan level; the developer has planning certainty to agree the land price with the landowner; and the scheme is delivered on a policy compliant basis.*
>
> *5.30 For greenfield typologies the bottom up approach is based on the net value per acre / hectare for agricultural / paddock land (existing use value (EUV)). This EUV is 'grossed up' to reflect a net developable to gross site area ratio between 60% (strategic sites) and 80%. The BLV is divided by the (higher) net value per acre / hectare gives an uplift multiplier (or premium) of between 21-24% for greenfield sites. These are the benchmark values that we would assume for the purpose of our hypothetical viability appraisals, and they act as the benchmark to test the RLV's of schemes to determine whether sites would come forward for development. These premiums are greater than those set out in the Homes and Communities Agency (now Homes England) (in August 2010) guidance which is now somewhat historic. See the BLV Caveats at section 4 in respect of site-specific negotiations and premiums.*
>
> *5.31 For the strategic sites we have assumed a discount for quantum and to reflect the quantum of infrastructure required. This results in an uplift multiplier of 14-15% for strategic sites.*
>
> *5.32 For the residential typologies on brownfield land, the benchmark land value is based on 8-14% premium over perceived Existing Use Values. Note that EUVs for brownfield sites are sensitive to the particular use and any legacy costs of contamination, site remediation and demolition.*

Herefordshire

6.52 The *HEREFORDSHIRE COUNCIL - 2014 UPDATED ECONOMIC VIABILITY ASSESSMENT, Whole Plan Viability Assessment* (Three Dragons, May 2014) sets out:

> *2.6 For 'urban' sites, we have therefore assumed an existing/alternative use value of £350,000 to £450,000 per hectare, depending on location. Using an uplift of 30%, a benchmark of £455,000 to £585,000 per hectare. We 'round this up' to £500,000 to £600,000 to add a further cushion and we assume that the lower benchmark applies in lower value areas (e.g. Leominster and Bromyard) and the higher figure in higher value areas (e.g. Hereford).*
>
> *2.7 There is less information on which to base a suitable benchmark for the high priced more rural areas (including Ledbury, Ross and the northern and eastern rural parts of Herefordshire) and an uplift on alternative use values would not fulfil the 'sense check' identified in Viability Testing Local Plans. Information is limited, but feedback from the agents' survey indicates that a benchmark of between £800,000 to £1,000,000 per hectare is a realistic range to use for this study.*
>
> *2.8 For (large-scale) greenfield development we assume 10 - 20 times agricultural value – using £20,000 per hectare as agricultural land value in Herefordshire. Higher multiples will apply to higher value areas and comments at the development industry workshop indicated that landowners would have a requirement in excess of 10 times agricultural values. Subsequent research on large-scale developments indicate that a benchmark of about £300,000 per gross hectare for greenfield sites is realistic in higher value areas e.g. Hereford but a lower benchmark would apply in lower value areas at £250,000 per hectare.*

Powys

6.53 Whilst in Wales, so subject to a different planning framework the *STUDY CONCERNING THE ECONOMIC VIABILITY OF PROVIDING AFFORDABLE HOUSING ACROSS POWYS, Undertaken in connection with the emerging Local Development Plan* (District Valuer Services (DVS), August 2016) is relevant:

> *4.25 On this basis we have adopted a base Greenfield land value of £300,000 per hectare. For Brownfield sites we have adopted the same to reflect that we believe that any remediation costs that may require attention would be relatively minor as we are aware that Brownfield in Powys is unlikely to be truly Brownfield under most people's understanding and is more likely to be former storage or builders yard for example. Where abnormal costs are significant on any site we believe these would be assessed on a site specific basis through the development management process. In our opinion these figures are able to provide a "life changing sum" which would incentivise a landowner to sell and provides accurately for the reality in the market place if compared to an existing EUV of £ per hectare.*

Wrexham

6.54 The *Wrexham and Flintshire Affordable Housing and Community Infrastructure Levy and Development Viability Assessment* (November 2014)

> *7.9 This approach would however tend to run counter to most studies where the benchmark for brown field tends to be higher. I therefore suggest that in the case of Wrexham and Flintshire, that the benchmark is kept the same.*
>
> *7.10 My own experience from Wales in two current studies suggests a benchmark of £300,000 per net hectare to be justified. One is a predominantly urban area and the other mainly rural. The urban authority figure is based on the Council's own land disposals and the other, the rural authority, is based on local consultation.*
>
> *7.18 That being stated, the BCIS costs, whilst they cover the costs of onsite infrastructure such as estate roads, do not cover the cost of major infrastructure works such as trunk roads and major access links. Larger sites, and particularly green field ones, which are less well linked to the infrastructure network, will incur costs beyond BCIS.*
>
> *7.19 For this reason, an additional allowance could be argued for. There is no perfect information here, but in my experience this can be up to £300,000 per net hectare. On the basis that both authorities potentially have a significant amount of large green field supply, I have allowed an additional £100,000 per hectare for this element to the land value benchmark. In doing so it should be noted that this may be 'overkill' with respect to smaller and medium sites, but the points remain about the need to show a buffer, particularly in the light of the fixed CIL charges.*

6.55 It is clear from the above that the approach taken across different areas varies. The initial approach taken in this study is at the bottom end of the range, however it is not clear why some consultees have suggested an approach that is so much higher than that uses elsewhere.

Updated BLV

6.56 In this iteration of this Viability Assessment, the following Benchmark Land Value assumptions are used:

a. Brownfield Sites: EUV Plus 20%.

b. Greenfield Sites: EUV Plus £400,000/ha.

6.57 This allows an uplift of 17 times the EUV for landowners and is broadly in line the approach taken in neighbouring authorities. For the Strategic Sites, the lower BLV of EUV Plus £300,000 (as put to the initial consultation) is carried forward and used.

6.58 It is accepted that this assumption was not agreed and is below the amount sought by some landowners. Sensitivity testing in this regard has been carried out.

7. Development Costs

7.1 This chapter considers the costs and other assumptions required to produce financial appraisals for the development typologies. These assumptions were presented to stakeholders at the consultation event in February 2020.

Development Costs

Construction costs: baseline costs

7.2 The cost assumptions are derived from the Building Cost Information Service (BCIS)[35] data – using the figures re-based for Shropshire. The cost figure for 'Estate Housing – Generally' is £1,164/m^2 at the time of this study: This is 49% higher than the equivalent figure of £782/m^2 used in the *Shropshire Viability Study* (SC, May 2013). The use of the BCIS data is suggested in the PPG (paragraph 10-012-20180724), however, it is necessary to appreciate that the volume housebuilders are likely to be able to achieve significant saving due to their economies of scale.

7.3 The base assumption in this report is that homes are built to the basic Building Regulation Part L 2013 Standards (as amended in 2016) but not to higher environmental standards. As set out in Chapter 2 above, the Government is undertaking a consultation on 'The Future Homes Standard'[36]. This is linked to achieving the 'net zero' greenhouse gas emissions by 2050. The Council is exploring the policy options in this regard. At this stage a policy has not been drafted but is likely to include provisions to encourage reduced energy usage. This is considered in Chapter 8 below.

[35] BCIS is the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

[36] https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Table 7.1 BCIS Costs- £/m² gross internal floor area						
Rebased to Shropshire (94; sample 97)						
£/m² study						
Description: Rate per m² gross internal floor area for the building Cost including prelims.						
Last updated: 07-Dec-2019 00:42						
	£/m² gross internal floor area					
(Maximum age of projects)	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest
810.1 Estate housing						
Generally (15)	1,205	578	1,029	1,164	1,322	4,147
Single storey (15)	1,350	766	1,150	1,302	1,517	4,147
2-storey (15)	1,167	578	1,018	1,140	1,275	2,498
3-storey (15)	1,221	761	994	1,179	1,372	2,447
4-storey or above (15)	2,539	1,258	2,055	2,232	3,346	3,804
810.11 Estate housing detached (15)	1,520	906	1,128	1,340	1,586	4,147
810.12 Estate housing semi detached						
Generally (15)	1,197	690	1,030	1,167	1,317	2,206
Single storey (15)	1,339	839	1,146	1,323	1,496	2,206
2-storey (15)	1,163	690	1,027	1,143	1,275	2,033
3-storey (15)	1,119	857	903	1,085	1,193	1,747
810.13 Estate housing terraced						
Generally (15)	1,242	759	1,033	1,176	1,363	3,804
Single storey (15)	1,393	933	1,172	1,330	1,614	1,981
2-storey (15)	1,202	759	1,021	1,163	1,333	2,498
3-storey (15)	1,239	761	984	1,178	1,378	2,447
816. Flats (apartments)						
Generally (15)	1,417	710	1,181	1,351	1,599	4,815
1-2 storey (15)	1,354	839	1,151	1,297	1,502	2,478
3-5 storey (15)	1,395	710	1,175	1,337	1,587	3,011
6+ storey (15)	1,728	1,053	1,413	1,609	1,861	4,815

Source: BCIS (December 2019)

7.4 The median BCIS costs are used for the appropriate development format.

7.5 In August 2015, a report was published that considered the construction costs on smaller sites. *Housing development: the economics of small sites – the effect of project size on the cost of housing construction* (August 2015) was carried out by BCIS, having been commissioned by the Federation of Small Businesses. This study concluded that the construction price for schemes of 1 to 5 units was about 13% higher than for schemes of over 10 units and that the construction price for schemes of 1 to 10 units was about 6% higher than for schemes of over 10 units. These adjustments have been made to the small schemes modelled in this report.

7.6 There was a consensus through the February 2020 consultation that this approach is appropriate.

7.7 A land promoter commented that no allowance had been made for garages (linking to the comments made in relation to value in Chapter 4 above). 76 of the 196 new homes being advertised for sale at the time of this assessment have an external garage. This is just under 40% of the sample. The garages are typically associated with the larger detached homes. We have adjusted the construction cost for detached houses proportionality to reflect this[37].

7.8 With regard to the Strategic Sites it was suggested that '*... higher density or non-standard construction sites should utilise different metrics than the Median General Estate Housing such as the Lower Quartile Rate*'. We agree with this approach as it is often possible to achieve substantial economies of scale on the larger schemes that are more likely to be brought forward by the larger national housebuilders. We have carried out sensitivity testing in this regard.

7.9 It was also suggested that inflation should be applied to Strategic Sites. It is agreed that it is necessary to consider changes in costs and values. Sensitivity testing has been carried out.

Other normal development costs

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

7.11 A scale of allowances has been developed for the residential sites, ranging from 5% of build costs for the smaller sites and flatted schemes, to 15% for the larger greenfield schemes.

7.12 Several comments were made in this regard through the February 2020 consultation:

> *Strategic sites may have higher site costs – although no suggestion was made as to what alternative assumption should be made.*
>
> *The 5% to 15% is too low. For example does not allow for garages (£8,000 each). 15% minimum should be used.*
>
> *15% is too low for strategic sites. No alternative suggestion is made.*

[37] Increasing the costs of detached houses from £1,340/m^2 to £1,377/m^2.

Site costs should be £215/m² to £270/m² (excluding abnormal costs). No explanation was provided in this regard.

Roads and unitalities can cost £247,000 to £370,000 per net ha.

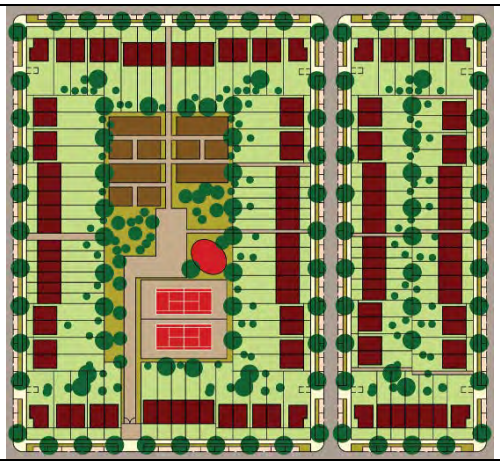
7.13 It is important to note that separate allowance is made for the strategic infrastructure costs. The treatment of garages is considered above. On a large greenfield site an allowance of 15.66% (being 15% plus 0.66% for biodiversity net gain) equates about £190/m², this is slightly less than the bottom of the £215/m² to £270/m² range suggested. Having said this, a 15.66% assumption is about £675,000/net ha is about double the amount suggested for roads and utilities. No change has been made in this regard.

Garden Town Principles

7.14 The Stanmore Garden Development and the Tasley Garden Development Strategic Sites are to be developed under Garden Town principles. The difference between the Garden Town and the conventional approach is in two main parts. The first being the total land requirement and the second being the layout.

7.15 In this assessment the construction costs are based on the BCIS costs. The BCIS costs include the costs of the building but not the costs of services and external works. For this assessment we have had regard to the work carried out by URS (now AECOM) to support the TCPA's *Nothing gained by overcrowding!* paper[38] In that paper, two 4ha schemes were modelled as per the layouts below (at 2012 prices) to ascertain the estimated site costs. It found that the site costs on the Garden Town scheme, on a per unit basis, are about 65% of the costs on the conventional scheme.

Figure 7.1 Scheme Layouts

Conventional Layout (A)	Garden City Layout (B)
	

Source: Nothing gained by overcrowding! TCPA 2012

[38] See footnote 1.

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

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

7.17 Under a conventional scheme it is generally assumed that the site costs would be about of 15% of the construction (i.e. BCIS based) costs. The garden town principle schemes are assumed to have a site cost of 13%. It is important to note that a lower density is used on the Stanmore Garden Development and the Tasley Garden Development, in line with the garden town principles.

Abnormal development costs and brownfield sites

7.18 With regard to abnormals, paragraph 10-012-20180724 of the PPG says:

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

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

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

7.20 The consequence of this, when considering viability in the planning system, is that abnormal costs should be added to the cost side of the viability assessment, but also reflected in (i.e. deducted from) the BLV. This has the result of balancing the abnormal costs on both elements of the appraisal.

7.21 This approach is consistent with the treatment of abnormals that was considered at Gedling Council's Examination in Public. There is an argument, as set out in Gedling, that it may not be appropriate for abnormals to be built into appraisals in a high-level assessment of this type. Councils should not plan for the worst-case option – rather for the norm. For example, if two similar sites were offered to the market and one was previously in industrial use with significant contamination, and one was 'clean' then the landowner of the contaminated site would have to take a lower land receipt for the same form of development due to the condition of the land. The Inspector said:

> *… demolition, abnormal costs and off site works are excluded from the VA, as the threshold land values assume sites are ready to develop, with no significant off site secondary infrastructure required. While there may be some sites where there are significant abnormal construction costs, these are unlikely to be typical and this would, in any case, be reflected in*

a lower threshold land value for a specific site. In addition such costs could, at least to some degree, be covered by the sum allowed for contingencies.

7.22 In some cases, where the site involves redevelopment of land, which was previously developed, there is the potential for abnormal costs to be incurred. Abnormal development costs might include demolition of substantial existing structures; flood prevention measures at waterside locations; remediation of any land contamination; remodelling of land levels; and so on. An additional allowance is made for abnormal costs associated with brownfield sites of 5% of the BCIS costs.

7.23 In summary, abnormal costs will be reflected in land value. Those sites that are less expensive to develop will command a premium price over and above those that have exceptional or abnormal costs. It is not the purpose of an assessment of this type to standardise land prices across an area.

7.24 Several comments were made in this regard through the February 2020 consultation:

An allowance should be made on greenfield sites

Additional allowance of £370,000/ha should be made on greenfield sites, more on brownfield sites. No indication as to what these may relate to was provided for greenfield sites. On brownfield sites examples of services, ground conditions, contamination, demolitions, asbestos, topography and attenuation were given.

Care must be taken not to reduce the BLV (through deducting abnormals), beyond a level that is acceptable to the landowner.

Further clarity around what are and are not abnormal costs would be helpful.

Allowance needs to be made for demolitions.

Whilst should be reflected in BLV, there must be an incentive for the landowner to sell.

7.25 It is accepted that care needs to be taken in the treatment of abnormal costs. Whilst the PPG is clear that abnormals are to be deducted from the BLV, so the owner of a site would receive less than an owner of a site with abnormal costs, if taken an extreme the BLV could be reduced below the EUV. There would be no incentive to sell.

7.26 The Council's proposed allocations are discussed in Chapter 9 below. On the whole these are relatively straight forward greenfield sites with few abnormal costs. Abnormal costs would include the extra costs over and above those required to develop a straightforward site. On greenfield sites these may include the costs of moving buried services, undertaking significant highways works, or installing extra flood defences. On brownfield sites it is necessary to make an allowance for the 'normal abnormal' costs that may be encountered from dealing with previously developed land. As well as those for greenfield sites these may extend to site clearance and demolitions. The brownfield sites being tested in this plan are at the cleaner end of the spectrum. When compared to sites in other areas the proposed sites may include challenges, but they do not require complete remediation thank may be associated with a mining or heavy industrial legacy. The exception to this is possibly the Ironbridge Power Station which may require further remediation.

7.27 No change has been made in this regard. The 5% allowance is believed to be sufficient for most brownfield sites, to cover site clearance, including demotions and some remediation.

Fees

7.28 For residential and non-residential development, we have assumed professional fees amount to 8% of build costs. Separate allowances are made for planning fees, acquisition, sales and finance costs.

7.29 Through the February 2020 consultation conflicting comments were received, both suggesting the 8% would be at the top of the expected range and that higher assumptions should be used. No change is made in this regard.

Contingencies

7.30 For previously undeveloped and otherwise straightforward sites, a contingency of 2.5% has been allowed for, with a higher figure of 5% on more risky types of development, previously developed land. So, the 5% figure was used on the brownfield sites and the 2.5% figure on the remainder.

S106 Contributions and the costs of infrastructure

7.31 For many years, Shropshire Council has sought payments from developers to mitigate the impact of the development through improvements to the local infrastructure. The majority of these are for general items rather than site specific infrastructure of the type that can now be sought under the restrictions as out in CIL Regulation 122.

7.32 In this study it is important that the costs of mitigation are reflected in the analysis.

7.33 Based on discussions with the Council an assumption of £5,000/unit assumption (excluding non-Strategic Sites) has been used on sites of 50 units and larger. This excludes any on or off-site contribution to affordable housing and assumes on-site open space provision. Bearing in mind the considerable uncertainly in this regard a range of costs have also been tested.

7.34 On the Strategic Sites the following assumptions are used. These are high level and subject to change. They are based on the Council's current estimate of the infrastructure requirements (at May 2020), however where the developer or site promoter has suggested a higher figure that has been used. It is important to note that where these assume that CIL would be in addition to these amounts and CIL would not be used to facilitate the development of these sites.

Table 7.1 Strategic Sites. Strategic Infrastructure and Mitigation Costs

Settlement	*Site Name*	*Preferred Site Allocation Reference*	*Gross site size (ha)*	*Number of Dwellings Proposed*	*Employment Site Area (Ha) Proposed*	*S106 Site*	*S106 £/unit*
Bridgnorth	Stanmore Garden Development, Bridgnorth	P54 P56 P58a STC002 STC004 STC005 STC006	86	850	16	£9,985,000	£11,747
	Tasley Garden Development, Bridgnorth	BRD030	128.1	1,050	16	£13,940,000	£13,276
Shifnal	East of Shifnal Industrial Estate, Shifnal	SHF018b SHF018d	40	0	15	£10,940,000	N/A
Shrewsbury	Land North of Mytton Oak Road, Shrewsbury	SHR057 SHR177	25	400	0	£4,960,000	£12,400
	Land between Mytton Oak Road and Hanwood Road, Shrewsbury	SHR060 SHR158 SHR161	105	1,400	20	£17,380,000	£12,414
	Land to the west of the A49, Shrewsbury	SHR166	45	0	18	£2,000,000	N/A
	Land west of Ellesmere Road, Shrewsbury	**SHR173**	23.3	500	0	£6,200,000	£12,400
Former Ironbridge Power Station	Former Ironbridge Power Station	IRN001	140	1,000	6	£24,660,000	£24,660
Clive Barracks Tern Hill	Clive Barracks Tern Hill	BNT002	72	750	5.75	£9,000,000	£12,000

Source: SC (May 2020)

7.35 As set out in Chapter 8 below, the principle source of infrastructure funding associated with smaller sites is CIL. Larger sites make appropriate combinations through a combination of CIL and S106 obligations. In line with comments made through the February 2020 consultation, a range of costs have been tested, up to £30,000 per unit.

Financial and Other Appraisal Assumptions

VAT

7.36 It has been assumed throughout, that either VAT does not arise, or that it can be recovered in full[39].

Interest rates

7.37 In the pre-consultation draft of this report the appraisals assumed 6% p.a. for total debit balances, we have made no allowance for any equity provided by the developer. An arrangement fee of 1% of the peak borrowing requirement is also allowed for. This does not reflect the current working of the market nor the actual business models used by developers. In most cases the smaller (non-plc) developers are required to provide between 30% and 40% of the funds themselves, from their own resources, so as to reduce the risk to which the lender is exposed. The larger plc developers tend to be funded through longer term rolling arrangements across multiple sites.

7.38 The 6% assumption may seem high given the very low base rate figure (0.01% April 2020). Developers that have a strong balance sheet, and good track record, can undoubtedly borrow less expensively than this, but this reflects banks' view of risk for housing developers in the present situation. In the residential appraisals, a simple cashflow is used to calculate interest.

7.39 The relatively high assumption of the 6% interest rate, and the assumption that interest is chargeable on all the funds employed, has the effect of overstating the total cost of interest as most developers are required to put some equity into most projects. In this study a cautious approach is being taken.

7.40 A range of comments were made through the consultation. In this iteration a combined rate of 7% is used (covering interest and fees).

Developers' return

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

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

[39] VAT is a complex area. Sales of new residential buildings are usually zero-rated supplies for VAT purposes (subject to various conditions). VAT incurred as part of the development can normally be recovered. Where an appropriate 'election' is made, VAT can also be recovered in relation to commercial development – although VAT must then be charged on the income from the development.

> *Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.*
>
> *For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.*

7.42 The purpose of including a developers' return figure is not to mirror a particular business model, but to reflect the risk a developer is taking in buying a piece of land, and then expending the costs of construction before selling the property. The use of developers' return in the context of area wide viability testing of the type required by the NPPF and CIL Regulation 14, is to reflect that level of risk.

7.43 Broadly there are four different approaches that could be taken:

a. To set a different rate of return on each site to reflect the risk associated with the development of that site. This would result in a lower rate on the smaller and simpler sites – such as the greenfield sites, and a higher rate on the brownfield sites.

b. To set a rate for the different types of unit produced – say 20% for market housing and 6% for affordable housing, as suggested by the HCA.

c. To set the rate relative to costs – and thus reflect the risks of development.

d. To set the rate relative to the gross development value.

7.44 In deciding which option to adopt, it is important to note that the intention is not to recreate any particular developer's business model. Different developers will always adopt different models and have different approaches to risk.

7.45 The argument is sometimes made that financial institutions require a 20% return on development value and if that is not shown they will not provide development funding. In the pre-Credit Crunch era there were some lenders who did take a relatively simplistic view to risk analysis but that is no longer the case. Most financial institutions now base their decisions behind providing development finance on sophisticated financial modelling that it is not possible to replicate in a study of this type. They require a developer to demonstrate a sufficient margin, to protect the lender in the case of changes in prices or development costs. They will also consider a wide range of other factors, including the amount of equity the developer is contributing (both on a loan-to-value and loan-to-cost basis), the nature of development and the development risks that may arise due to demolition works or similar, the warranties offered by the professional team, whether or not the directors will provide personal guarantees, and the number of pre-sold units.

7.46 This is a high-level study where it is necessary and proportionate to take a relatively simplistic approach, so, rather than apply a differential return (i.e. site-by-site or split), it is appropriate

to make some broad assumptions and, as set out above, the updated PPG says '*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies ... A lower figure may be more appropriate in consideration of delivery of affordable housing*'.

7.47 In the initial iteration of this assessment, the developers' return is assessed as 17.5% of the value of market housing and 6% of the value of affordable housing. 17.5% is the middle of the range suggested in the PPG. A range of comments were made through the consultation. These were not consistent and there was not a consensus.:

> *20% needed to secure development finance*
>
> *Too low – 20% to 22% of GDV suggested on brownfield sites.*
>
> *Based on appeal decisions this should be 20% of GDV (not the majority of the appeal decisions in this regard pre-date the updated PPG). Developers seek a minimum of 25%.*
>
> *17.5% is a normal 'blended' rate.*
>
> *Affordable housing for sale should be treated more like market housing for this purpose. 8% to 10% would be appropriate.*
>
> *IRR is a useful measure – particularly for strategic sites.*
>
> *A similar approach should be used for First Homes as used for market housing – as both are products to be sold by the developer.*
>
> *A figure closer to the top of the 15% to 20% is appropriate due to market uncertainty around leaving the EU.*
>
> *20% should be used, in line with developer's expectations.*
>
> *The combined 6% / 17.5% may result in an overall return of less than 15%. 6% is outdated with the move towards homeownership products.*
>
> *... a more realistic figure would be 20-25% of GDV...*
>
> *A return in the range of 22% -25% is considered more appropriate.*
>
> *... developers would require 20% return as an absolute minimum, more often 22%-25%.*
>
> *10%-15% may be a suitable return for affordable housing.*
>
> *Generally we agree with the assumptions in this area.*

7.48 It is necessary to consider risk in the context of the coronavirus pandemic. At the time of this report there is no evidence of falls in property values or changes in construction costs. There is however anecdotal evidence of a slowdown in sales on some sites. At this stage there is little evidence to draw on. As set out at the start of this report, there are real material uncertainties around the values of property and the costs of construction that are a direct result of the Covid 19 pandemic. It is likely that, at the very least, the development markets will be checked, and it is likely that house prices will fall.

7.49 In this high-level plan wide viability assessment, it is not considered appropriate to deviate from the range set out in the PPG. When considered on a national basis, taking into account most sites are greenfield sites an assumption of 17.5% has been applied to all residential development, other than build to rent where the industry norm of 15% is used. In acknowledgement of the additional risks as a result of Covid 19 sensitivity testing has been carried out in this regard.

Voids

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

7.51 For the purpose of the present study, a three-month void period is assumed for residential developments.

Phasing and timetable

7.52 A pre-construction period of six months (from site acquisition, following the grant of planning consent) is assumed for all of the sites[40]. Each dwelling is assumed to be built over a nine-month period. The phasing programme for an individual site will reflect market take-up and would, in practice, be carefully estimated taking into account the site characteristics and, in particular, the size and the expected level of market demand. The rate of delivery will be an important factor when considering the allocation of sites so as to manage the delivery of housing and infrastructure. Two aspects are relevant, firstly the number of outlets that a development site may have, and secondly the number of units that an outlet may deliver.

7.53 Initially a maximum, per outlet, delivery rate of 50 units per year was assumed, in the further iterations of the assessment build out rates on the typologies of 25pa in North Shropshire, 38pa in Central Shropshire and 36pa in South Shropshire are used. On a site with 20% affordable housing this equates to around 40 market units per year. On the smaller sites, we have assumed much slower rates to reflect the nature of the developer that is likely to be bringing smaller sites forward. The higher density flatted schemes are assumed to come forward more quickly. These assumptions are conservative and do, properly, reflect current practice. This is the appropriate assumption to make to be in line with the PPG and the Harman Guidance.

Site Acquisition and Disposal Costs

Site holding costs and receipts

7.54 Each site is assumed to proceed immediately (following a 6-month mobilisation period) and so, other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

[40] So as to be consistent with the SC assumptions in the wider evidence base.

Acquisition costs

7.55 A simplistic approach is taken, it is assumed an allowance 1% for acquisition agents' and 0.5%legal fees. Through the February 2020 consultation several consultees suggested that this allowance could be increased. The overall allowance has been increased to 2%.

7.56 Stamp duty is calculated at the prevailing rates.

Disposal costs

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

8. Local Plan Policy Requirements

8.1 The specific purpose of this study is to consider and inform the development of the emerging Local Plan and then, in due course, to assess the cumulative impact of the emerging policies in the new Local Plan. The outcomes and recommendations of this Study may influence the wording of policies in the Draft Local Plan.

8.2 The new Local Plan will replace the current Local Plan and various Supplementary Planning Documents. Currently, the expectation is that the new Local Plan will carry most of the existing policy requirements forward (subject to appropriate updating) rather than follow a radical new direction. The emerging policy areas that add to the costs of development (over and above the normal costs of development) are set out below – although it is important to note that, at this stage, these are draft policies are still subject to consultation and examination.

8.3 Many of the policies are either general enabling policies or policies that restrict development to particular areas or situations. These do not directly impact on viability. The Policy Objectives shown in the boxes below have been provided by SC and are commented on as far as they impact on viability. Some have been grouped for convenience:

Sustainable Design and Design Quality of Development and Housing Mix

Policy Area	Policy Objective
Sustainable Design and Design Quality of Development	• The Shropshire Test. A policy which will comply with the WMCA design charter. The 12 key objectives in the WMCA design charter are: 1. Regional Ambition 2. Local Distinctiveness 3. Regional Network 4. Modal Shift 5. Climate Resilience 6. Delivering Low Carbon Development 7. Technological Resilience – Smart/Connected Systems 8. Building Active Communities 9. Promoting Wellbeing 10. Engagement 11. Stewardship 12. Securing Social Value
	• Adoption of national space standards for all affordable housing, including any affordable accommodation for the elderly and those with specialist needs.
	• Adoption of requirement M4(2): Category 2 – Accessible and adaptable dwellings of Part M of the Building Regulations* for all open market and affordable accommodation. • Adoption of requirement M4(2): Category 3 - Accessible and adaptable dwellings of Part M of the Building Regulations* for 10% of open market and affordable housing on residential development classified as major development and all accommodation for the elderly and those with specialist needs. *For housing not specifically designed for the elderly or those with specialist needs, this requirement will apply unless site specific factors indicate that step-free access cannot be achieved or is not viable.

Mix of Housing	On sites of 5 or more dwellings or 0.2 hectares or more: • At least 25% of open market housing 2 bedrooms or below. At least a further 25% of open market housing 3 bedrooms or below. Or At least 50% of open market housing should directly reflect the profile of housing need established for the area through a Local Housing Need survey undertaken through the 'Right Home Right Place' initiative or equivalent survey endorsed by Shropshire Council. .

8.4 The emerging Plan seeks Nationally Described Space Standard (NDSS) technical requirements. In March 2015 the Government published *Nationally Described Space Standard – technical requirements*. This says:

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

8.5 The following unit sizes are set out[41]:

41 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard____Final_Web_version.pdf

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

Source: Table 1, Technical housing standards – nationally described space standard (March 2015)

8.6 In this study the units are assumed to be in line with the NDSS or larger. Through the February 2020 viability consultation several concerns were expressed in this regard. In particular this was around ascribing higher values to smaller units. In Chapter 4 (supported by the data in **Appendix 6** and **Appendix 7**) the value of newbuild homes is assessed. Neither the Land Registry nor the EPC data includes number of bedrooms. This data is gathered in relation to newbuild asking prices, however the internal area is not always available. This shows that whilst 47% of three-bedroom units are below NDSS, only 3% of 4 bedroom are below NDSS. Overall a cautious approach has been taken to establishing the values.

Housing Mix and Part M Access to and Use of Buildings

8.7 The emerging policy is to encourage an appropriate mix of sizes. The Council is in the process of refreshing its Housing Market Assessment. The Council's most recent evidence suggests the following housing mix:

Table 8.2 Recommended Housing Mix	
1 Bed	7.63%
2 Beds	25.10%
3 Beds	43.47%
4 Beds	17.82%
5+ Beds	5.98%

Source: SC (December 2019)[42]

8.8 In line the policy objective set out above the modelling assumes at least 25% of units are 2 bed and at least 25% are three bed. This mix forms the base modelling. As set out later in this report, a range of tenure mixes have been tested.

> *At least 50% of open market housing should directly reflect the profile of housing need established for the area through a Local Housing Need survey undertaken through the 'Right Home Right Place' initiative or equivalent survey endorsed by Shropshire Council.*

8.9 The Council have clarified this requirement to us. It is not expected that the developers will carry out local surveys or research, rather this will be provided by the Council (through the housing enabler). No additional cost has been added.

8.10 These housing mixes are not sought rigidly across all sites, rather are used to inform the overall housing mix. The higher density town centre schemes are likely to have more smaller units, likewise the larger sites in the rural areas are likely to include more family housing.

8.11 The adopted Local Plan seeks Lifetime Homes Standards on new housing. These standards have been superseded and the scope for councils to introduce additional standards are constrained to those within the optional Building Regulations. The additional costs of the further standards (as set out in the draft Approved Document M amendments included at Appendix B4[43]) are set out below. The key features of the 3-level standard (as summarised in the DCLG publication *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015)[44], reflect accessibility as follows:

- Category 1 – Dwellings which provide reasonable accessibility.
- Category 2 – Dwellings which provide enhanced accessibility and adaptability.

[42] *The 2014 based sub-national household projections are produced by age of the household reference person and household type. In the absence of more up-to-date data, the breakdown of type of household by bedroom size from the 2011 Census has been used to apportion out the projected household estimates by age and type to 2038. However, if new information should emerge on housing mix and size in Shropshire this may lead to further adjustments to the methodology and a revision to the estimates displayed.

[43] https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

[44] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/418414/150327_-_HSR_IA_Final_Web_Version.pdf

- Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair.

8.12 The cost of a wheelchair adaptable dwelling based on the Wheelchair Housing Design Guide for a 3-bed house, is taken to be £10,111 per dwelling[45]. The cost of Category 2 is taken to be £521[46] (this compares with the £1,097 cost for the Lifetime Homes Standard). Through the February 2020 consultation it was suggested that these costs be indexed as they are somewhat dated. This has been done, uplifting these costs by 17%[47].

8.13 The Council policy in this regard will be informed, in due course, by the Council's new SHMA and other relevant evidence. However, consistent with the Council's policy direction as part of the study we have assessed what the impact would be of requiring:

- All new homes to be designed to be accessible and adaptable dwellings.
- 10% of housing to be wheelchair adaptable dwellings.

8.14 Paragraph 56-009-20150327 of the *Housing: optional technical standards* restricts the application of the wheelchair standards:

> *What issues should local planning authorities consider in determining whether dwellings should be fully wheelchair accessible or adaptable?*
>
> *Part M of the Building Regulations sets a distinction between wheelchair accessible (a home readily useable by a wheelchair user at the point of completion) and wheelchair adaptable (a home that can be easily adapted to meet the needs of a household including wheelchair users) dwellings.*
>
> *Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling.*
>
> *56-009-20150327*

8.15 It is assumed for the purpose of this assessment that any wheelchair accessible homes will be affordable homes.

Housing Densities

Policy Area	Policy Objective
Housing Densities	No specific maximum/minimum density, rather design should reflect local character and site-specific factors. Starting point is 30dph gross site area.

8.16 In this assessment the modelling draws on the assumptions used in the *Shropshire Council SHLAA* (29th November 2018):

[45] Paragraph 153 *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015).

[46] Paragraph 157 *Housing Standards Review – Final Implementation Impact Assessment* (DCLG, March 2015).

[47] BCIS General Building Cost Index. March 2015 = 318.9. December 2019 + 373.2. 17%

For the purpose of this assessment, standard assumptions have been applied to calculate development potential. Specifically:

1. *Residential capacity = 30 dwellings per hectare, except for the limited number of small sites of less than 0.2 hectares which are considered capable of delivering 5 or more dwellings or 500m² floorspace of economic development.*
2. *Employment capacity = 40% of the total site area.*

8.17 The basis of the modelling is set out in Chapter 9 below.

Climate Change

Policy Area	Policy Objective
Climate Change	The Future Homes Standard: changes to Part L and Part F of the Building Regulations for new dwellings. Building Regs Part L + 31% CO2 reduction (the government's preferred option within the current Future Homes Standard consultation).
	Merton Rule: 10% of on-site energy needs generated on site from renewable energy resources.
	Encourage self-sustaining neighbourhoods and use of decentralised energy on large scale development of 250 dwellings or more and/or 25ha or more.

8.18 Building to increased standards would require construction to increased standards and thus higher costs.

8.19 In December 2019 the Government launched a consultation on 'The Future Homes Standard'[48]. This is linked to achieving the 'net zero' greenhouse gas emissions by 2050. Having declared a Climate Change Emergency, the Council is exploring the policy options in this regard. .

8.20 There are a wide range of ways of lowering the greenhouse gas emissions on a scheme, although these do alter depending on the nature of the specific project. These can include simple measures around the orientation of the building, and measures to enable natural ventilation, through to altering the fundamental design and construction, as well as requirements for on-site power generation, such as through the Merton Rule. The extent of the costs will depend on the specific changes made and are considered in Chapter 3 of the Government Consultation[49]:

[48] https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings?utm_source=7711646e-e9bf-4b38-ab4f-9ef9a8133f14&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

[49] The Future Homes Standard 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings (MHCLG, October 2019)

3.9 Following discussion with our technical working group and assessment of the modelling analysis, two options for the 2020 CO_2 and primary energy targets are proposed for consultation. The options below are presented in terms of CO_2 reduction to aid comparison with current standards. We plan to use either option 1 or option 2 as the basis of the new primary energy and CO_2 targets for new dwellings, with option 2 as the government's preferred option:

*a. **Option 1 - 'Future Homes Fabric'.** This would be a 20% reduction in CO_2 from new dwellings, compared to the current standards. This performance standard is based on the energy and carbon performance of a home with:*

i. Very high fabric standards to minimise heat loss from windows, walls, floors and roofs (typically with triple glazing). This would be the same fabric requirement as we currently anticipate for the Future Homes Standard

ii. A gas boiler

iii. A waste water heat recovery system

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

*b. **Option 2 - 'Fabric plus technology'**. This would be a 31% reduction in CO_2 from new dwellings, compared to the current standards. This option is likely to encourage the use of low-carbon heating and/or renewables. The performance standard is based on the energy and carbon performance of a home with:*

i. an increase in fabric standards (but not as high an increase as in Option 1, likely to have double rather than triple glazing)

ii. a gas boiler

iii. a waste water heat recovery system.

iv. iv. Photovoltaic panels

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

3.10. The option 2 specification would give a CO_2 saving of only 22% for flats due to the standard including solar panels and flats having a smaller roof area per home. The additional cost per flat is also less at £2256.

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

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

8.22 It is assumed the 'Merton' requirement (10% of on-site energy needs generated on site from renewable energy resources) is in addition to the 31% carbon saving. This is estimated to add about 0.75% to the cost of construction[50].

[50] Figure 4.10. Centre for Sustainable Energy Cost of carbon reduction in new buildings December 2018

8.23 The above relates to residential development. The performance of non-residential development is normally assessed using the BREEAM system[51]. The additional cost of building to BREEAM Very Good standard is negligible as outlined in research[52] by BRE. The additional costs of BREEAM Excellent standard ranges from just under 1% and 5.5%, depending on the nature of the scheme with offices being a little under 2%. It is assumed that new non-residential development will be to BREEAM Excellent and this increases the construction costs by 2% or so.

8.24 It is timely to note that building to higher standards that result in lower running costs does result in higher values[53].

Infrastructure Standards

Policy Area	Policy Objective
Infrastructure Standards	New development will be expected to provide for its own infrastructure needs, either through on-site design or appropriate developer contributions.
	• Where possible fibre broadband provision to the property should be provided as standard. Where this is not possible development should be fully fibre compatible. • Electric vehicle charging point connections for all properties (one per residence and an appropriate number for non-residential properties). • Appropriate sustainable drainage should be provided on site. • Active travel infrastructure – appropriate levels of cycle parking. Provision of cycle and pedestrian routes through the site and connecting to and where possible enhancing beyond the site. • Positive integration and support for public transport.

8.25 Cost of providing fibre (where it exists) is modest so no extra cost alliance has been made.

8.26 The plan seeks to encourage electric vehicle charging facilities on major developments. In line with comments made through the February 2020 consultation a cost of £976/unit[54] has been modelled. It is important to note that this allows for a full installation. The cost of providing a 33amp fused spur to a convenient point for the future installation of a charger would be within the normal wiring costs of a new home.

[51] Building Research Establishment Environmental Assessment Method (BREEAM) was first published by the Building Research Establishment (BRE) in 1990 as a method of assessing, rating, and certifying the sustainability of buildings.

[52] *Delivering sustainable buildings: Savings and payback*. Yetunde Abdul, BRE and Richard Quartermaine, Sweett Group. Published by IHS BRE Press, 7 August 2014

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

[54] Paragraph 9 Electric Vehicle Charging in Residential and Non-Residential Buildings (DfT, July 2019)

8.27 Sustainable Urban Drainage Systems (SUDS), are often a requirement. SUDS aim to limit the waste of water, reduce water pollution and flood risk relative to conventional drainage systems. In this study, it is anticipated that new development will be required to incorporate Sustainable Urban Drainage Schemes (SUDS). It is assumed that the costs of SUDS are included within the additional costs on brownfield sites, however on the larger greenfield sites it is assumed that SUDS will be incorporated into the green spaces (subject to local ground conditions), and be delivered through soft landscaping within the wider site costs.

8.28 The provision of internal connectivity is covered as normal site costs. Off-site matters are considered under the Developer Contribution heading below.

Open Space & GI

Policy Area	Policy Objective
Open Space & GI	30m^2 of open space per bed space (equating to one bed space per bedroom).

8.29 Policy MD2 of the Site Allocations and Management of Development Adopted Plan (adopted 17th December 2015) (SAMDev Plan) is the starting point for the current open space requirements in Shropshire. In summary Paragraph 5(ii) states that '*providing adequate open space of at least 30sqm per person that meets local needs in terms of function and quality and contributes to wider policy objectives such as surface water drainage and the provision and enhancement of semi natural landscape features. For developments of 20 dwellings or more, this should comprise an area of functional recreational space for play, recreation, formal or informal uses including semi-natural open space'*.

The Council currently anticipates that this approach will largely continue in the future.

Developer Contributions

Policy Area	Policy Objective
Education	• Developer contributions towards education for small-scale development of less than 50 dwellings will be secured through CIL. • For development of 50 or more dwellings (the point at which quarter of a new classroom is likely required) which result in the need for investment in additional classroom facilities to support pupils yielded*, developer contributions towards education will be secured through S106 legal agreements. Where contributions are required, these are based on latest DFE funding. • Where significant development results in the need for a new school, developer contributions (both land and in-kind) towards education will be secured through S106 legal agreements. Where contributions are required, these are based on the actual cost of provision of the school. *Pupil yields are calculated on the number of children per household from the latest census (as the last census pre-dates the formation of Shropshire Council, there are five different geographies for this data).

Community Facilities	Site specific/CIL.
Developer Contributions	Initial position is maintaining current CIL contributions which apply to C3 development: • Urban: £40/m2 indexed to £57.86m2 for 2019. • Rural: £80/m2 indexed to £115.71m2 for 2019.

8.30 There are a range of policies that require the impact of development to be fully mitigated and that the infrastructure that is required to support new development is provided. The Council has adopted CIL but also uses the s106 regime, in this regard. In this context the Developer Contributions SPD (adopted in July 2011) is relevant. The Council have provided us with the 2018 s106 Tariff calculation for POS off site contribution. This derives a figure of £4,400/unit, although the general expectation is that provision should be made on site. Similarly, the Council have provided us with a potential s106 Tariff calculation for education contributions. This derives a figure of between £3,700/unit and £5,250/unit depending on the area. In the base appraisals an assumption of £5,000/unit is used on non-strategic sites of over 50 units.

8.31 The current rates of CIL are as follows:

Table 8.5 Adopted Rates of CIL. £/m2

	January 2012 Rate	Index (2020) Rate
Residential		
Shrewsbury, market towns and key centres	£40.00	£59.64
Elsewhere	£80.00	£119.29
Affordable Housing	£0.00	£0.00
Non Residential Development	£0.00	£0.00

Source: https://www.shropshire.gov.uk/planning-policy/community-infrastructure-levy-cil/

8.32 These are incorporated in the base assumptions as per the Council's instalment policy.

Number of dwellings	Number of Instalments	Total Timescale for Instalments	Payment Periods and Amounts
0-1 (or new build)	2	270 days (9 months)	- 15% of the levy 60 days from commencement. - 85% of the levy 270 days from commencement.
2-5	3	365 days (1 year)	- 15% of the levy 60 days from commencement. - 20% of the levy 270 days from commencement. - 65% of the levy 365 days from commencement.
6-25	3	365 days (1 year)	- 15% of the levy 60 days from commencement. - 25% of the levy 270 days from commencement. - 60% of the levy 365 days from commencement.
26-50	3	548 days (18 months) (1 year and a half)	- 25% of the levy 60 days from commencement. - 25% of the levy 365 days from commencement. - 50% of the levy 548 days from commencement.
51-100	3	730 days (2 years)	- 10% of the levy 60 days from commencement. - 35% of the levy 365 days from commencement. - 55% of the levy 730 days from commencement.
101-200	4	1095 days (3 years)	- 10% of the levy 60 days from commencement. - 15% of the levy 365 days from commencement. - 25% of the levy 730 days from commencement. - 50% of the levy 1095 days from commencement.
201-300	5	1460 days (4 years)	- 10% of the levy 60 days from commencement. - 15% of the levy 365 days from commencement. - 25% of the levy 730 days from commencement. - 25% of the levy 1095 days from commencement. - 25% of the levy 1460 days from commencement.
301+	6	1825 days (5 years)	- 10% of the levy 60 days from commencement. - 10% of the levy 365 days from commencement. - 20% of the levy 730 days from commencement. - 20% of the levy 1095 days from commencement. - 20% of the levy 1460 days from commencement.

Health and Wellbeing

Policy Area	Policy Objective
Health and Wellbeing	• Promoting active travel. • Promoting access to sustainable travel options. • Access to open space.

8.33 There is an overlap between these requirements, Open Space and Developer Contributions. This is not modelled separately.

Habitats Regulations Assessment (HRA)

Policy Area	Policy Objective
HRA	Mitigation measures to be identified through Local Plan HRA. These will be settlement specific (all sites – allocations and windfall associated with a settlement) and could include such measures as: • Over-provision of open space. • Off-site tree planting and management. • Off-site traffic management. • Nitrate, phosphate and sediment management.

8.34 There is an overlap between these requirements, Open Space and Developer Contributions. This is not modelled separately.

Biodiversity Net Gain

Policy Area	Policy Objective
Biodiversity Net Gain	To comply with emerging legislation.

8.35 In March 2019 the Government announced that new developments must deliver an overall increase in biodiversity. Following a consultation, the Chancellor confirmed in the Spring Statement that the Government will use the forthcoming Environment Bill to mandate 'biodiversity net gain'.

8.36 At this stage, the details have not been have been published, however biodiversity net gain requires developers to ensure habitats for wildlife are enhanced and left in a measurably better state than they were pre-development. They must assess the type of habitat and its condition before submitting plans, and then demonstrate how they are improving biodiversity – such as through the creation of green corridors, planting more trees, or forming local nature spaces.

8.37 Green improvements on site would be encouraged, but in the rare circumstances where they are not possible, developers will need to pay a levy for habitat creation or improvement elsewhere.

8.38 The costs of this type of intervention are modest and will be achieved through the use of more mixed planting plans, that use more locally appropriate native plants. To a large extent the costs of grass seeds and plantings will be unchanged. More thought and care will however go into the planning of the landscaping. There will be an additional cost of establishing the base line 'pre-development' situation as a survey will need to be carried out. On a small site this is likely to be a few thousand pounds, but on a large complex site this could be more.

8.39 The Government's impact assessment[55] suggests an average cost of about £21,000/ha (including fees). We have increased the site cost assumption to reflect this. Through the February 2020 consultation it was suggested that the appropriate regional figure is used. The figure for the East Midlands is a marginally less than this. In this regard it is important to note that the base assumption is that the requirements of bio-diversity net gain will be delivered on site. It is therefore appropriate to undertake the modelling on this basis.

8.40 It was also highlighted that the delivery of bio-diversity net gain on site requires space. The Council believes that gross net assumptions used when establishing the capacity of the allocations is sufficient in this regard.

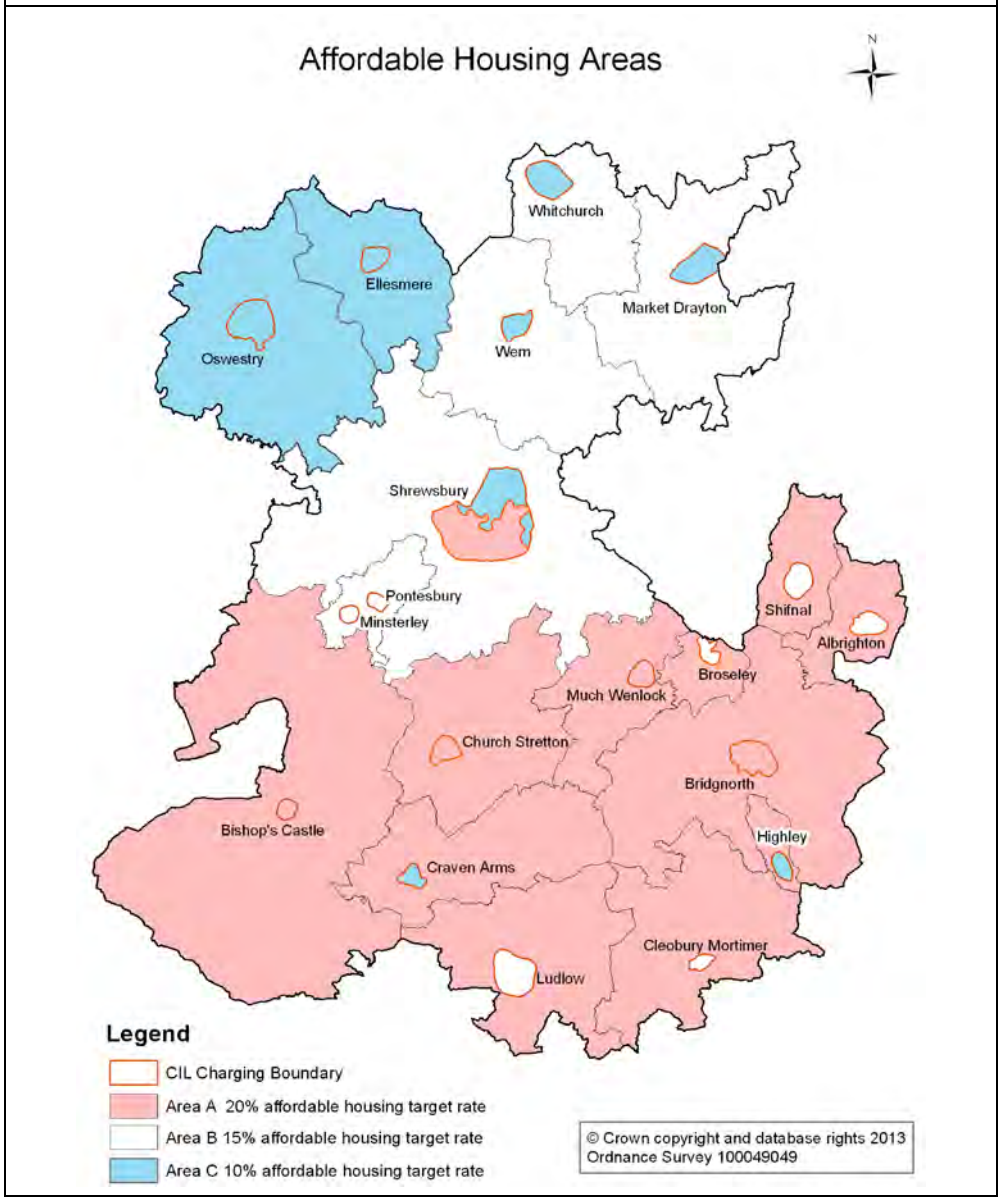
Affordable Housing

Policy Area	Policy Objective
Affordable Housing	• *To be informed by the viability assessment.* • *Maintain a 70%:30% split between rental and affordable home ownership.*

8.41 The Council's affordable housing policy has three zones:

[55] https://www.gov.uk/government/consultations/biodiversity-net-gain-updating-planning-requirements

Figure 8.1 SC Affordable Housing Zones



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

> *64. Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:*
>
> *a) provides solely for Build to Rent homes;*
>
> *b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
>
> *c) is proposed to be developed by people who wish to build or commission their own homes; or*
>
> *d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.*

8.43 Shropshire Council are considering the options around this, such as the continuation of its 70% affordable rent and 30% Affordable home ownership requirement. This will be informed by the wider evidence base.

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

> *What provision of affordable housing is a build to rent development expected to provide?*
>
> *The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.*
>
> *20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.*
>
> *National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development.*
>
> *PPG: 60-002-20180913*
>
> *How should affordable private rent be calculated?*
>
> *Affordable private rent should be set at a level that is at least 20% less than the private market rent (inclusive of service charges) for the same or equivalent property. Build to rent developers should assess the market rent using the definition of the International Valuations Standard Committee as adopted by the Royal Institute of Chartered Surveyors.*
>
> *PPG: 60-003-20180913*
>
> *Is affordable private rent the only form of affordable housing permitted on build to rent schemes?*
>
> *It is expected that developers will usually meet their affordable housing requirement by providing affordable private rent homes. However, if agreement is reached between a developer and a local authority, this requirement can be met by other routes, such as a commuted payment and/or other forms of affordable housing as defined in the National Planning Policy Framework glossary. The details of this must be set out in the section 106.*
>
> *PPG: 60-004-20180913*
>
> *How can the proportion of affordable private rent and level of discount be flexed?*
>
> *Both the proportion of affordable private rent units, and discount offered on them can be varied across a development, over time. Similarly it should be possible to explore a trade off between the proportion of discounted units and the discount(s) offered on them, with the proviso being that these should accord with the headline affordable housing contribution agreed through the planning permission. All options should be agreed jointly between the local authority and the developer as part of the planning permission, and set out in a section 106 agreement. Guidance on viability confirms that viability studies for build to rent schemes can be customised in this way.*
>
> *PPG: 60-005-20180913*

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

8.46 As set out in Chapter 2 above, in February 2020 the Government launched a consultation on First Homes. The consultation is exploring a number of options. In broad terms it is suggested that development should include an element of First Homes where these are discounted for first time buyers by at least 30% from market values. At this stage the proportion of First Homes to be delivered has not been proposed.

8.47 A range of affordable housing requirements and tenure mixes have been tested.

Self-Build

Policy Area	Policy Objective
Self-Build	• On major development sites, we would encourage 10% of dwellings to be made available for self-build developers, where there is an identified need on the Self-Build Register.

8.48 This policy has been tested.

Water efficiency

Policy Area	Policy Objective
Water efficiency	• Encourage water efficient development.

8.49 It is assumed that measures to reduce the use of water, in line with the enhanced building regulations, will be introduced. The costs are modest, likely to be about £9/dwelling.

8.50 The other policy areas are primarily enabling mechanisms, rather than policy requirements so not tested.

9. Modelling

9.1 In the previous chapters, the general assumptions to be inputted into the development appraisals are set out. In this chapter, the modelling is set out. It is stressed that this is a high-level study that is seeking to capture the generality rather than the specific. The purpose is to establish the cumulative impact of Shropshire Council's policies on development viability.

9.2 The approach is to model a set of development sites that are broadly representative of the type of development that is likely to come forward under the new Local Plan. The Council has provided a long list of potential allocations which have formed the basis of the modelling. As set out in Chapter 3 above, in addition to modelling a range of representative sites, the Strategic Sites are to be considered individually.

Residential Development

9.3 In this assessment the modelling draws on the assumptions used in the *Shropshire Council SHLAA* (29th November 2018):

> *For the purpose of this assessment, standard assumptions have been applied to calculate development potential. Specifically:*
>
> - *Residential capacity = 30 dwellings per hectare, except for the limited number of small sites of less than 0.2 hectares which are considered capable of delivering 5 or more dwellings or 500m² floorspace of economic development.*
> - *Employment capacity = 40% of the total site area.*

9.4 It is understood that that the 30units/ha is generally applied on a gross area basis as the SHLAA does not use a net/gross assumption so the following are used, as it is necessary to recognise that the developed area rarely covers the whole site. Allowance has to be made for opens space and the provision of infrastructure such as SUDS.

Table 9.1 Net Developable Area Assumption

Site Area	Net Developable Area
Strategic Sites	60%
3ha +	70%
1ha to 3 ha	80%
Less than 1ha	100%

Source: January 2020

9.5 On the greenfield sites, where the gross area is not sufficient to accommodate the open space requirements, an adjustment is made.

9.6 The long list of potential allocations is analysed and used as a basis for the modelling.

Table 9.2 Analysis of Potential Allocations by Area

(Based on sites within the Preferred Sites Consultation, Excluding Strategic Sites)

	Count of sites		Capacity		Area		Average Size	
			Dwellings		Ha		Dwellings	Ha
Albrighton	2	3%	195	5%	6.53	3%	97.50	3.27
Bishops Castle	6	9%	149	4%	7.81	4%	24.83	1.30
Bridgnorth	3	4%	110	3%	5.90	3%	36.67	1.97
Broseley	2	3%	55	1%	3.85	2%	27.50	1.93
Church Stretton	2	3%	110	3%	6.68	3%	55.00	3.34
Ellesmere	2	3%	160	4%	8.33	4%	80.00	4.17
Highley	1	1%	120	3%	5.42	3%	120.00	5.42
Ludlow	3	4%	104	3%	8.35	4%	34.67	2.78
Market Drayton	6	9%	540	13%	25.01	12%	90.00	4.17
Minsterley and Pontesbury	2	3%	60	1%	3.80	2%	30.00	1.90
Much Wenlock	3	4%	145	4%	6.40	3%	48.33	2.13
Oswestry	14	21%	810	20%	36.40	18%	57.86	2.60
Shifnal	2	3%	180	4%	6.30	3%	90.00	3.15
Shrewsbury	10	15%	525	13%	29.99	15%	52.50	3.00
Wem	6	9%	350	9%	17.40	9%	58.33	2.90
Whitchurch	4	6%	475	12%	24.72	12%	118.75	6.18
Total	**68**	**100%**	**4088**	**100%**	**202.89**	**100%**	**60.12**	**2.98**

Excluding sites of more than 250 dwellings which would be considered as strategic sites.

Source: SC January 2020

9.7 To inform the modelling, the characteristics of the planned development is considered in terms of location, size and suggested use, representative of sites in the Shropshire Council area.

9.8 In arriving at appropriate assumptions for residential development on each site, the built forms used in the appraisals are appropriate to current development practices. In addition, the policy requirements, as set out in Chapter 7 above, in terms of density, mix and open space, are reflected in the modelling.

9.9 A set of typologies has been developed that responds to the variety of development situations and densities typical in the area, and this is used to inform development assumptions for sites. This approach enables us to form a view about floorspace density to be accommodated on the site, based on the amount of development, measured in net floorspace per hectare. This is a key variable because the amount of floorspace which can be accommodated on a site relates directly to the Residual Value and is an amount which developers will normally seek to maximise (within the constraints set by the market).

9.10 A typical current estate housing built-form would provide development at between 3,000m^2/ha to 3,550m^2/ha on a substantial site, or sensibly shaped smaller site. A representative housing density might be 30/net ha to 35/net ha. This has become a common development format. It provides for a majority of houses but with a small element of flats, in a mixture of two storey and two and a half to three storey form, with some rectangular emphasis to the layout.

9.11 Some schemes have an appreciably higher density development providing largely or wholly apartments, in blocks of three storeys or higher, with development densities of 6,900m^2/ha and dwelling densities of 100units/ha upwards; and other schemes are of lower density, on the edge of built up areas.

9.12 The main characteristics of the modelled sites are set out in the tables below. A proportion of the housing to come forward over the plan-period will be on smaller sites, therefore several smaller sites have been included.

9.13 Allowance is made for circulation space within flatted schemes.

Table 9.3 Summary of Typologies			
Green 250	Units	150	Large greenfield site. As per mix policy and HNA - mix of family housing. 70% net (4.29ha). Gross density 24.5/ha. POS based on 410 occupants – 0.82ha)
	Area	6.12	
1	Units/ha	35.00	
Green 120	Units	120	Greenfield site. As per mix policy and HNA - mix of family housing. 70% net (3.43ha). Gross density 24.5/ha. POS based on 327 occupants – 0.82ha)
	Area	4.90	
2	Units/ha	35.00	
Green 80	Units	80	Greenfield site. As per mix policy and HNA - mix of family housing. 80% net (2.29ha). Gross density 28/ha. POS based on 211 occupants – 0.44ha.
	Area	2.86	
3	Units/ha	35.00	
Green 60	Units	60	Greenfield site. As per mix policy and HNA - mix of family housing. 80% net (1.71ha). Gross density 28/ha. POS based on 167 occupants – 0.33ha.
	Area	2.14	
4	Units/ha	35.00	
Green 30	Units	30	Greenfield site. As per mix policy and HNA - mix of family housing. 80% net (1.86ha). Gross density 28/ha. POS based on 80 occupants – 0.16ha.
	Area	1.07	
5	Units/ha	35.00	
Green 20	Units	20	Greenfield site. As per mix policy and HNA. Gross density 29.4/ha. POS based on 54 occupants – 0.11ha, 84.1% net (0.57ha).
	Area	0.68	
6	Units/ha	35.00	
Green 12	Units	12	Greenfield site. As per mix policy and HNA. Gross density 29.2/ha. POS based on 34 occupants – 0.07ha, 83.45% net (0.34ha).
	Area	0.41	
7	Units/ha	35.00	
Green 9	Units	9	Greenfield site. As per mix policy and HNA. Gross density 25.9/ha. POS based on 44 occupants – 0.05ha, 86.21% net (0.3ha).
	Area	0.35	
8	Units/ha	30.00	
Green 6	Units	6	Greenfield. 100% net developable.
	Area	0.20	
9	Units/ha	30.00	
Green 3	Units	3	Greenfield. 100% net developable. No affordable.
	Area	0.10	
10	Units/ha	30.00	
Green Plot	Units	1	Greenfield. 100% net developable. No affordable.
	Area	0.03	
11	Units/ha	30.00	

Urban 300	Units	300	Brownfield site. As per mix policy and HNA - mix of family housing. POS of 4.08ha (based on 823 residents) provided off site. 100% bet developable.
	Area	7.50	
12	Units/ha	40.00	
Urban 100	Units	100	Brownfield site. As per mix policy and HNA - mix of family housing. POS of 1.37ha (based on 276 residents) provided off site. 100% bet developable.
	Area	2.50	
13	Units/ha	40.00	
Urban 60	Units	60	Brownfield site. As per mix policy and HNA - mix of family housing. POS of 0.82ha (based on 166 residents) provided off site. 100% bet developable.
	Area	1.33	
14	Units/ha	45.00	
Urban 25 HD	Units	25	Brownfield site. Higher density flatted scheme. POS of 0.24ha (based on 49 residents) provided off site. 100% bet developable.
	Area	0.42	
15	Units/ha	60.00	
Urban 25	Units	25	Brownfield site. As per mix policy and HNA - mix of family housing. POS of 0.33ha (based on 67 residents) provided off site. 100% bet developable.
	Area	0.56	
16	Units/ha	45.00	
Urban 16 HD	Units	16	Brownfield site. Higher density flatted scheme. POS of 0.13ha (based on 26 residents) provided off site. 100% bet developable.
	Area	0.27	
17	Units/ha	60.00	
Urban 16	Units	16	Brownfield site. OS of 0.22ha (based on 44 residents) provided off site. 100% bet developable.
	Area	0.36	
18	Units/ha	45.00	
Urban 8 HD	Units	8	Brownfield, higher density flatted scheme. 100% net developable. No Affordable.
	Area	0.13	
19	Units/ha	60.00	
Urban 8	Units	8	Brownfield. 100% net developable. No affordable.
	Area	0.18	
20	Units/ha	45.00	
Urban 5	Units	5	Brownfield. 100% net developable. No affordable.
	Area	0.11	
21	Units/ha	45.00	
Urban 3	Units	3	Brownfield. 100% net developable. No affordable.
	Area	0.07	
22	Units/ha	45.00	
Urban Plot	Units	1	Brownfield. 100% net developable. No affordable.
	Area	0.02	
23	Units/ha	45.00	

PRS 25	Units	25	Flatted scheme as Built to Rent. 20% affordable. 100% net developable.
	Area	0.42	
24	Units/ha	60.00	
PRS 60	Units	60	Flatted scheme as Built to Rent. 20% affordable. 100% net developable.
	Area	1.00	
25	Units/ha	60.00	

Source: HDH (May 2020)

9.14 The modelling is further summarised below.

Table 9.4 Summary of Typologies – Areas and Densities (Updated)

				Current Use	Units	Area Ha		Density Units/ha		Density
						Gross	Net	Gross	Net	m2/ha
1	Green 250	Green	Agricultural		150	6.12	4.29	24.50	35.00	3,460
2	Green 120	Green	Agricultural		120	4.90	3.43	24.50	35.00	3,452
3	Green 80	Green	Agricultural		80	2.86	2.29	28.00	35.00	3,491
4	Green 60	Green	Agricultural		60	2.14	1.71	28.00	35.00	3,502
5	Green 30	Green	Agricultural		30	1.07	0.86	28.00	35.00	3,446
6	Green 20	Green	Agricultural		20	0.68	0.57	29.44	35.00	3,407
7	Green 12	Green	Paddock		12	0.41	0.34	29.21	35.00	3,602
8	Green 9	Green	Paddock		9	0.35	0.30	25.86	30.00	2,930
9	Green 6	Green	Paddock		6	0.20	0.20	30.00	30.00	2,935
10	Green 3	Green	Paddock		3	0.10	0.10	30.00	30.00	3,490
11	Green Plot	Green	Paddock		1	0.03	0.03	30.00	30.00	4,050
12	Urban 300	Brown	PDL		300	7.50	7.50	40.00	40.00	3,889
13	Urban 100	Brown	PDL		100	2.50	2.50	40.00	40.00	3,908
14	Urban 60	Brown	PDL		60	1.33	1.33	45.00	45.00	4,398
15	Urban 25 HD	Brown	PDL		25	0.42	0.42	60.00	60.00	3,638
16	Urban 25	Brown	PDL		25	0.56	0.56	45.00	45.00	4,343
17	Urban 16 HD	Brown	PDL		16	0.27	0.27	60.00	60.00	3,401
18	Urban 16	Brown	PDL		16	0.36	0.36	45.00	45.00	4,517
19	Urban 8 HD	Brown	PDL		8	0.13	0.13	60.00	60.00	3,450
20	Urban 8	Brown	PDL		8	0.18	0.18	45.00	45.00	4,320
21	Urban 5	Brown	PDL		5	0.11	0.11	45.00	45.00	3,915
22	Urban 3	Brown	PDL		3	0.07	0.07	45.00	45.00	4,905
23	Urban Plot	Brown	PDL		1	0.02	0.02	45.00	45.00	6,075
24	PRS 25	Brown	PDL		25	0.42	0.42	60.00	60.00	3,511
25	PRS 60	Brown	PDL		60	1.00	1.00	60.00	60.00	3,551

Source: HDH (May 2020)

9.15 The following table shows how the typologies relate to the allocations in the draft plan and the unconsented allocations from the adopted Plan.

Table 9.5 Number of Schemes by Typology (excluding Strategic Sites)

		South		South Higher		Shrewsbury		North	
Site 1	Green 250	3	2.9%			1	1.0%	2	1.9%
Site 2	Green 120	2	1.9%			1	1.0%	8	7.6%
Site 3	Green 80	5	4.8%				0.0%	5	4.8%
Site 4	Green 60	8	7.6%	1	1.0%	2	1.9%	9	8.6%
Site 5	Green 30	9	8.6%	1	1.0%			11	10.5%
Site 6	Green 20	9	8.6%					4	3.8%
Site 7	Green 12	5	4.8%	1	1.0%			2	1.9%
Site 8	Green 9	2	1.9%						
Site 9	Green 6	5	4.8%					4	3.8%
Site 10	Green 3	2	1.9%					1	1.0%
Site 11	Green Plot								
Site 12	Urban 300								
Site 13	Urban 100								
Site 14	Urban 60							1	1.0%
Site 15	Urban 25 HD								
Site 16	Urban 25								
Site 17	Urban 16 HD								
Site 18	Urban 16								
Site 19	Urban 8 HD								
Site 20	Urban 8								
Site 21	Urban 5								
Site 22	Urban 3	1	1.0%						
Site 23	Urban Plot								
Site 24	PRS 25								
Site 25	PRS 60								
		51	48.6%	3	2.9%	4	3.8%	47	44.8%

Source: HDH (June 2020)

Table 9.6 Number of Units by Typology (excluding Strategic Sites)									
		South		South Higher		Shrewsbury		North	
Site 1	Green 250	735	11.2%			450	6.8%	440	6.7%
Site 2	Green 120	300	4.6%			150	2.3%	1082	16.4%
Site 3	Green 80	475	7.2%					436	6.6%
Site 4	Green 60	477	7.2%	70	1.1%	108	1.6%	560	8.5%
Site 5	Green 30	328	5.0%	40	0.6%			386	5.9%
Site 6	Green 20	187	2.8%					97	1.5%
Site 7	Green 12	74	1.1%	10	0.2%			30	0.5%
Site 8	Green 9	16	0.2%						
Site 9	Green 6	31	0.5%					21	0.3%
Site 10	Green 3	6	0.1%					4	0.1%
Site 11	Green Plot								
Site 12	Urban 300								
Site 13	Urban 100								
Site 14	Urban 60							65	1.0%
Site 15	Urban 25 HD								
Site 16	Urban 25								
Site 17	Urban 16 HD								
Site 18	Urban 16								
Site 19	Urban 8 HD								
Site 20	Urban 8								
Site 21	Urban 5								
Site 22	Urban 3	4	0.1%						
Site 23	Urban Plot								
Site 24	PRS 25								
Site 25	PRS 60								
		2633	40.0%	120	1.8%	708	10.8%	3121	47.4%

Source: HDH (June 2020)

9.16 The smaller sites and brownfield sites may come forward as windfall development.

9.17 The Strategic Sites will be similarly summarised. In modelling these sites, a density of 35units/ha is assumed except on the Stanmore Garden Development and the Tasley Garden Development sites were a density of 30units/ha is used in line with Garden Town principles. The modelling assumes a gross area that is based on a net developable area of 60%. Some of the actual site areas are very much greater than this.

Table 9.7 Summary of Strategic Sites – Areas and Densities (Updated)

			Current Use	Units	Area Ha		Density Units/ha		Density
					Allocation	Gross	Net	Gross	Net	m2/ha
1	Stanmore Gard	Green	Agricultural	850	86.00	47.22	28.33	18.00	30.00	2,972
2	Tasley Garden	Green	Agricultural	1,050	128.10	58.33	35.00	18.00	30.00	2,970
3	North of Mytto	Green	Agricultural	400	25.00	19.05	11.43	21.00	35.00	3,462
4	Between Mytto	Green	Agricultural	1,400	105.00	66.67	40.00	21.00	35.00	3,463
5	West of Ellesm	Green	Agricultural	500	23.30	23.30	14.29	21.46	35.00	3,464
6	Ironbridge Pow	Brown	Industrial	1,000	140.00	47.62	28.57	21.00	35.00	3,464
7	Clive Barracks	Mixed	PDL	750	72.00	35.71	21.43	21.00	35.00	3,466

Source: HDH (May 2020)

9.18 It is important to note that some of the above typologies and the Clive Barracks site could have significant amounts of existing floor space. This has a significant impact on the amount of CIL to be paid (CIL only applies to net new development, unless the existing floorspace has not recently been in lawful use) or the level of affordable housing (through Vacant Building Credit). The rules in this regard are complex and depend on the extent of the existing use of the building. Very few developments will be eligible to pay no CIL and make no affordable housing contribution.

9.19 Through the February 2020 consultation is was questioned whether the densities could be achieved if NDSS are used. Generally, we would expect modern estate housing to come forward at about 3,200m^2/ha to 3,500m^2/ha. The modelling is within this range.

Employment Uses

9.20 Several of the Strategic Sites include elements of employment space and the Council is planning to allocate two specific Strategic Employment Sites (East of Shifnal Industrial Estate, Shifnal, SHF018b, 15ha and Land to the west of the A49, Shrewsbury, SHR166, 18ha).

9.21 These sites are not be modelled individually, rather the type of development that they are most likely to deliver is modelled.

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

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

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

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

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

c. **Small Industrial.** Modern industrial units of 400m^2. We have assumed 40% coverage which is based on the single storey construction.

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

Retail

9.25 For this study, we have assessed the following types of space. It is important to remember that this assessment is looking at the ability of new projects to bear an element of CIL – it is only therefore necessary to look at the main types of development likely to come forward in the future.

a. **Supermarkets** Two typologies have been modelled.

   First is a single storey retail unit development with a gross (i.e. GIA) area of 4,000m^2. It is assumed to occupy a total site area of 1.33ha. The building is taken to be of steel

construction. The development was modelled alternatively on greenfield and on previously developed sites.

Second is based on a smaller supermarket, typical of the units that may be developed by operators such as Aldi and Lidl. A 1,200m^2 unit on a 0.4ha site (40% coverage) to allow for car parking is assumed.

b. **Retail Warehouse** is a single storey retail unit development with a gross (i.e. GIA) area of 4,000m^2. It is assumed to occupy a total site area of 0.8ha. The building is taken to be of steel construction. The development was modelled alternatively on greenfield and on previously developed sites.

The trend in recent years has been to smaller units with units of 500m^2 to 600m^2 common in new retail parks. An alternative as also been modelled with 8 such units as a single scheme.

c. **Shop** is a brick-built development on two storeys, of 200m^2. No car parking or loading space is allowed for, and the total site area (effectively the building footprint) is 0.025ha.

9.26 In developing these typologies, we have made assumptions about the site coverage and density of development on the sites. We have assumed simple, single storey construction and have assumed that there are no mezzanine floors.

Hotels and Leisure

9.27 The leisure industry is very diverse and ranges from conventional hotels and roadside budget hotels, to cinemas, theatres, historic attractions, equestrian centres, stables and ménages. We have reviewed this sector and there is very little activity in this sector at the moment, either at the planning stage or the construction stage. This is an indication that development in this sector is at the margins of viability at the moment. Having considered this further we have assessed a modern hotel on a town edge site (both Travelodge and Premier Inn are seeking sites in the area).

9.28 We have assumed that this is a 60-bedroom product (60 x 19m^2 + 30% circulation space = 1,755m^2) with ample car parking on a 0.4 ha (1 acre) site.

10. Residential Appraisals

10.1 At the start of this chapter it is important to stress that the results of the appraisals do not, in themselves, determine policy. The results of this study are one of a number of factors that Shropshire Council will consider, including the need for infrastructure and the track record in delivering affordable housing and collecting payments under s106.

10.2 The appraisals use the residual valuation approach – they assess the value of a site after taking into account the costs of development, the likely income from sales and/or rents and a developers' return. The Residual Value represents the maximum a developer can pay for the site, and still make a return. In order for the proposed development to be viable, it is necessary for this Residual Value to exceed the Existing Use Value (EUV) by a satisfactory margin, being the Benchmark Land Value (BLV).

10.3 Sets of appraisals have been run based on the assumptions provided in the previous chapters of this report, including the affordable housing requirement and developer contributions. Development appraisals are sensitive to changes in price, so appraisals have also been run with various changes in the cost of construction and an increase and decrease in prices.

10.4 The results are set out and presented for each site and per gross hectare to allow comparison between sites. The results are colour coded using a traffic light system:

a. **Green** **Viable** – where the Residual Value per hectare exceeds the BLV per hectare.

b. **Amber** **Marginal** – where the Residual Value per hectare exceeds the EUV but not the BLV per hectare. These sites should not be considered as viable when measured against the test set out – however, depending on the nature of the site and the owner, they may come forward.

c. **Red** **Non-viable** – where the Residual Value does not exceed the EUV.

10.5 It is important to note that a report of this type applies simple, high level, assumptions that are broadly reflective of an area to make an assessment of viability in line with the requirements of the Planning Practice Guidance. The fact that a typology or site is shown as viable does not necessarily mean that it will come forward or vice versa. An important part of any final consideration of viability will be relating the results of this study to what is actually happening on the ground in terms of development.

Base Appraisals – full policy requirements

10.6 These appraisals are based on the following assumptions. These base appraisals have been based on 20% affordable housing (across all areas).

a.	Affordable Housing	20% on sites of 10 units and larger (6 units and larger in rural areas) as 70% Affordable Rent, 30% Intermediate.
b.	Design	NDSS. 100% Accessible and Adaptable Category 2, 10% Accessible and Adaptable Category 3.

			Water efficiency / Car Charging Points.	
			Future Homes Standards – Option1, 10% Biodiversity Net Gain.	
c.	Developer Contributions	s106	Typologies	£5,000/unit.
			Stanmore Garden Development	£9,985,000
			Tasley Garden Development	£13,940,000
			North of Mytton Oak Road	£4,960,000
			Between Mytton Oak Road and Hanwood Road	£17,380,000
			West of Ellesmere Road	£6,200,000
			Ironbridge Power Station	£24,660,000
			Clive Barracks	£9,000,000
		CIL	At the prevailing rate (Stanmore Garden Development and Tasley Gardens Development lie across the CIL Zone boundary so an estimate of the blended CIL rate is used)	

10.7 The results are presented for the four price areas as identified in Chapter 4 above. The base appraisals are included in **Appendix 11**.

Table 10.1a Residential Development, – Residual Values

Full Range of Policy Options. SOUTH

						Area (ha)		Units	Residual Value (£)		
						Gross	Net		Gross ha	Net ha	Site
Site 1	Green 250	South	Green	Agricultural		6.12	4.29	150	223,651	319,502	1,369,293
Site 2	Green 120	South	Green	Agricultural		4.90	3.43	120	225,158	321,655	1,102,816
Site 3	Green 80	South	Green	Agricultural		2.86	2.29	80	247,071	308,839	705,917
Site 4	Green 60	South	Green	Agricultural		2.14	1.71	60	246,691	308,364	528,624
Site 5	Green 30	South	Green	Agricultural		1.07	0.86	30	260,688	325,860	279,309
Site 6	Green 20	South	Green	Agricultural		0.68	0.57	20	240,166	285,558	163,176
Site 7	Green 12	South	Green	Paddock		0.41	0.34	12	306,155	366,876	125,786
Site 8	Green 9	South	Green	Paddock		0.35	0.30	9	967,914	1,122,780	336,834
Site 9	Green 6	South	Green	Paddock		0.20	0.20	6	913,170	913,170	182,634
Site 10	Green 3	South	Green	Paddock		0.10	0.10	3	1,484,106	1,484,106	148,411
Site 11	Green Plot	South	Green	Paddock		0.03	0.03	1	1,069,409	1,069,409	35,647
Site 12	Urban 300	South	Brown	PDL		7.50	7.50	300	-167,530	-167,530	-1,256,478
Site 13	Urban 100	South	Brown	PDL		2.50	2.50	100	-388,874	-388,874	-972,185
Site 14	Urban 60	South	Brown	PDL		1.33	1.33	60	-488,641	-488,641	-651,522
Site 15	Urban 25 HD	South	Brown	PDL		0.42	0.42	25	-1,004,911	-1,004,911	-418,713
Site 16	Urban 25	South	Brown	PDL		0.56	0.56	25	-476,904	-476,904	-264,947
Site 17	Urban 16 HD	South	Brown	PDL		0.27	0.27	16	-980,570	-980,570	-261,485
Site 18	Urban 16	South	Brown	PDL		0.36	0.36	16	-93,688	-93,688	-33,311
Site 19	Urban 8 HD	South	Brown	PDL		0.13	0.13	8	-899,914	-899,914	-119,989
Site 20	Urban 8	South	Brown	PDL		0.18	0.18	8	348,183	348,183	61,899
Site 21	Urban 5	South	Brown	PDL		0.11	0.11	5	-108,616	-108,616	-12,068
Site 22	Urban 3	South	Brown	PDL		0.07	0.07	3	-601,920	-601,920	-40,128
Site 23	Urban Plot	South	Brown	PDL		0.02	0.02	1	-1,817,307	-1,817,307	-40,385
Site 24	PRS 25	South	Brown	PDL		0.42	0.42	25	-1,841,163	-1,841,163	-767,151
Site 25	PRS 60	South	Brown	PDL		1.00	1.00	60	-1,826,480	-1,826,480	-1,826,480

Source: HDH (June 2020)

Table 10.1b Residential Development, – Residual Values

Full Range of Policy Options. SOUTH HIGHER

					Area (ha)		Units	Residual Value (£)		
					Gross	Net		Gross ha	Net ha	Site
Site 1	Green 250	South Higher	Green	Agricultural	6.12	4.29	150	915,584	1,307,978	5,605,619
Site 2	Green 120	South Higher	Green	Agricultural	4.90	3.43	120	933,153	1,333,075	4,570,544
Site 3	Green 80	South Higher	Green	Agricultural	2.86	2.29	80	1,089,003	1,361,254	3,111,437
Site 4	Green 60	South Higher	Green	Agricultural	2.14	1.71	60	1,105,203	1,381,504	2,368,292
Site 5	Green 30	South Higher	Green	Agricultural	1.07	0.86	30	1,114,976	1,393,720	1,194,617
Site 6	Green 20	South Higher	Green	Agricultural	0.68	0.57	20	1,136,379	1,351,155	772,088
Site 7	Green 12	South Higher	Green	Paddock	0.41	0.34	12	1,261,797	1,512,053	518,418
Site 8	Green 9	South Higher	Green	Paddock	0.35	0.30	9	1,338,857	1,553,074	465,922
Site 9	Green 6	South Higher	Green	Paddock	0.20	0.20	6	1,344,355	1,344,355	268,871
Site 10	Green 3	South Higher	Green	Paddock	0.10	0.10	3	2,073,693	2,073,693	207,369
Site 11	Green Plot	South Higher	Green	Paddock	0.03	0.03	1	1,776,077	1,776,077	59,203
Site 12	Urban 300	South Higher	Brown	PDL	7.50	7.50	300	1,181,812	1,181,812	8,863,586
Site 13	Urban 100	South Higher	Brown	PDL	2.50	2.50	100	1,087,702	1,087,702	2,719,254
Site 14	Urban 60	South Higher	Brown	PDL	1.33	1.33	60	1,233,814	1,233,814	1,645,086
Site 15	Urban 25 HD	South Higher	Brown	PDL	0.42	0.42	25	1,968,949	1,968,949	820,395
Site 16	Urban 25	South Higher	Brown	PDL	0.56	0.56	25	1,249,500	1,249,500	694,167
Site 17	Urban 16 HD	South Higher	Brown	PDL	0.27	0.27	16	1,795,241	1,795,241	478,731
Site 18	Urban 16	South Higher	Brown	PDL	0.36	0.36	16	1,737,186	1,737,186	617,666
Site 19	Urban 8 HD	South Higher	Brown	PDL	0.13	0.13	8	2,448,163	2,448,163	326,422
Site 20	Urban 8	South Higher	Brown	PDL	0.18	0.18	8	2,357,049	2,357,049	419,031
Site 21	Urban 5	South Higher	Brown	PDL	0.11	0.11	5	1,736,186	1,736,186	192,910
Site 22	Urban 3	South Higher	Brown	PDL	0.07	0.07	3	1,735,414	1,735,414	115,694
Site 23	Urban Plot	South Higher	Brown	PDL	0.02	0.02	1	1,151,950	1,151,950	25,599
Site 24	PRS 25	South Higher	Brown	PDL	0.42	0.42	25	-1,841,163	-1,841,163	-767,151
Site 25	PRS 60	South Higher	Brown	PDL	1.00	1.00	60	-1,826,480	-1,826,480	-1,826,480

Source: HDH (June 2020)

Table 10.1c Residential Development, – Residual Values

Full Range of Policy Options. SHREWSBURY

						Area (ha)		Units	Residual Value (£)		
						Gross	Net		Gross ha	Net ha	Site
Site 1	Green 250	Shrewsbury	Green	Agricultural		6.12	4.29	150	267,698	382,425	1,638,966
Site 2	Green 120	Shrewsbury	Green	Agricultural		4.90	3.43	120	269,919	385,599	1,322,053
Site 3	Green 80	Shrewsbury	Green	Agricultural		2.86	2.29	80	301,372	376,715	861,063
Site 4	Green 60	Shrewsbury	Green	Agricultural		2.14	1.71	60	301,137	376,421	645,293
Site 5	Green 30	Shrewsbury	Green	Agricultural		1.07	0.86	30	315,052	393,815	337,556
Site 6	Green 20	Shrewsbury	Green	Agricultural		0.68	0.57	20	298,609	355,046	202,883
Site 7	Green 12	Shrewsbury	Green	Paddock		0.41	0.34	12	369,229	442,460	151,701
Site 8	Green 9	Shrewsbury	Green	Paddock		0.35	0.30	9	1,338,857	1,553,074	465,922
Site 9	Green 6	Shrewsbury	Green	Paddock		0.20	0.20	6	1,344,355	1,344,355	268,871
Site 10	Green 3	Shrewsbury	Green	Paddock		0.10	0.10	3	2,073,693	2,073,693	207,369
Site 11	Green Plot	Shrewsbury	Green	Paddock		0.03	0.03	1	1,776,077	1,776,077	59,203
Site 12	Urban 300	Shrewsbury	Brown	PDL		7.50	7.50	300	127,163	127,163	953,726
Site 13	Urban 100	Shrewsbury	Brown	PDL		2.50	2.50	100	-79,567	-79,567	-198,917
Site 14	Urban 60	Shrewsbury	Brown	PDL		1.33	1.33	60	-126,000	-126,000	-168,000
Site 15	Urban 25 HD	Shrewsbury	Brown	PDL		0.42	0.42	25	-468,532	-468,532	-195,222
Site 16	Urban 25	Shrewsbury	Brown	PDL		0.56	0.56	25	-114,155	-114,155	-63,419
Site 17	Urban 16 HD	Shrewsbury	Brown	PDL		0.27	0.27	16	-483,283	-483,283	-128,875
Site 18	Urban 16	Shrewsbury	Brown	PDL		0.36	0.36	16	289,197	289,197	102,826
Site 19	Urban 8 HD	Shrewsbury	Brown	PDL		0.13	0.13	8	-302,206	-302,206	-40,294
Site 20	Urban 8	Shrewsbury	Brown	PDL		0.18	0.18	8	767,474	767,474	136,440
Site 21	Urban 5	Shrewsbury	Brown	PDL		0.11	0.11	5	267,228	267,228	29,692
Site 22	Urban 3	Shrewsbury	Brown	PDL		0.07	0.07	3	-122,357	-122,357	-8,157
Site 23	Urban Plot	Shrewsbury	Brown	PDL		0.02	0.02	1	-1,202,748	-1,202,748	-26,728
Site 24	PRS 25	Shrewsbury	Brown	PDL		0.42	0.42	25	-1,841,163	-1,841,163	-767,151
Site 25	PRS 60	Shrewsbury	Brown	PDL		1.00	1.00	60	-1,826,480	-1,826,480	-1,826,480

Source: HDH (June 2020)

Table 10.1d Residential Development, – Residual Values

Full Range of Policy Options. NORTH

						Area (ha)		Units	Residual Value (£)		
						Gross	Net		Gross ha	Net ha	Site
Site 1	Green 250	North	Green	Agricultural		6.12	4.29	150	-279,396	-399,137	-1,710,588
Site 2	Green 120	North	Green	Agricultural		4.90	3.43	120	-370,052	-528,645	-1,812,498
Site 3	Green 80	North	Green	Agricultural		2.86	2.29	80	-451,236	-564,045	-1,289,245
Site 4	Green 60	North	Green	Agricultural		2.14	1.71	60	-473,097	-591,372	-1,013,780
Site 5	Green 30	North	Green	Agricultural		1.07	0.86	30	-478,613	-598,266	-512,799
Site 6	Green 20	North	Green	Agricultural		0.68	0.57	20	-536,735	-638,177	-364,673
Site 7	Green 12	North	Green	Paddock		0.41	0.34	12	-516,054	-618,404	-212,024
Site 8	Green 9	North	Green	Paddock		0.35	0.30	9	593,468	688,423	206,527
Site 9	Green 6	North	Green	Paddock		0.20	0.20	6	473,954	473,954	94,791
Site 10	Green 3	North	Green	Paddock		0.10	0.10	3	883,270	883,270	88,327
Site 11	Green Plot	North	Green	Paddock		0.03	0.03	1	362,741	362,741	12,091
Site 12	Urban 300	North	Brown	PDL		7.50	7.50	300	-723,231	-723,231	-5,424,231
Site 13	Urban 100	North	Brown	PDL		2.50	2.50	100	-876,413	-876,413	-2,191,033
Site 14	Urban 60	North	Brown	PDL		1.33	1.33	60	-1,075,593	-1,075,593	-1,434,124
Site 15	Urban 25 HD	North	Brown	PDL		0.42	0.42	25	-1,619,513	-1,619,513	-674,797
Site 16	Urban 25	North	Brown	PDL		0.56	0.56	25	-1,099,026	-1,099,026	-610,570
Site 17	Urban 16 HD	North	Brown	PDL		0.27	0.27	16	-1,550,378	-1,550,378	-413,434
Site 18	Urban 16	North	Brown	PDL		0.36	0.36	16	-750,513	-750,513	-266,849
Site 19	Urban 8 HD	North	Brown	PDL		0.13	0.13	8	-1,585,467	-1,585,467	-211,396
Site 20	Urban 8	North	Brown	PDL		0.18	0.18	8	-356,693	-356,693	-63,412
Site 21	Urban 5	North	Brown	PDL		0.11	0.11	5	-754,542	-754,542	-83,838
Site 22	Urban 3	North	Brown	PDL		0.07	0.07	3	-1,423,720	-1,423,720	-94,915
Site 23	Urban Plot	North	Brown	PDL		0.02	0.02	1	-2,848,888	-2,848,888	-63,309
Site 24	PRS 25	North	Brown	PDL		0.42	0.42	25	-1,841,163	-1,841,163	-767,151
Site 25	PRS 60	North	Brown	PDL		1.00	1.00	60	-1,826,480	-1,826,480	-1,826,480

Source: HDH (June 2020)

Table 10.1e Residential Development, – Residual Values

Full Range of Policy Options. STRATEGIC SITES

						Area (ha)		Units	Residual Value (£)		
						Gross	Net		Gross ha	Net ha	Site
Site 1	Stanmore Garden Developme	Bridgnorth	Green	Agricultural		47.22	28.33	850	399,573	665,955	18,868,721
Site 2	Tasley Garden Development	Bridgnorth	Green	Agricultural		58.33	35.00	1,050	333,928	556,547	19,479,136
Site 3	North of Mytton Oak Road	Shrewsbury	Green	Agricultural		19.05	11.43	400	213,753	356,255	4,071,484
Site 4	Between Mytton Oak Road at	Shrewsbury	Green	Agricultural		66.67	40.00	1,400	170,305	283,842	11,353,699
Site 5	West of Ellesmere Road	Shrewsbury	Green	Agricultural		23.30	14.29	500	221,122	360,650	5,152,138
Site 6	Ironbridge Power Station	Ironbridge	Brown	Industrial		47.62	28.57	1,000	506,083	843,471	24,099,179
Site 7	Clive Barracks	Tern Hill	Mixed	PDL		35.71	21.43	750	28,938	48,230	1,033,505

Source: HDH (June 2020)

10.8 The results vary across the modelled sites, although this is largely due to the different assumptions around the nature of each typology. The additional costs associated with brownfield sites result in lower Residual Values.

10.9 The Residual Value is not an indication of viability by itself, simply being the maximum price a developer may bid for a parcel of land, and still make an adequate return.

10.10 In the following tables the Residual Value is compared with the BLV. The Benchmark Land Value being an amount over and above the Existing Use Value that is sufficient to provide the willing landowner with a premium and induce them to sell the land for development as set out in Chapter 6 above.

Table 10.2a Residential Development, – Residual Value v BLV Full Range of Policy Options. SOUTH					
			EUV	BLV	Residual Value
Site 1	Green 250	South	25,000	425,000	223,651
Site 2	Green 120	South	25,000	425,000	225,158
Site 3	Green 80	South	25,000	425,000	247,071
Site 4	Green 60	South	25,000	425,000	246,691
Site 5	Green 30	South	25,000	425,000	260,688
Site 6	Green 20	South	25,000	425,000	240,166
Site 7	Green 12	South	100,000	500,000	306,155
Site 8	Green 9	South	100,000	500,000	967,914
Site 9	Green 6	South	100,000	500,000	913,170
Site 10	Green 3	South	100,000	500,000	1,484,106
Site 11	Green Plot	South	100,000	500,000	1,069,409
Site 12	Urban 300	South	500,000	600,000	-167,530
Site 13	Urban 100	South	500,000	600,000	-388,874
Site 14	Urban 60	South	500,000	600,000	-488,641
Site 15	Urban 25 HD	South	500,000	600,000	-1,004,911
Site 16	Urban 25	South	500,000	600,000	-476,904
Site 17	Urban 16 HD	South	500,000	600,000	-980,570
Site 18	Urban 16	South	500,000	600,000	-93,688
Site 19	Urban 8 HD	South	500,000	600,000	-899,914
Site 20	Urban 8	South	500,000	600,000	348,183
Site 21	Urban 5	South	500,000	600,000	-108,616
Site 22	Urban 3	South	500,000	600,000	-601,920
Site 23	Urban Plot	South	500,000	600,000	-1,817,307
Site 24	PRS 25	South	500,000	600,000	-1,841,163
Site 25	PRS 60	South	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 10.2b Residential Development, – Residual Value v BLV Full Range of Policy Options. SOUTH HIGHER					
			EUV	BLV	Residual Value
Site 1	Green 250	South Higher	25,000	425,000	915,584
Site 2	Green 120	South Higher	25,000	425,000	933,153
Site 3	Green 80	South Higher	25,000	425,000	1,089,003
Site 4	Green 60	South Higher	25,000	425,000	1,105,203
Site 5	Green 30	South Higher	25,000	425,000	1,114,976
Site 6	Green 20	South Higher	25,000	425,000	1,136,379
Site 7	Green 12	South Higher	100,000	500,000	1,261,797
Site 8	Green 9	South Higher	100,000	500,000	1,338,857
Site 9	Green 6	South Higher	100,000	500,000	1,344,355
Site 10	Green 3	South Higher	100,000	500,000	2,073,693
Site 11	Green Plot	South Higher	100,000	500,000	1,776,077
Site 12	Urban 300	South Higher	500,000	600,000	1,181,812
Site 13	Urban 100	South Higher	500,000	600,000	1,087,702
Site 14	Urban 60	South Higher	500,000	600,000	1,233,814
Site 15	Urban 25 HD	South Higher	500,000	600,000	1,968,949
Site 16	Urban 25	South Higher	500,000	600,000	1,249,500
Site 17	Urban 16 HD	South Higher	500,000	600,000	1,795,241
Site 18	Urban 16	South Higher	500,000	600,000	1,737,186
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,448,163
Site 20	Urban 8	South Higher	500,000	600,000	2,357,049
Site 21	Urban 5	South Higher	500,000	600,000	1,736,186
Site 22	Urban 3	South Higher	500,000	600,000	1,735,414
Site 23	Urban Plot	South Higher	500,000	600,000	1,151,950
Site 24	PRS 25	South Higher	500,000	600,000	-1,841,163
Site 25	PRS 60	South Higher	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 10.2c Residential Development, – Residual Value v BLV Full Range of Policy Options. SHREWSBURY					
			EUV	BLV	Residual Value
Site 1	Green 250	Shrewsbury	25,000	425,000	267,698
Site 2	Green 120	Shrewsbury	25,000	425,000	269,919
Site 3	Green 80	Shrewsbury	25,000	425,000	301,372
Site 4	Green 60	Shrewsbury	25,000	425,000	301,137
Site 5	Green 30	Shrewsbury	25,000	425,000	315,052
Site 6	Green 20	Shrewsbury	25,000	425,000	298,609
Site 7	Green 12	Shrewsbury	100,000	500,000	369,229
Site 8	Green 9	Shrewsbury	100,000	500,000	1,338,857
Site 9	Green 6	Shrewsbury	100,000	500,000	1,344,355
Site 10	Green 3	Shrewsbury	100,000	500,000	2,073,693
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,776,077
Site 12	Urban 300	Shrewsbury	500,000	600,000	127,163
Site 13	Urban 100	Shrewsbury	500,000	600,000	-79,567
Site 14	Urban 60	Shrewsbury	500,000	600,000	-126,000
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	-468,532
Site 16	Urban 25	Shrewsbury	500,000	600,000	-114,155
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	-483,283
Site 18	Urban 16	Shrewsbury	500,000	600,000	289,197
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-302,206
Site 20	Urban 8	Shrewsbury	500,000	600,000	767,474
Site 21	Urban 5	Shrewsbury	500,000	600,000	267,228
Site 22	Urban 3	Shrewsbury	500,000	600,000	-122,357
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-1,202,748
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,841,163
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 10.2d Residential Development, – Residual Value v BLV Full Range of Policy Options. NORTH					
			EUV	BLV	Residual Value
Site 1	Green 250	North	25,000	425,000	-279,396
Site 2	Green 120	North	25,000	425,000	-370,052
Site 3	Green 80	North	25,000	425,000	-451,236
Site 4	Green 60	North	25,000	425,000	-473,097
Site 5	Green 30	North	25,000	425,000	-478,613
Site 6	Green 20	North	25,000	425,000	-536,735
Site 7	Green 12	North	100,000	500,000	-516,054
Site 8	Green 9	North	100,000	500,000	593,468
Site 9	Green 6	North	100,000	500,000	473,954
Site 10	Green 3	North	100,000	500,000	883,270
Site 11	Green Plot	North	100,000	500,000	362,741
Site 12	Urban 300	North	500,000	600,000	-723,231
Site 13	Urban 100	North	500,000	600,000	-876,413
Site 14	Urban 60	North	500,000	600,000	-1,075,593
Site 15	Urban 25 HD	North	500,000	600,000	-1,619,513
Site 16	Urban 25	North	500,000	600,000	-1,099,026
Site 17	Urban 16 HD	North	500,000	600,000	-1,550,378
Site 18	Urban 16	North	500,000	600,000	-750,513
Site 19	Urban 8 HD	North	500,000	600,000	-1,585,467
Site 20	Urban 8	North	500,000	600,000	-356,693
Site 21	Urban 5	North	500,000	600,000	-754,542
Site 22	Urban 3	North	500,000	600,000	-1,423,720
Site 23	Urban Plot	North	500,000	600,000	-2,848,888
Site 24	PRS 25	North	500,000	600,000	-1,841,163
Site 25	PRS 60	North	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 10.2e Residential Development, – Residual Value v BLV Full Range of Policy Options. STRATEGIC SITES					
			EUV	BLV	Residual Value
Site 1	Stanmore Garden Development	Bridgnorth	25,000	325,000	399,573
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	333,928
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	213,753
Site 4	Between Mytton Oak Road and Hanwood Road	Shrewsbury	25,000	325,000	170,305
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	221,122
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	506,083
Site 7	Clive Barracks	Tern Hill	100,000	400,000	28,938

Source: HDH (June 2020)

10.11 It is important to note that the above appraisals are based on the combined policy options that the Council is considering, including the highest environmental standards, the current rates of CIL and affordable housing at 20% in all areas. These requirements are more than the Council's adopted policies.

10.12 To assist the Council, a range of further appraisals have been run in various combinations.

a. Varied levels of affordable housing and varied tenure mixes (including 10% Affordable Home Ownership and First Homes).

b. Varied levels of developer contributions (£0 to £30,000/unit).

c. Varied developer's return assumptions.

d. Option 1 and Option 2 of the Future Homes Standard.

e. Accessible and Adaptable Standards (90% Cat 2 / 10% Cat 3, and 30% Cat 2 only).

f. Biodiversity Net Gain (10%).

g. Community Infrastructure Levy.

h. Sensitivity Testing.

10.13 Before considering the different policy requirements together it is useful to consider the impact of each individually.

Affordable Housing – Overall Requirement

10.14 Following analysis sets out different levels of affordable housing. In this analysis, the only policy requirement is affordable housing which is based on the (current) preferred mix of 70% Affordable Rent / 30% Intermediate housing.

Table 10.3a Residential Development, – Varied Affordable Housing

No Other Policy Costs. SOUTH

		Affordable Housing		EUV	BLV	Residual Value										
						0%	5%	10%	15%	20%	25%	30%	35%	40%
Site 1	Green 250	South		25,000	425,000	915,965	839,500	763,035	686,571	610,106	533,641	457,176	380,712	304,247
Site 2	Green 120	South		25,000	425,000	930,484	852,862	775,241	697,619	619,997	542,376	464,754	387,133	309,511
Site 3	Green 80	South		25,000	425,000	1,089,389	996,724	904,059	811,393	718,728	626,063	533,398	440,732	348,067
Site 4	Green 60	South		25,000	425,000	1,102,057	1,007,949	913,840	819,732	725,624	631,515	537,407	443,298	349,190
Site 5	Green 30	South		25,000	425,000	1,117,333	1,023,260	929,187	835,114	741,041	646,968	552,895	458,822	364,749
Site 6	Green 20	South		25,000	425,000	1,143,759	1,045,342	946,925	848,508	750,091	651,674	553,257	454,840	356,090
Site 7	Green 12	South		100,000	500,000	1,240,875	1,140,660	1,040,444	940,229	840,014	739,798	639,583	537,374	434,268
Site 8	Green 9	South		100,000	500,000	2,052,003	1,925,469	1,798,935	1,672,401	1,545,867	1,419,333	1,292,798	1,166,264	1,039,730
Site 9	Green 6	South		100,000	500,000	2,145,213	2,004,139	1,863,064	1,721,989	1,580,915	1,439,840	1,298,765	1,155,028	1,009,884
Site 10	Green 3	South		100,000	500,000	2,332,956	2,149,984	1,967,012	1,784,040	1,601,069	1,416,491	1,229,931	1,043,372	856,812
Site 11	Green Plot	South		100,000	500,000	2,086,824	1,867,404	1,647,983	1,428,563	1,209,142	989,722	770,302	550,881	331,461
Site 12	Urban 300	South		500,000	600,000	865,846	764,001	662,156	560,311	458,466	356,621	251,540	146,440	41,340
Site 13	Urban 100	South		500,000	600,000	754,087	643,928	533,769	423,609	313,450	203,291	92,933	-21,981	-137,540
Site 14	Urban 60	South		500,000	600,000	834,874	708,449	582,024	455,599	329,175	202,750	72,346	-60,276	-192,899
Site 15	Urban 25 HD	South		500,000	600,000	359,236	237,884	116,533	-4,819	-126,171	-247,522	-372,477	-498,161	-623,845
Site 16	Urban 25	South		500,000	600,000	868,523	740,625	612,726	484,827	354,244	221,727	87,559	-46,609	-180,777
Site 17	Urban 16 HD	South		500,000	600,000	330,743	213,020	95,297	-22,426	-140,149	-258,046	-379,949	-501,852	-623,754
Site 18	Urban 16	South		500,000	600,000	1,260,725	1,135,460	1,010,195	884,930	759,665	632,417	503,538	373,734	242,328
Site 19	Urban 8 HD	South		500,000	600,000	-10,561	-135,652	-260,743	-389,919	-519,426	-648,933	-778,440	-907,947	-1,037,455
Site 20	Urban 8	South		500,000	600,000	1,207,565	1,059,611	911,657	762,134	611,279	460,425	309,570	158,715	7,860
Site 21	Urban 5	South		500,000	600,000	692,946	557,723	422,500	287,276	152,053	16,830	-118,394	-253,617	-393,224
Site 22	Urban 3	South		500,000	600,000	373,617	203,479	33,341	-136,798	-306,936	-481,678	-657,823	-833,968	-1,010,113
Site 23	Urban Plot	South		500,000	600,000	-576,976	-798,085	-1,019,195	-1,240,304	-1,461,414	-1,682,524	-1,903,633	-2,124,743	-2,345,852
Site 24	PRS 25	South		500,000	600,000	-787,627	-834,311	-880,996	-927,680	-974,365	-1,021,049	-1,067,734	-1,114,418	-1,161,103
Site 25	PRS 60	South		500,000	600,000	-764,126	-814,047	-863,968	-913,889	-963,810	-1,013,731	-1,064,291	-1,115,162	-1,166,034

Source: HDH (June 2020)

Table 10.3b Residential Development, – Varied Affordable Housing

No Other Policy Costs. SOUTH HIGHER

		Affordable Housing	EUV	BLV	Residual Value									
					0%	5%	10%	15%	20%	25%	30%	35%	40%
Site 1	Green 250	South Higher	25,000	425,000	1,746,289	1,635,227	1,524,164	1,413,102	1,302,039	1,190,976	1,079,914	968,851	857,789
Site 2	Green 120	South Higher	25,000	425,000	1,780,733	1,667,547	1,554,362	1,441,177	1,327,992	1,214,807	1,101,622	988,436	875,251
Site 3	Green 80	South Higher	25,000	425,000	2,099,855	1,965,056	1,830,258	1,695,459	1,560,660	1,425,861	1,291,062	1,156,264	1,021,465
Site 4	Green 60	South Higher	25,000	425,000	2,132,761	1,995,605	1,858,448	1,721,292	1,584,135	1,446,979	1,309,822	1,172,666	1,035,509
Site 5	Green 30	South Higher	25,000	425,000	2,142,686	2,005,847	1,869,007	1,732,168	1,595,328	1,458,489	1,321,650	1,184,810	1,047,971
Site 6	Green 20	South Higher	25,000	425,000	2,214,652	2,071,669	1,928,686	1,785,703	1,642,721	1,499,738	1,356,755	1,213,772	1,070,789
Site 7	Green 12	South Higher	100,000	500,000	2,380,825	2,232,138	2,083,451	1,934,764	1,786,077	1,637,390	1,488,703	1,340,016	1,191,329
Site 8	Green 9	South Higher	100,000	500,000	2,500,084	2,354,265	2,208,447	2,062,628	1,916,810	1,770,991	1,625,173	1,479,354	1,333,536
Site 9	Green 6	South Higher	100,000	500,000	2,654,297	2,491,386	2,328,476	2,165,566	2,002,656	1,839,746	1,676,836	1,513,926	1,351,016
Site 10	Green 3	South Higher	100,000	500,000	2,910,399	2,709,933	2,509,467	2,303,492	2,097,244	1,890,995	1,684,747	1,478,076	1,267,784
Site 11	Green Plot	South Higher	100,000	500,000	2,793,492	2,546,158	2,298,824	2,051,491	1,804,157	1,556,823	1,309,489	1,062,155	814,822
Site 12	Urban 300	South Higher	500,000	600,000	2,420,696	2,256,460	2,092,224	1,927,988	1,763,752	1,599,516	1,435,280	1,271,044	1,106,808
Site 13	Urban 100	South Higher	500,000	600,000	2,494,256	2,311,895	2,129,533	1,947,172	1,764,810	1,582,449	1,400,087	1,217,726	1,035,364
Site 14	Urban 60	South Higher	500,000	600,000	2,859,187	2,648,502	2,437,817	2,227,132	2,016,447	1,805,762	1,595,077	1,384,392	1,173,707
Site 15	Urban 25 HD	South Higher	500,000	600,000	3,806,384	3,550,846	3,295,308	3,039,770	2,784,231	2,528,693	2,273,155	2,017,617	1,762,079
Site 16	Urban 25	South Higher	500,000	600,000	2,884,757	2,673,279	2,461,800	2,250,322	2,038,844	1,827,365	1,615,887	1,404,408	1,192,930
Site 17	Urban 16 HD	South Higher	500,000	600,000	3,533,440	3,293,627	3,053,813	2,814,000	2,574,186	2,334,373	2,094,560	1,854,746	1,614,933
Site 18	Urban 16	South Higher	500,000	600,000	3,434,939	3,215,845	2,996,751	2,777,656	2,558,562	2,339,468	2,120,373	1,901,279	1,682,185
Site 19	Urban 8 HD	South Higher	500,000	600,000	3,277,072	3,030,892	2,784,711	2,538,531	2,292,351	2,046,171	1,797,827	1,544,545	1,291,264
Site 20	Urban 8	South Higher	500,000	600,000	3,183,073	2,961,455	2,739,837	2,518,219	2,296,601	2,074,983	1,853,365	1,631,747	1,410,129
Site 21	Urban 5	South Higher	500,000	600,000	2,514,697	2,316,043	2,113,564	1,909,179	1,704,795	1,500,410	1,294,968	1,086,575	878,183
Site 22	Urban 3	South Higher	500,000	600,000	2,695,539	2,438,382	2,179,877	1,917,678	1,655,479	1,393,280	1,131,081	868,882	606,682
Site 23	Urban Plot	South Higher	500,000	600,000	2,352,475	2,023,344	1,694,213	1,365,083	1,035,952	706,821	377,691	48,560	-280,571
Site 24	PRS 25	South Higher	500,000	600,000	-787,627	-834,311	-880,996	-927,680	-974,365	-1,021,049	-1,067,734	-1,114,418	-1,161,103
Site 25	PRS 60	South Higher	500,000	600,000	-764,126	-814,047	-863,968	-913,889	-963,810	-1,013,731	-1,064,291	-1,115,162	-1,166,034

Source: HDH (June 2020)

Table 10.3c Residential Development, – Varied Affordable Housing

No Other Policy Costs. SHREWSBURY

		Affordable Housing	EUV	BLV	Residual Value									
					0%	5%	10%	15%	20%	25%	30%	35%	40%
Site 1	Green 250	Shrewsbury	25,000	425,000	972,297	893,205	814,114	735,022	655,931	576,840	497,748	418,657	339,566
Site 2	Green 120	Shrewsbury	25,000	425,000	986,984	906,778	826,571	746,365	666,159	585,952	505,746	425,540	345,333
Site 3	Green 80	Shrewsbury	25,000	425,000	1,156,594	1,060,970	965,346	869,722	774,098	678,474	582,850	487,227	391,603
Site 4	Green 60	Shrewsbury	25,000	425,000	1,169,043	1,072,005	974,967	877,929	780,891	683,853	586,815	489,777	392,739
Site 5	Green 30	Shrewsbury	25,000	425,000	1,182,583	1,085,788	988,994	892,199	795,405	698,610	601,816	505,021	408,227
Site 6	Green 20	Shrewsbury	25,000	425,000	1,211,907	1,110,654	1,009,401	908,148	806,894	705,641	604,388	503,135	401,882
Site 7	Green 12	Shrewsbury	100,000	500,000	1,313,417	1,210,117	1,106,818	1,003,518	900,218	796,918	693,618	589,794	483,514
Site 8	Green 9	Shrewsbury	100,000	500,000	2,500,084	2,354,265	2,208,447	2,062,628	1,916,810	1,770,991	1,625,173	1,479,354	1,333,536
Site 9	Green 6	Shrewsbury	100,000	500,000	2,654,297	2,491,386	2,328,476	2,165,566	2,002,656	1,839,746	1,676,836	1,513,926	1,351,016
Site 10	Green 3	Shrewsbury	100,000	500,000	2,910,399	2,709,933	2,509,467	2,303,492	2,097,244	1,890,995	1,684,747	1,478,076	1,267,784
Site 11	Green Plot	Shrewsbury	100,000	500,000	2,793,492	2,546,158	2,298,824	2,051,491	1,804,157	1,556,823	1,309,489	1,062,155	814,822
Site 12	Urban 300	Shrewsbury	500,000	600,000	1,195,812	1,080,178	964,544	848,911	733,277	617,643	502,009	384,994	265,864
Site 13	Urban 100	Shrewsbury	500,000	600,000	1,108,047	982,832	857,616	732,401	607,186	481,971	356,756	231,540	106,325
Site 14	Urban 60	Shrewsbury	500,000	600,000	1,246,451	1,102,650	958,848	815,046	671,245	527,443	383,641	239,840	93,025
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	955,781	816,124	676,468	534,988	391,303	245,414	98,912	-47,591	-194,093
Site 16	Urban 25	Shrewsbury	500,000	600,000	1,277,614	1,132,757	987,900	843,044	698,187	553,330	407,275	258,009	106,051
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	896,307	758,344	620,381	480,848	340,180	199,512	58,844	-81,824	-222,492
Site 18	Urban 16	Shrewsbury	500,000	600,000	1,701,870	1,557,567	1,413,264	1,268,961	1,124,658	980,355	836,052	691,421	542,956
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	567,336	419,418	271,501	123,583	-24,335	-172,252	-321,937	-475,077	-628,217
Site 20	Urban 8	Shrewsbury	500,000	600,000	1,612,833	1,453,239	1,290,398	1,126,200	962,003	796,905	629,489	462,072	294,655
Site 21	Urban 5	Shrewsbury	500,000	600,000	1,068,790	918,721	768,652	618,583	468,514	318,444	168,375	18,306	-131,763
Site 22	Urban 3	Shrewsbury	500,000	600,000	846,504	657,687	468,870	280,053	91,235	-97,582	-286,399	-479,755	-675,238
Site 23	Urban Plot	Shrewsbury	500,000	600,000	20,470	-216,546	-453,563	-698,571	-943,955	-1,189,340	-1,434,725	-1,680,109	-1,925,494
Site 24	PRS 25	Shrewsbury	500,000	600,000	-787,627	-834,311	-880,996	-927,680	-974,365	-1,021,049	-1,067,734	-1,114,418	-1,161,103
Site 25	PRS 60	Shrewsbury	500,000	600,000	-764,126	-814,047	-863,968	-913,889	-963,810	-1,013,731	-1,064,291	-1,115,162	-1,166,034

Source: HDH (June 2020)

Table 10.3d Residential Development, – Varied Affordable Housing

No Other Policy Costs. NORTH

		Affordable Housing	EUV	BLV	Residual Value 0%	5%	10%	15%	20%	25%	30%	35%	40%
Site 1	Green 250	North	25,000	425,000	322,560	271,466	220,373	169,279	118,185	67,092	15,101	-38,497	-92,095
Site 2	Green 120	North	25,000	425,000	223,836	177,419	131,002	84,585	37,797	-10,754	-59,447	-108,139	-157,452
Site 3	Green 80	North	25,000	425,000	267,970	211,389	154,808	98,227	40,085	-19,269	-78,624	-137,978	-198,538
Site 4	Green 60	North	25,000	425,000	263,160	205,498	147,836	89,410	29,302	-31,187	-91,675	-152,164	-214,322
Site 5	Green 30	North	25,000	425,000	278,408	218,921	158,135	96,512	34,533	-27,445	-89,424	-151,402	-215,135
Site 6	Green 20	North	25,000	425,000	264,678	200,548	135,557	70,566	5,575	-59,417	-124,408	-189,970	-257,317
Site 7	Green 12	North	100,000	500,000	298,241	234,716	171,191	107,665	44,140	-19,385	-82,910	-146,436	-211,249
Site 8	Green 9	North	100,000	500,000	1,603,922	1,496,672	1,389,423	1,282,173	1,174,923	1,067,674	960,424	853,175	745,925
Site 9	Green 6	North	100,000	500,000	1,636,130	1,516,891	1,397,652	1,278,413	1,156,553	1,033,875	911,196	788,517	664,188
Site 10	Green 3	North	100,000	500,000	1,743,675	1,583,979	1,422,800	1,259,973	1,097,146	934,320	771,493	608,667	445,840
Site 11	Green Plot	North	100,000	500,000	1,380,156	1,188,649	997,142	805,635	614,128	422,621	231,114	39,607	-151,900
Site 12	Urban 300	North	500,000	600,000	295,116	218,984	141,246	63,507	-17,430	-102,450	-188,454	-277,864	-370,990
Site 13	Urban 100	North	500,000	600,000	176,882	94,151	8,205	-78,410	-165,025	-251,645	-341,403	-431,160	-520,917
Site 14	Urban 60	North	500,000	600,000	158,681	59,210	-41,166	-141,541	-241,917	-344,202	-448,224	-552,245	-656,267
Site 15	Urban 25 HD	North	500,000	600,000	-352,318	-448,166	-544,014	-639,862	-735,710	-831,558	-927,406	-1,023,254	-1,119,103
Site 16	Urban 25	North	500,000	600,000	172,219	67,912	-36,396	-140,703	-245,010	-351,555	-459,637	-567,718	-675,800
Site 17	Urban 16 HD	North	500,000	600,000	-327,219	-421,902	-516,586	-611,269	-705,952	-800,635	-895,319	-990,002	-1,084,685
Site 18	Urban 16	North	500,000	600,000	514,956	418,899	321,016	223,133	125,250	27,367	-70,515	-168,398	-266,307
Site 19	Urban 8 HD	North	500,000	600,000	-686,950	-789,378	-891,806	-994,234	-1,096,661	-1,199,089	-1,301,517	-1,403,945	-1,506,373
Site 20	Urban 8	North	500,000	600,000	510,889	387,835	264,781	141,726	18,672	-104,382	-227,436	-353,239	-480,638
Site 21	Urban 5	North	500,000	600,000	62,065	-48,238	-158,542	-268,993	-383,191	-497,388	-611,586	-725,784	-839,982
Site 22	Urban 3	North	500,000	600,000	-422,753	-566,437	-710,121	-853,805	-997,489	-1,141,173	-1,284,856	-1,428,540	-1,572,224
Site 23	Urban Plot	North	500,000	600,000	-1,608,557	-1,788,919	-1,969,281	-2,149,643	-2,330,005	-2,510,367	-2,690,730	-2,871,092	-3,051,454
Site 24	PRS 25	North	500,000	600,000	-787,627	-834,311	-880,996	-927,680	-974,365	-1,021,049	-1,067,734	-1,114,418	-1,161,103
Site 25	PRS 60	North	500,000	600,000	-764,126	-814,047	-863,968	-913,889	-963,810	-1,013,731	-1,064,291	-1,115,162	-1,166,034

Source: HDH (June 2020)

Table 10.3e Residential Development, – Varied Affordable Housing

No Other Policy Costs. STRATEGIC SITES

			EUV	BLV	Residual Value								
					0%	5%	10%	15%	20%	25%	30%	35%	40%
	Affordable Housing												
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	1,079,412	1,012,311	945,211	878,111	811,010	743,910	676,809	609,709	542,609
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	970,107	909,346	848,586	787,825	727,065	666,304	605,544	544,783	484,023
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	905,848	841,008	776,167	711,327	645,872	579,934	513,996	448,058	382,120
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	784,815	728,113	671,410	614,708	558,005	501,303	444,055	386,341	328,626
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	919,888	853,885	787,883	721,880	655,877	589,874	523,872	457,869	391,188
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,584,721	1,488,206	1,391,691	1,294,261	1,196,796	1,099,331	1,001,867	904,402	806,937
Site 7	Clive Barracks	Tern Hill	100,000	400,000	798,343	734,724	671,104	607,485	543,514	478,653	413,791	348,929	284,068

Source: HDH (June 2020)

10.15 In considering the above it is important to note that these appraisals only test the ability to deliver affordable housing and that other requirements will be needed.

10.16 A 5% increase in the amount of affordable housing leads to a fall in the Residual Value of about £100,000/ha on greenfield sites and £140,000/ha on the brownfield sites. The consequence of this is that the maximum price a developer can pay for land falls by about £100,000/ha for each 5% increase in affordable housing sought. The reason for the differential is the higher density assumptions used in modelling the brownfield sites. The price changes for each area are set out in the table below:

Table 10.4 Change in Residual Value per 5% Increase in Affordable Housing

	Greenfield	Brownfield	Overall
South	-£100,130	-£119,050	-£108,408
South Higher	-£137,049	-£211,887	-£169,790
Shrewsbury	-£106,893	-£136,881	-£120,012
North	-£70,637	-£94,378	-£81,024
Strategic Sites	-£68,208		

Source: HDH (June 2020)

10.17 This analysis shows that in the absence of other requirements, there is considerable scope to provide affordable housing in the higher value areas, but limited scope on the brownfield sites and in the North area.

Affordable Tenure Mix

10.18 The analysis in the base appraisals (above) assumes that the affordable housing is provided as 70% Affordable Rent and 30% Intermediate Housing. As set out in Chapter 2 above, the paragraph 64 of the 2019 NPPF sets out a requirement for affordable home ownership as part of the affordable housing mix: We understand that the Council's current position is that the priority need for affordable housing is for Affordable Rent and that its preferred mix, to meet the local housing need for affordable housing, is 70% Affordable Rent and 30% Intermediate Housing.

10.19 When considering the affordable housing tenure sought it is necessary to consider the type of affordable housing that is attractive to the Housing Associations that will acquire and manage it in the future. It is understood that the majority of affordable housing for rent delivered in the Council area over the last few years has been as Affordable Rent.

10.20 The appraisals included in **Appendix 12** set out the results run at a range of affordable homes mixes. The impact on the Residual Value of increasing the proportion of affordable housing for rent by 10% of the overall affordable housing can be summarised as follows:

Table 10.5 Change in Residual Value per 10% Increase in Affordable Housing for Rent, as Proportion of All Affordable Housing						
	Greenfield		Brownfield		Overall	
	Affordable Rent	Social Rent	Affordable Rent	Social Rent	Affordable Rent	Social Rent
South	-£19,687	-£28,439	-£20,907	-£33,439	-£19,205	-£31,048
South Higher	-£28,917	-£37,568	-£48,437	-£61,505	-£38,749	-£50,057
Shrewsbury	-£22,538	-£31,280	-£27,029	-£39,067	-£23,599	-£35,343
North	-£11,840	-£20,991	-£11,868	-£24,697	-£10,773	-£22,925
Strategic Sites					-£10,676	-£15,610

Source: HDH (June 2020)

10.21 An 10% increase in the amount of Affordable Rent, as a proportion of the affordable housing leads to a fall in the Residual Value of about £20,000/ha. A 10% increase in the amount of Social Rent, as a proportion of the affordable housing leads to a fall in the Residual Value of about £30,000/ha. The consequence of this is that as the amount of affordable housing for rent, as Affordable Rent, increases, then the maximum price a developer can pay for land falls by about £20,000/ha to about £30,000/ha for each 10% increase sought.

10.22 Where the affordable housing for rent is provided as Affordable Rent rather than Social Rent the Residual Value is significantly higher. The following table shows the difference in the Residual Value in two scenarios, the first where all the affordable housing is for rent and the second where 70% of the affordable housing is provided for rent.

Table 10.6 Affordable Rent v Social Rent		
	100% Affordable Rent v 100% Social Rent	70% Affordable Rent: 30% Intermediate Housing v 100% Social Rent: 30% Intermediate Housing
South	£117,907	£82,306
South Higher	£112,950	£79,055
Shrewsbury	£116,687	£81,506
North	£121,006	£84,632
Strategic Sites	£48,874	£34,176

Source: HDH (June 2020)

10.23 In the situation where the affordable housing for rent is provided as 70% Affordable Rent, the Residual Value is about £80,000/ha greater than where the affordable housing for rent is provided as 70% Social Rent The consequence of this is that if the Council were to prefer Social Rent over Affordable Rent, this would have an adverse impact on viability.

10.24 **Appendix 13** sets out an alternative set of appraisals where the first 10% of housing on the site is provided as Affordable Home Ownership (as per paragraph 64 of the 2019 NPPF).

10.25 At 20% affordable housing, this analysis shows that where the first 10% of the housing on the site is provided as Affordable Home Ownership, and the remaining 10% as Affordable Rent (i.e. a 50:50 Affordable Rent, Intermediate Housing), the Residual Value is about £40,000/ha greater than where the affordable housing is provided as 70% Affordable Rent and 30% Intermediate Housing. Whilst the Council's position is that a 50:50 mix would not meet their housing need, if it was to pursue such a policy, in terms of viability, the consequence of this is an improvement in viability of about £42,000/ha.

First Homes

10.26 As set out in Chapter 2 above, the Government recently undertook a consultation with regard to First Homes. No details have been published, but in broad terms, it is suggested that development should include an element of First Homes where these are discounted for first time buyers by at least 30% from market values. At this stage, the proportion of First Homes to be delivered has not been proposed.

10.27 In this study the value of intermediate housing is taken to be 70% of market value, subject to a 30% discount, so at a value that is equivalent to First Homes. On this basis a requirement to introduce up to 10% First Homes (rather than other intermediate tenures) is likely to be cost neutral. A requirement for more First Homes (rather than other affordable tenures) would improve viability.

Other Policy Requirements

10.28 We have tested the impact of higher building standards on development viability. The appraisal results are set out in **Appendix 14** and summarised below. Costs per/ha of the individual policy requirements is as follows:

a.	Water Saving Measures	£365/ha
b.	10% Biodiversity Net Gain	£31,000/ha
c.	Car Charging Points	£36,500/ha
d.	100% Category 2 – Dwellings which provide enhanced accessibility and adaptability (Part M4-2)	£22,000/ha
e.	10% Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair (Part M4-3)	£65,500/ha
f.	Future Homes Standard – Option 1 (20% reduction in CO_2)	£120,000/ha
g.	Future Homes Standard – Option 2 (31% reduction in CO_2)	£146,500/ha
h.	Future Homes Standard – Option 2 (31% reduction in CO_2) with 10% 'Merton Rule'	£182,000/ha

10.29 Earlier in this chapter we established that a 5% increase in the amount of affordable housing leads to a fall in the Residual Value of about £100,000/ha on greenfield sites (most of the planned and anticipated development is on greenfield sites). By way of context, this is a little less than the cost of a 20% reduction in CO_2 (Option 1 of the Future Homes Standard).

10.30 The appraisal results considering the cumulative impact of the above policies are set out in **Appendix 15** and summarised below. It is important to note that this analysis does not make an allowance for affordable housing or CIL.

Table 10.7 Cumulative Impact Of Policies. Cost as £/ha		
Only	FHS - Option 1	£117,973
Plus	FHS - Option 2	£146,312
Plus	FHS - Option 3 Plus 10% Merton	£181,734
Plus	Car Charging & Water	£218,489
Plus	10% Biodiversity Net Gain	£249,689
Plus	100% (Part M4-2).	£271,552
Plus	10% (Part M4-3)	£315,355
Plus	CIL	£554,093

Source: HDH (June 2020)

10.31 The costs of providing the different layers of policy, increases cumulatively as shown. The full policy aspiration (without CIL) results in a fall in the Residual Value of about £315,000/ha. Very approximately this is broadly equivalent in impact to a 15% affordable housing requirement. When the current rates of CIL are also added in the full cost is about £555,000/ha which is broadly equivalent in impact of a 25% to 30% affordable housing requirement.

10.32 When the more detailed tables in **Appendix 15** are considered it is clear that even without affordable housing, that there is little scope for the development in the north of the County to bear the wider policy aspirations.

10.33 The above analysis provides useful context, but it is necessary to consider the results with affordable housing. For illustrative purposes, two further sets of appraisals have been run, with a low and a high policy requirement.

a. Low Policy Requirements
   i. Future Homes Standard Option 1
   ii. Water Measures
   iii. Part M4-2 100%
   iv. CIL, Developer Contributions £5,000/unit

b. High Policy Requirements
   i. Future Homes Standard Option 2, 10% Merton Rule
   ii. Water Measures, Car Charging
   iii. Biodiversity 10%
   iv. Part M4-2 100%, Part M4-3 10%
   v. CIL, Developer Contributions £5,000/unit

10.34 In this analysis affordable housing is assumed on all sites, including those below the affordable housing thresholds.

Table 10.8a Appraisal Results – Lower Policy Requirements. Varied Affordable Housing

SOUTH and HIGHER SOUTH

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	South	25,000	425,000	581,048	512,144	443,240	374,336	305,432	236,527	167,623
Site 2	Green 120	South	25,000	425,000	588,246	518,391	448,537	378,682	308,827	238,972	169,118
Site 3	Green 80	South	25,000	425,000	680,762	597,358	513,954	430,550	347,146	263,743	180,339
Site 4	Green 60	South	25,000	425,000	687,800	603,058	518,317	433,575	348,834	264,092	179,350
Site 5	Green 30	South	25,000	425,000	701,015	616,336	531,656	446,977	362,298	277,619	191,775
Site 6	Green 20	South	25,000	425,000	704,806	616,219	527,632	439,044	349,952	258,810	166,626
Site 7	Green 12	South	100,000	500,000	784,076	694,858	605,558	513,767	421,975	329,499	235,908
Site 8	Green 9	South	100,000	500,000	1,498,902	1,389,951	1,281,000	1,172,049	1,063,098	954,148	845,197
Site 9	Green 6	South	100,000	500,000	1,515,358	1,394,142	1,272,927	1,148,876	1,024,163	899,451	774,739
Site 10	Green 3	South	100,000	500,000	1,619,273	1,455,916	1,290,220	1,124,524	958,828	793,133	627,437
Site 11	Green Plot	South	100,000	500,000	1,238,812	1,043,855	848,897	653,939	458,982	264,024	69,067
Site 12	Urban 300	South	500,000	600,000	355,559	262,512	168,944	75,377	-20,455	-122,528	-225,098
Site 13	Urban 100	South	500,000	600,000	173,519	75,506	-26,287	-128,384	-230,480	-334,331	-440,157
Site 14	Urban 60	South	500,000	600,000	165,272	49,088	-68,130	-185,348	-302,566	-423,179	-544,682
Site 15	Urban 25 HD	South	500,000	600,000	-380,257	-493,246	-606,234	-719,223	-832,212	-945,201	-1,058,189
Site 16	Urban 25	South	500,000	600,000	182,902	64,275	-54,352	-172,979	-291,606	-413,213	-536,176
Site 17	Urban 16 HD	South	500,000	600,000	-376,386	-487,088	-597,789	-708,491	-819,193	-929,895	-1,040,596
Site 18	Urban 16	South	500,000	600,000	543,417	432,766	320,158	207,337	94,516	-18,306	-131,127
Site 19	Urban 8 HD	South	500,000	600,000	-734,791	-853,655	-972,519	-1,091,383	-1,210,247	-1,329,111	-1,447,975
Site 20	Urban 8	South	500,000	600,000	527,092	389,159	251,226	113,294	-24,639	-162,572	-300,573
Site 21	Urban 5	South	500,000	600,000	52,238	-71,284	-194,806	-318,868	-446,797	-574,726	-702,656
Site 22	Urban 3	South	500,000	600,000	-387,642	-548,107	-709,132	-870,157	-1,031,182	-1,192,207	-1,353,232
Site 23	Urban Plot	South	500,000	600,000	-1,535,356	-1,737,544	-1,939,732	-2,141,920	-2,344,108	-2,546,295	-2,748,483
Site 24	PRS 25	South	500,000	600,000	-1,534,936	-1,569,188	-1,603,439	-1,637,691	-1,672,248	-1,707,310	-1,742,371
Site 25	PRS 60	South	500,000	600,000	-1,501,712	-1,540,805	-1,579,898	-1,618,991	-1,658,085	-1,697,178	-1,736,271

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	South Higher	25,000	425,000	1,411,373	1,307,871	1,204,369	1,100,867	997,365	893,863	790,361
Site 2	Green 120	South Higher	25,000	425,000	1,438,495	1,333,076	1,227,658	1,122,240	1,016,822	911,403	805,985
Site 3	Green 80	South Higher	25,000	425,000	1,691,227	1,565,690	1,440,153	1,314,616	1,189,078	1,063,541	938,004
Site 4	Green 60	South Higher	25,000	425,000	1,718,503	1,590,714	1,462,924	1,335,135	1,207,345	1,079,556	951,766
Site 5	Green 30	South Higher	25,000	425,000	1,726,368	1,598,922	1,471,477	1,344,031	1,216,586	1,089,140	961,695
Site 6	Green 20	South Higher	25,000	425,000	1,775,699	1,642,546	1,509,393	1,376,240	1,243,087	1,109,934	976,781
Site 7	Green 12	South Higher	100,000	500,000	1,924,026	1,786,336	1,648,647	1,510,957	1,373,268	1,235,578	1,097,889
Site 8	Green 9	South Higher	100,000	500,000	1,946,983	1,818,748	1,690,512	1,562,277	1,434,042	1,305,806	1,177,571
Site 9	Green 6	South Higher	100,000	500,000	2,024,441	1,881,390	1,738,339	1,595,288	1,452,237	1,309,185	1,163,715
Site 10	Green 3	South Higher	100,000	500,000	2,208,554	2,022,768	1,836,982	1,651,196	1,464,732	1,275,303	1,085,875
Site 11	Green Plot	South Higher	100,000	500,000	1,945,480	1,722,609	1,499,738	1,276,867	1,053,996	831,125	608,255
Site 12	Urban 300	South Higher	500,000	600,000	1,920,940	1,767,810	1,614,680	1,461,551	1,308,421	1,155,291	1,002,162
Site 13	Urban 100	South Higher	500,000	600,000	1,913,688	1,744,160	1,574,632	1,405,104	1,235,575	1,066,047	896,519
Site 14	Urban 60	South Higher	500,000	600,000	2,190,208	1,994,207	1,798,206	1,602,206	1,406,205	1,210,205	1,014,204
Site 15	Urban 25 HD	South Higher	500,000	600,000	3,103,404	2,859,597	2,615,790	2,371,984	2,128,177	1,884,370	1,640,563
Site 16	Urban 25	South Higher	500,000	600,000	2,208,252	2,011,589	1,814,926	1,618,262	1,421,599	1,224,936	1,028,273
Site 17	Urban 16 HD	South Higher	500,000	600,000	2,861,877	2,632,415	2,402,953	2,173,491	1,944,029	1,714,568	1,485,106
Site 18	Urban 16	South Higher	500,000	600,000	2,722,109	2,520,731	2,319,352	2,117,974	1,916,596	1,715,217	1,513,839
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,600,403	2,364,061	2,127,718	1,891,375	1,648,687	1,405,527	1,162,366
Site 20	Urban 8	South Higher	500,000	600,000	2,527,597	2,318,298	2,108,998	1,899,698	1,690,398	1,481,099	1,267,920
Site 21	Urban 5	South Higher	500,000	600,000	1,893,946	1,701,038	1,508,129	1,314,539	1,117,848	921,158	724,467
Site 22	Urban 3	South Higher	500,000	600,000	1,943,206	1,695,667	1,448,128	1,200,589	953,050	705,512	457,973
Site 23	Urban Plot	South Higher	500,000	600,000	1,424,648	1,113,863	803,078	492,293	181,508	-129,277	-440,062
Site 24	PRS 25	South Higher	500,000	600,000	-1,534,936	-1,569,188	-1,603,439	-1,637,691	-1,672,248	-1,707,310	-1,742,371
Site 25	PRS 60	South Higher	500,000	600,000	-1,501,712	-1,540,805	-1,579,898	-1,618,991	-1,658,085	-1,697,178	-1,736,271

Source: HDH (June 2020)

Table 10.8b Appraisal Results – Lower Policy Requirements. Varied Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	Shrewsbury	25,000	425,000	636,091	564,567	493,043	421,518	349,994	278,470	206,945
Site 2	Green 120	Shrewsbury	25,000	425,000	643,730	571,296	498,862	426,428	353,994	281,560	209,126
Site 3	Green 80	Shrewsbury	25,000	425,000	747,192	660,834	574,475	488,117	401,758	315,400	229,042
Site 4	Green 60	Shrewsbury	25,000	425,000	754,190	666,522	578,854	491,186	403,518	315,851	228,183
Site 5	Green 30	Shrewsbury	25,000	425,000	766,265	678,864	591,463	504,063	416,662	329,261	241,861
Site 6	Green 20	Shrewsbury	25,000	425,000	772,954	681,531	590,107	498,684	407,261	314,334	220,264
Site 7	Green 12	Shrewsbury	100,000	500,000	856,619	764,316	672,014	578,881	483,916	388,951	292,591
Site 8	Green 9	Shrewsbury	100,000	500,000	1,946,983	1,818,748	1,690,512	1,562,277	1,434,042	1,305,806	1,177,571
Site 9	Green 6	Shrewsbury	100,000	500,000	2,024,441	1,881,390	1,738,339	1,595,288	1,452,237	1,309,185	1,163,715
Site 10	Green 3	Shrewsbury	100,000	500,000	2,208,554	2,022,768	1,836,982	1,651,196	1,464,732	1,275,303	1,085,875
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,945,480	1,722,609	1,499,738	1,276,867	1,053,996	831,125	608,255
Site 12	Urban 300	Shrewsbury	500,000	600,000	684,738	580,360	475,983	369,647	262,051	154,455	46,860
Site 13	Urban 100	Shrewsbury	500,000	600,000	526,043	413,668	301,293	188,918	75,866	-41,706	-159,589
Site 14	Urban 60	Shrewsbury	500,000	600,000	576,492	447,380	318,268	189,155	55,266	-80,176	-215,617
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	240,487	106,291	-27,905	-162,101	-296,297	-434,860	-573,887
Site 16	Urban 25	Shrewsbury	500,000	600,000	601,109	471,067	337,882	202,797	66,381	-70,036	-206,452
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	198,369	68,560	-61,249	-191,058	-321,905	-456,362	-590,819
Site 18	Urban 16	Shrewsbury	500,000	600,000	989,040	862,453	735,866	606,572	476,333	344,609	211,817
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-142,503	-280,100	-421,484	-563,981	-706,478	-848,974	-991,471
Site 20	Urban 8	Shrewsbury	500,000	600,000	944,409	791,888	637,393	482,898	328,404	173,909	19,414
Site 21	Urban 5	Shrewsbury	500,000	600,000	428,082	289,714	151,346	12,978	-125,389	-263,757	-405,762
Site 22	Urban 3	Shrewsbury	500,000	600,000	85,435	-88,722	-262,879	-438,589	-618,953	-799,317	-979,680
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-920,797	-1,147,260	-1,373,723	-1,600,186	-1,826,649	-2,053,112	-2,279,575
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,534,936	-1,569,188	-1,603,439	-1,637,691	-1,672,248	-1,707,310	-1,742,371
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,501,712	-1,540,805	-1,579,898	-1,618,991	-1,658,085	-1,697,178	-1,736,271

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	North	25,000	425,000	-9,229	-54,924	-100,618	-146,313	-192,954	-240,340	-287,725
Site 2	Green 120	North	25,000	425,000	-116,831	-157,427	-199,007	-241,118	-283,230	-325,341	-367,453
Site 3	Green 80	North	25,000	425,000	-142,385	-192,069	-243,291	-294,821	-346,350	-397,879	-449,409
Site 4	Green 60	North	25,000	425,000	-156,553	-207,459	-259,968	-312,550	-365,131	-417,713	-470,295
Site 5	Green 30	North	25,000	425,000	-154,279	-206,639	-260,257	-314,333	-368,410	-422,486	-476,562
Site 6	Green 20	North	25,000	425,000	-194,931	-250,876	-307,585	-364,293	-421,001	-477,710	-534,418
Site 7	Green 12	North	100,000	500,000	-180,950	-233,338	-287,240	-341,197	-395,153	-449,110	-503,066
Site 8	Green 9	North	100,000	500,000	1,050,821	961,154	871,488	781,822	691,398	599,145	506,893
Site 9	Green 6	North	100,000	500,000	999,244	896,997	794,750	691,376	587,124	482,872	378,620
Site 10	Green 3	North	100,000	500,000	1,020,776	878,813	736,850	594,887	452,924	310,962	168,999
Site 11	Green Plot	North	100,000	500,000	532,144	365,100	198,056	31,012	-136,033	-303,077	-474,673
Site 12	Urban 300	North	500,000	600,000	-226,824	-302,634	-379,991	-461,642	-547,682	-641,687	-735,691
Site 13	Urban 100	North	500,000	600,000	-416,009	-491,945	-567,882	-643,819	-720,275	-797,686	-875,096
Site 14	Urban 60	North	500,000	600,000	-537,655	-625,833	-714,011	-802,189	-890,550	-980,460	-1,070,371
Site 15	Urban 25 HD	North	500,000	600,000	-1,114,203	-1,197,355	-1,280,508	-1,363,661	-1,446,813	-1,529,966	-1,613,118
Site 16	Urban 25	North	500,000	600,000	-544,182	-636,230	-728,277	-820,325	-912,372	-1,004,420	-1,096,580
Site 17	Urban 16 HD	North	500,000	600,000	-1,055,072	-1,138,554	-1,222,037	-1,305,519	-1,389,001	-1,472,484	-1,555,966
Site 18	Urban 16	North	500,000	600,000	-230,991	-310,290	-391,257	-473,593	-555,929	-638,265	-720,601
Site 19	Urban 8 HD	North	500,000	600,000	-1,420,344	-1,512,129	-1,603,913	-1,695,698	-1,787,482	-1,879,267	-1,971,052
Site 20	Urban 8	North	500,000	600,000	-176,717	-286,850	-399,859	-513,931	-628,002	-742,074	-856,146
Site 21	Urban 5	North	500,000	600,000	-588,235	-690,364	-792,494	-894,624	-996,753	-1,100,356	-1,204,319
Site 22	Urban 3	North	500,000	600,000	-1,208,882	-1,337,446	-1,466,010	-1,594,574	-1,723,185	-1,854,057	-1,984,928
Site 23	Urban Plot	North	500,000	600,000	-2,566,937	-2,728,378	-2,889,818	-3,051,258	-3,212,699	-3,374,139	-3,535,580
Site 24	PRS 25	North	500,000	600,000	-1,534,936	-1,569,188	-1,603,439	-1,637,691	-1,672,248	-1,707,310	-1,742,371
Site 25	PRS 60	North	500,000	600,000	-1,501,712	-1,540,805	-1,579,898	-1,618,991	-1,658,085	-1,697,178	-1,736,271

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	780,892	722,648	664,403	606,158	547,913	489,669	431,424
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	699,969	647,183	594,396	541,610	488,824	436,037	383,251
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	643,256	583,354	523,452	463,550	403,648	343,746	283,844
Site 4	Between Mytton Oak Road ar	Shrewsbury	25,000	325,000	542,569	491,732	440,895	389,211	337,379	285,547	233,715
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	653,198	593,288	533,378	473,468	413,323	352,034	290,745
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,223,494	1,137,171	1,050,848	964,525	878,202	791,879	705,556
Site 7	Clive Barracks	Tern Hill	100,000	400,000	430,174	376,584	322,994	269,404	215,815	162,225	107,324

Source: HDH (June 2020)

Table 10.9a Appraisal Results – Higher Policy Requirements. Varied Affordable Housing

SOUTH and HIGHER SOUTH

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	South	25,000	425,000	495,525	427,504	359,483	291,461	223,440	155,419	87,397
Site 2	Green 120	South	25,000	425,000	500,470	431,588	362,706	293,824	224,942	156,060	87,178
Site 3	Green 80	South	25,000	425,000	576,046	493,737	411,429	329,121	246,813	164,504	82,043
Site 4	Green 60	South	25,000	425,000	580,775	497,188	413,601	330,014	246,427	162,841	78,175
Site 5	Green 30	South	25,000	425,000	594,667	511,107	427,546	343,986	260,425	175,236	88,270
Site 6	Green 20	South	25,000	425,000	593,331	505,866	418,402	329,870	239,883	148,506	56,754
Site 7	Green 12	South	100,000	500,000	665,494	577,102	487,065	397,029	305,853	214,051	122,249
Site 8	Green 9	South	100,000	500,000	1,396,575	1,289,348	1,182,121	1,074,894	967,667	860,440	753,213
Site 9	Green 6	South	100,000	500,000	1,399,725	1,280,377	1,158,462	1,035,672	912,881	790,090	665,677
Site 10	Green 3	South	100,000	500,000	1,483,751	1,318,055	1,152,360	986,664	820,968	655,272	489,576
Site 11	Green Plot	South	100,000	500,000	1,068,991	874,033	679,076	484,118	289,161	94,203	-100,755
Site 12	Urban 300	South	500,000	600,000	215,583	123,373	31,101	-66,828	-167,911	-268,994	-374,766
Site 13	Urban 100	South	500,000	600,000	16,252	-84,311	-184,875	-285,439	-389,288	-493,529	-597,770
Site 14	Urban 60	South	500,000	600,000	-22,646	-137,953	-253,260	-369,596	-489,123	-608,651	-728,179
Site 15	Urban 25 HD	South	500,000	600,000	-557,253	-669,271	-781,289	-893,307	-1,005,325	-1,117,343	-1,229,361
Site 16	Urban 25	South	500,000	600,000	-5,095	-121,973	-238,852	-356,270	-477,386	-598,541	-719,696
Site 17	Urban 16 HD	South	500,000	600,000	-540,039	-650,268	-760,498	-870,727	-980,956	-1,091,186	-1,201,415
Site 18	Urban 16	South	500,000	600,000	342,989	233,698	124,407	15,116	-94,175	-203,466	-312,841
Site 19	Urban 8 HD	South	500,000	600,000	-900,309	-1,019,173	-1,138,037	-1,256,901	-1,375,765	-1,494,629	-1,613,493
Site 20	Urban 8	South	500,000	600,000	347,708	209,776	71,843	-66,090	-204,022	-342,794	-485,648
Site 21	Urban 5	South	500,000	600,000	-109,042	-232,564	-357,686	-485,615	-613,545	-741,474	-869,403
Site 22	Urban 3	South	500,000	600,000	-602,473	-763,498	-924,523	-1,085,549	-1,246,574	-1,407,599	-1,568,624
Site 23	Urban Plot	South	500,000	600,000	-1,818,003	-2,020,191	-2,222,379	-2,424,567	-2,626,755	-2,828,943	-3,031,131
Site 24	PRS 25	South	500,000	600,000	-1,706,222	-1,739,595	-1,773,586	-1,807,576	-1,841,567	-1,875,558	-1,909,549
Site 25	PRS 60	South	500,000	600,000	-1,673,434	-1,711,796	-1,750,159	-1,788,521	-1,826,883	-1,865,246	-1,903,608

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	South Higher	25,000	425,000	1,325,850	1,223,231	1,120,612	1,017,992	915,373	812,754	710,135
Site 2	Green 120	South Higher	25,000	425,000	1,350,719	1,246,273	1,141,828	1,037,382	932,937	828,491	724,046
Site 3	Green 80	South Higher	25,000	425,000	1,586,511	1,462,070	1,337,628	1,213,186	1,088,745	964,303	839,861
Site 4	Green 60	South Higher	25,000	425,000	1,611,479	1,484,844	1,358,209	1,231,574	1,104,939	978,304	851,669
Site 5	Green 30	South Higher	25,000	425,000	1,620,020	1,493,694	1,367,367	1,241,040	1,114,713	988,386	862,059
Site 6	Green 20	South Higher	25,000	425,000	1,664,224	1,532,194	1,400,164	1,268,134	1,136,104	1,004,074	872,044
Site 7	Green 12	South Higher	100,000	500,000	1,805,444	1,669,460	1,533,476	1,397,492	1,261,508	1,125,525	989,541
Site 8	Green 9	South Higher	100,000	500,000	1,844,656	1,718,144	1,591,633	1,465,122	1,338,610	1,212,099	1,085,587
Site 9	Green 6	South Higher	100,000	500,000	1,908,808	1,767,625	1,626,441	1,485,258	1,344,074	1,201,531	1,056,275
Site 10	Green 3	South Higher	100,000	500,000	2,073,345	1,887,559	1,701,773	1,515,987	1,326,872	1,137,443	948,014
Site 11	Green Plot	South Higher	100,000	500,000	1,775,659	1,552,788	1,329,917	1,107,046	884,175	661,304	438,433
Site 12	Urban 300	South Higher	500,000	600,000	1,788,900	1,637,047	1,485,193	1,333,339	1,181,485	1,029,631	875,244
Site 13	Urban 100	South Higher	500,000	600,000	1,759,587	1,591,520	1,423,454	1,255,387	1,087,320	919,254	751,187
Site 14	Urban 60	South Higher	500,000	600,000	2,010,085	1,815,906	1,621,727	1,427,549	1,233,370	1,039,191	845,012
Site 15	Urban 25 HD	South Higher	500,000	600,000	2,940,215	2,697,303	2,454,391	2,211,479	1,968,567	1,725,655	1,482,744
Site 16	Urban 25	South Higher	500,000	600,000	2,029,040	1,834,044	1,639,048	1,444,051	1,249,055	1,054,059	859,063
Site 17	Urban 16 HD	South Higher	500,000	600,000	2,710,990	2,481,963	2,252,937	2,023,911	1,794,884	1,565,858	1,336,831
Site 18	Urban 16	South Higher	500,000	600,000	2,528,775	2,330,762	2,132,748	1,934,735	1,736,722	1,538,709	1,340,696
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,447,798	2,211,455	1,975,113	1,734,840	1,491,680	1,248,519	1,003,013
Site 20	Urban 8	South Higher	500,000	600,000	2,356,596	2,147,297	1,937,997	1,728,697	1,519,397	1,307,324	1,091,987
Site 21	Urban 5	South Higher	500,000	600,000	1,735,768	1,542,860	1,349,950	1,153,260	956,569	759,878	563,187
Site 22	Urban 3	South Higher	500,000	600,000	1,734,879	1,487,340	1,239,801	992,262	744,723	497,184	249,646
Site 23	Urban Plot	South Higher	500,000	600,000	1,151,277	840,492	529,707	218,922	-91,863	-402,648	-720,082
Site 24	PRS 25	South Higher	500,000	600,000	-1,706,222	-1,739,595	-1,773,586	-1,807,576	-1,841,567	-1,875,558	-1,909,549
Site 25	PRS 60	South Higher	500,000	600,000	-1,673,434	-1,711,796	-1,750,159	-1,788,521	-1,826,883	-1,865,246	-1,903,608

Source: HDH (June 2020)

Table 10.9b Appraisal Results – Higher Policy Requirements. Varied Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	Shrewsbury	25,000	425,000	550,029	479,393	408,757	338,121	267,485	196,849	126,213
Site 2	Green 120	Shrewsbury	25,000	425,000	555,528	484,071	412,615	341,158	269,702	198,246	126,789
Site 3	Green 80	Shrewsbury	25,000	425,000	642,151	556,891	471,632	386,372	301,113	215,853	130,594
Site 4	Green 60	Shrewsbury	25,000	425,000	646,914	560,404	473,893	387,383	300,872	214,362	127,851
Site 5	Green 30	Shrewsbury	25,000	425,000	659,917	573,635	487,353	401,071	314,789	228,368	139,589
Site 6	Green 20	Shrewsbury	25,000	425,000	661,478	571,178	480,878	390,578	298,325	205,119	110,392
Site 7	Green 12	Shrewsbury	100,000	500,000	738,036	647,439	555,353	462,143	368,933	273,970	178,933
Site 8	Green 9	Shrewsbury	100,000	500,000	1,844,656	1,718,144	1,591,633	1,465,122	1,338,610	1,212,099	1,085,587
Site 9	Green 6	Shrewsbury	100,000	500,000	1,908,808	1,767,625	1,626,441	1,485,258	1,344,074	1,201,531	1,056,275
Site 10	Green 3	Shrewsbury	100,000	500,000	2,073,345	1,887,559	1,701,773	1,515,987	1,326,872	1,137,443	948,014
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,775,659	1,552,788	1,329,917	1,107,046	884,175	661,304	438,433
Site 12	Urban 300	Shrewsbury	500,000	600,000	548,743	445,525	339,289	233,052	126,815	20,211	-95,738
Site 13	Urban 100	Shrewsbury	500,000	600,000	371,324	260,417	149,509	36,376	-79,969	-196,313	-313,606
Site 14	Urban 60	Shrewsbury	500,000	600,000	395,947	268,661	140,044	7,059	-126,467	-259,993	-395,878
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	69,298	-63,959	-197,216	-330,920	-468,946	-607,002	-745,059
Site 16	Urban 25	Shrewsbury	500,000	600,000	421,087	289,009	154,714	20,046	-114,621	-249,289	-385,905
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	40,086	-89,266	-218,619	-349,685	-483,669	-617,654	-751,638
Site 18	Urban 16	Shrewsbury	500,000	600,000	795,705	671,600	544,824	417,973	288,711	159,449	30,187
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-302,589	-444,505	-587,002	-729,499	-871,996	-1,014,492	-1,156,989
Site 20	Urban 8	Shrewsbury	500,000	600,000	766,999	612,504	458,010	303,515	149,020	-5,474	-159,969
Site 21	Urban 5	Shrewsbury	500,000	600,000	266,802	128,434	-9,933	-148,301	-286,669	-429,210	-572,510
Site 22	Urban 3	Shrewsbury	500,000	600,000	-122,892	-297,049	-473,617	-653,981	-834,345	-1,014,708	-1,195,072
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-1,203,444	-1,429,907	-1,656,370	-1,882,833	-2,109,296	-2,335,759	-2,562,222
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,706,222	-1,739,595	-1,773,586	-1,807,576	-1,841,567	-1,875,558	-1,909,549
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,673,434	-1,711,796	-1,750,159	-1,788,521	-1,826,883	-1,865,246	-1,903,608

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Green 250	North	25,000	425,000	-96,679	-141,471	-186,714	-233,167	-279,619	-326,072	-372,524
Site 2	Green 120	North	25,000	425,000	-205,867	-246,969	-288,071	-329,174	-370,276	-411,752	-453,669
Site 3	Green 80	North	25,000	425,000	-249,982	-300,363	-350,744	-401,126	-451,507	-502,112	-553,487
Site 4	Green 60	North	25,000	425,000	-267,930	-319,292	-370,653	-422,015	-473,376	-524,738	-577,050
Site 5	Green 30	North	25,000	425,000	-267,445	-320,309	-373,172	-426,035	-478,898	-531,761	-584,624
Site 6	Green 20	North	25,000	425,000	-315,072	-370,562	-426,053	-481,543	-537,033	-592,524	-648,014
Site 7	Green 12	North	100,000	500,000	-307,941	-360,047	-412,154	-464,260	-516,366	-568,473	-620,579
Site 8	Green 9	North	100,000	500,000	948,494	860,551	772,609	683,694	593,214	502,735	411,887
Site 9	Green 6	North	100,000	500,000	880,276	779,950	678,245	575,952	473,659	371,367	269,074
Site 10	Green 3	North	100,000	500,000	882,915	740,952	598,990	457,027	315,064	173,101	31,139
Site 11	Green Plot	North	100,000	500,000	362,323	195,279	28,234	-138,810	-305,854	-477,219	-650,257
Site 12	Urban 300	North	500,000	600,000	-379,316	-458,813	-540,615	-631,448	-723,684	-815,919	-908,155
Site 13	Urban 100	North	500,000	600,000	-576,216	-650,633	-725,081	-800,948	-876,816	-952,696	-1,030,034
Site 14	Urban 60	North	500,000	600,000	-728,048	-814,300	-900,552	-988,115	-1,076,070	-1,164,025	-1,251,980
Site 15	Urban 25 HD	North	500,000	600,000	-1,291,198	-1,373,380	-1,455,562	-1,537,744	-1,619,926	-1,702,674	-1,786,490
Site 16	Urban 25	North	500,000	600,000	-738,550	-828,789	-919,029	-1,009,268	-1,099,508	-1,190,806	-1,282,854
Site 17	Urban 16 HD	North	500,000	600,000	-1,218,725	-1,301,735	-1,384,745	-1,467,755	-1,550,765	-1,634,162	-1,718,741
Site 18	Urban 16	North	500,000	600,000	-436,271	-514,958	-593,644	-672,330	-751,016	-829,702	-908,388
Site 19	Urban 8 HD	North	500,000	600,000	-1,585,862	-1,677,647	-1,769,432	-1,861,216	-1,953,001	-2,044,785	-2,136,570
Site 20	Urban 8	North	500,000	600,000	-357,184	-471,256	-585,328	-699,399	-813,471	-927,542	-1,041,614
Site 21	Urban 5	North	500,000	600,000	-754,982	-857,112	-959,242	-1,061,685	-1,165,648	-1,269,611	-1,373,574
Site 22	Urban 3	North	500,000	600,000	-1,424,273	-1,552,837	-1,681,401	-1,810,786	-1,941,658	-2,072,529	-2,203,401
Site 23	Urban Plot	North	500,000	600,000	-2,849,584	-3,011,025	-3,172,465	-3,333,906	-3,495,346	-3,656,787	-3,818,227
Site 24	PRS 25	North	500,000	600,000	-1,706,222	-1,739,595	-1,773,586	-1,807,576	-1,841,567	-1,875,558	-1,909,549
Site 25	PRS 60	North	500,000	600,000	-1,673,434	-1,711,796	-1,750,159	-1,788,521	-1,826,883	-1,865,246	-1,903,608

			EUV	BLV	Residual Value						
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	724,354	666,691	609,029	551,367	493,704	436,042	377,458
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	648,481	596,223	543,965	491,707	439,449	387,191	334,010
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	575,344	516,153	456,962	397,770	338,579	279,388	218,898
Site 4	Between Mytton Oak Road ar	Shrewsbury	25,000	325,000	484,289	433,800	382,594	331,387	280,181	228,975	176,490
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	585,627	526,426	467,224	407,313	346,752	286,191	225,631
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,155,378	1,069,769	984,160	898,551	812,943	727,334	641,725
Site 7	Clive Barracks	Tern Hill	100,000	400,000	359,834	306,974	254,113	201,252	148,301	93,652	39,004

Source: HDH (June 2020)

10.35 Before considering the consequence of the above it is necessary to consider the effect of developer contributions on viability.

Developer Contributions

10.36 Developer contributions are frequently required to make development acceptable through providing the necessary supporting infrastructure and to mitigate the impact of the development. The Council was an early adopter of CIL (in 2011) and has assessed the infrastructure requirements of the proposed Strategic Sites.

10.37 The above analysis considered the impact of affordable housing and individual policies on development viability. The following analysis considers the ability to bear developer contributions. Initially this assumes that there is no affordable housing provision, but then considers rising levels of affordable housing. These appraisals assume the following policy requirements:

a. Future Homes Standard Option 1.

b. Water Measures and 10% biodiversity net gain.

c. Part M4-2 100%.

Table 10.10a Varied Developer Contributions - No Affordable Housing

SOUTH and HIGHER SOUTH

0% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South	25,000	425,000	815,799	711,578	607,356	503,135	398,914	294,692	190,471
Site 2	Green 120	South	25,000	425,000	827,681	720,799	613,917	507,034	400,152	293,270	186,388
Site 3	Green 80	South	25,000	425,000	966,717	840,323	713,929	587,535	461,141	334,747	208,353
Site 4	Green 60	South	25,000	425,000	976,660	848,079	719,498	590,918	462,337	333,756	205,176
Site 5	Green 30	South	25,000	425,000	993,053	862,746	732,439	602,132	471,825	341,519	210,574
Site 6	Green 20	South	25,000	425,000	1,013,169	875,092	737,015	598,938	460,861	321,481	178,611
Site 7	Green 12	South	100,000	500,000	1,102,224	964,133	826,043	687,953	548,171	406,098	262,042
Site 8	Green 9	South	100,000	500,000	1,932,613	1,810,339	1,688,064	1,565,790	1,443,515	1,321,240	1,198,966
Site 9	Green 6	South	100,000	500,000	2,011,033	1,869,194	1,727,356	1,585,517	1,443,679	1,301,840	1,157,406
Site 10	Green 3	South	100,000	500,000	2,174,454	2,028,524	1,882,594	1,736,664	1,590,734	1,443,721	1,294,930
Site 11	Green Plot	South	100,000	500,000	1,879,249	1,728,070	1,576,891	1,425,712	1,274,533	1,123,354	972,175
Site 12	Urban 300	South	500,000	600,000	706,784	549,870	392,380	229,868	67,357	-105,610	-283,627
Site 13	Urban 100	South	500,000	600,000	573,410	395,920	218,430	38,829	-147,361	-334,362	-526,849
Site 14	Urban 60	South	500,000	600,000	623,462	416,815	210,167	-4,028	-220,806	-440,472	-664,591
Site 15	Urban 25 HD	South	500,000	600,000	144,203	-155,658	-460,763	-770,796	-1,080,828	-1,390,860	-1,700,892
Site 16	Urban 25	South	500,000	600,000	658,711	449,269	233,097	13,409	-206,278	-428,583	-655,715
Site 17	Urban 16 HD	South	500,000	600,000	131,921	-168,036	-474,363	-784,495	-1,094,626	-1,404,758	-1,714,889
Site 18	Urban 16	South	500,000	600,000	1,034,556	823,476	609,779	392,036	170,608	-50,819	-272,246
Site 19	Urban 8 HD	South	500,000	600,000	-211,648	-521,925	-834,542	-1,147,160	-1,459,777	-1,772,395	-2,085,012
Site 20	Urban 8	South	500,000	600,000	1,007,293	785,533	560,565	335,598	110,631	-114,337	-339,506
Site 21	Urban 5	South	500,000	600,000	508,734	286,263	63,792	-158,678	-383,758	-613,772	-843,786
Site 22	Urban 3	South	500,000	600,000	128,939	-94,248	-317,435	-546,194	-776,950	-1,007,705	-1,238,461
Site 23	Urban Plot	South	500,000	600,000	-922,460	-1,156,923	-1,391,386	-1,625,850	-1,860,313	-2,094,776	-2,329,239
Site 24	PRS 25	South	500,000	600,000	-1,002,782	-1,312,814	-1,622,846	-1,935,286	-2,249,508	-2,563,731	-2,877,953
Site 25	PRS 60	South	500,000	600,000	-976,695	-1,284,513	-1,594,258	-1,904,004	-2,213,750	-2,523,496	-2,834,632

0% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South Higher	25,000	425,000	1,646,124	1,541,902	1,437,681	1,333,460	1,229,238	1,125,017	1,020,796
Site 2	Green 120	South Higher	25,000	425,000	1,677,930	1,571,048	1,464,165	1,357,283	1,250,401	1,143,518	1,036,636
Site 3	Green 80	South Higher	25,000	425,000	1,977,182	1,850,788	1,724,395	1,598,001	1,471,607	1,345,213	1,218,819
Site 4	Green 60	South Higher	25,000	425,000	2,007,364	1,878,783	1,750,202	1,621,622	1,493,041	1,364,460	1,235,880
Site 5	Green 30	South Higher	25,000	425,000	2,018,406	1,888,099	1,757,792	1,627,486	1,497,179	1,366,872	1,236,565
Site 6	Green 20	South Higher	25,000	425,000	2,084,062	1,945,985	1,807,908	1,669,831	1,531,754	1,393,677	1,255,600
Site 7	Green 12	South Higher	100,000	500,000	2,242,174	2,104,083	1,965,993	1,827,902	1,689,812	1,551,722	1,413,631
Site 8	Green 9	South Higher	100,000	500,000	2,380,694	2,258,420	2,136,145	2,013,871	1,891,596	1,769,321	1,647,047
Site 9	Green 6	South Higher	100,000	500,000	2,520,116	2,378,278	2,236,439	2,094,600	1,952,762	1,810,923	1,669,085
Site 10	Green 3	South Higher	100,000	500,000	2,756,341	2,614,502	2,471,875	2,325,945	2,180,015	2,034,085	1,888,155
Site 11	Green Plot	South Higher	100,000	500,000	2,585,917	2,434,738	2,283,559	2,132,380	1,981,201	1,830,022	1,678,843
Site 12	Urban 300	South Higher	500,000	600,000	2,265,876	2,113,147	1,960,418	1,807,688	1,654,959	1,502,230	1,349,500
Site 13	Urban 100	South Higher	500,000	600,000	2,313,579	2,136,089	1,958,599	1,781,109	1,603,619	1,426,129	1,248,639
Site 14	Urban 60	South Higher	500,000	600,000	2,647,775	2,441,128	2,234,480	2,027,833	1,821,185	1,614,538	1,407,890
Site 15	Urban 25 HD	South Higher	500,000	600,000	3,601,399	3,315,551	3,029,703	2,743,854	2,458,006	2,172,158	1,886,309
Site 16	Urban 25	South Higher	500,000	600,000	2,674,945	2,465,523	2,256,101	2,046,680	1,837,258	1,627,836	1,418,415
Site 17	Urban 16 HD	South Higher	500,000	600,000	3,343,908	3,057,968	2,772,028	2,486,088	2,200,148	1,914,209	1,628,269
Site 18	Urban 16	South Higher	500,000	600,000	3,208,770	2,997,690	2,786,610	2,575,530	2,364,449	2,153,369	1,942,289
Site 19	Urban 8 HD	South Higher	500,000	600,000	3,085,382	2,797,153	2,508,924	2,220,695	1,932,466	1,637,581	1,341,037
Site 20	Urban 8	South Higher	500,000	600,000	2,988,417	2,773,962	2,559,507	2,345,052	2,130,597	1,916,142	1,701,687
Site 21	Urban 5	South Higher	500,000	600,000	2,339,093	2,123,471	1,905,278	1,687,086	1,468,893	1,248,753	1,026,282
Site 22	Urban 3	South Higher	500,000	600,000	2,455,566	2,236,410	2,013,223	1,790,036	1,566,849	1,343,662	1,120,474
Site 23	Urban Plot	South Higher	500,000	600,000	2,018,329	1,791,560	1,564,792	1,338,024	1,111,255	884,487	657,719
Site 24	PRS 25	South Higher	500,000	600,000	-1,002,782	-1,312,814	-1,622,846	-1,935,286	-2,249,508	-2,563,731	-2,877,953
Site 25	PRS 60	South Higher	500,000	600,000	-976,695	-1,284,513	-1,594,258	-1,904,004	-2,213,750	-2,523,496	-2,834,632

Source: HDH (June 2020)

Table 10.10b Varied Developer Contributions - No Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

0% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	Shrewsbury	25,000	425,000	871,499	766,621	661,742	556,863	451,984	347,106	242,227
Site 2	Green 120	Shrewsbury	25,000	425,000	883,683	776,283	668,882	561,481	454,081	346,680	239,280
Site 3	Green 80	Shrewsbury	25,000	425,000	1,033,540	906,753	779,966	653,180	526,393	399,606	272,819
Site 4	Green 60	Shrewsbury	25,000	425,000	1,043,352	914,469	785,587	656,705	527,823	398,941	270,059
Site 5	Green 30	Shrewsbury	25,000	425,000	1,058,303	927,996	797,689	667,382	537,075	406,768	276,462
Site 6	Green 20	Shrewsbury	25,000	425,000	1,081,317	943,240	805,163	667,086	529,009	390,932	249,535
Site 7	Green 12	Shrewsbury	100,000	500,000	1,174,766	1,036,676	898,585	760,495	622,405	480,732	338,140
Site 8	Green 9	Shrewsbury	100,000	500,000	2,380,694	2,258,420	2,136,145	2,013,871	1,891,596	1,769,321	1,647,047
Site 9	Green 6	Shrewsbury	100,000	500,000	2,520,116	2,378,278	2,236,439	2,094,600	1,952,762	1,810,923	1,669,085
Site 10	Green 3	Shrewsbury	100,000	500,000	2,756,341	2,614,502	2,471,875	2,325,945	2,180,015	2,034,085	1,888,155
Site 11	Green Plot	Shrewsbury	100,000	500,000	2,585,917	2,434,738	2,283,559	2,132,380	1,981,201	1,830,022	1,678,843
Site 12	Urban 300	Shrewsbury	500,000	600,000	1,036,353	879,048	721,743	564,438	403,099	240,384	77,668
Site 13	Urban 100	Shrewsbury	500,000	600,000	926,645	748,444	570,242	392,041	213,840	33,267	-153,669
Site 14	Urban 60	Shrewsbury	500,000	600,000	1,034,544	827,412	620,280	413,149	206,017	-8,890	-226,176
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	750,796	461,052	163,173	-136,688	-440,293	-750,325	-1,060,357
Site 16	Urban 25	Shrewsbury	500,000	600,000	1,067,802	858,380	648,959	439,235	222,866	3,179	-216,509
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	701,308	404,073	104,116	-195,840	-502,318	-812,450	-1,122,581
Site 18	Urban 16	Shrewsbury	500,000	600,000	1,475,701	1,264,621	1,053,541	842,460	629,311	411,951	190,524
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	366,249	63,891	-238,466	-548,859	-861,477	-1,174,094	-1,486,712
Site 20	Urban 8	Shrewsbury	500,000	600,000	1,418,177	1,197,880	977,238	754,888	529,921	304,954	79,986
Site 21	Urban 5	Shrewsbury	500,000	600,000	884,578	662,107	439,636	217,165	-5,305	-227,776	-454,672
Site 22	Urban 3	Shrewsbury	500,000	600,000	601,826	378,639	155,452	-67,735	-290,922	-518,122	-748,878
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-313,676	-542,364	-776,827	-1,011,291	-1,245,754	-1,480,217	-1,714,680
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,002,782	-1,312,814	-1,622,846	-1,935,286	-2,249,508	-2,563,731	-2,877,953
Site 25	PRS 60	Shrewsbury	500,000	600,000	-976,695	-1,284,513	-1,594,258	-1,904,004	-2,213,750	-2,523,496	-2,834,632

0% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	North	25,000	425,000	224,923	123,334	21,129	-85,441	-192,603	-302,765	-412,928
Site 2	Green 120	North	25,000	425,000	125,463	22,220	-85,071	-193,110	-304,020	-414,930	-527,355
Site 3	Green 80	North	25,000	425,000	149,415	24,998	-103,141	-232,418	-364,887	-497,357	-631,213
Site 4	Green 60	North	25,000	425,000	140,942	11,583	-119,881	-253,096	-389,007	-524,919	-661,934
Site 5	Green 30	North	25,000	425,000	151,843	15,380	-121,314	-260,082	-401,409	-542,736	-684,063
Site 6	Green 20	North	25,000	425,000	128,548	-16,298	-161,143	-309,444	-459,199	-608,955	-758,710
Site 7	Green 12	North	100,000	500,000	152,793	7,934	-136,926	-284,064	-433,836	-583,607	-733,379
Site 8	Green 9	North	100,000	500,000	1,484,532	1,362,258	1,239,983	1,117,709	995,434	873,159	750,885
Site 9	Green 6	North	100,000	500,000	1,501,950	1,360,111	1,217,358	1,071,428	925,498	779,567	631,356
Site 10	Green 3	North	100,000	500,000	1,585,173	1,438,051	1,289,260	1,140,468	991,677	842,886	694,094
Site 11	Green Plot	North	100,000	500,000	1,172,581	1,021,402	870,223	719,044	567,865	416,686	265,507
Site 12	Urban 300	North	500,000	600,000	139,840	-18,267	-187,566	-364,847	-553,869	-763,289	-975,053
Site 13	Urban 100	North	500,000	600,000	-269	-178,767	-359,743	-544,267	-728,790	-916,059	-1,103,912
Site 14	Urban 60	North	500,000	600,000	-56,566	-267,847	-484,419	-702,848	-921,278	-1,142,590	-1,364,404
Site 15	Urban 25 HD	North	500,000	600,000	-574,645	-884,677	-1,194,709	-1,504,741	-1,814,773	-2,128,432	-2,442,655
Site 16	Urban 25	North	500,000	600,000	-47,878	-267,565	-492,968	-720,100	-947,233	-1,174,365	-1,403,832
Site 17	Urban 16 HD	North	500,000	600,000	-532,786	-842,918	-1,153,049	-1,463,181	-1,773,312	-2,087,520	-2,401,810
Site 18	Urban 16	North	500,000	600,000	279,525	58,098	-163,329	-386,296	-615,229	-844,163	-1,073,096
Site 19	Urban 8 HD	North	500,000	600,000	-894,860	-1,207,478	-1,520,095	-1,832,713	-2,145,330	-2,457,948	-2,770,565
Site 20	Urban 8	North	500,000	600,000	306,691	81,724	-143,244	-370,368	-602,966	-835,565	-1,068,163
Site 21	Urban 5	North	500,000	600,000	-122,147	-346,871	-576,885	-806,899	-1,036,913	-1,269,767	-1,503,240
Site 22	Urban 3	North	500,000	600,000	-675,728	-906,484	-1,137,239	-1,367,995	-1,598,750	-1,829,506	-2,063,443
Site 23	Urban Plot	North	500,000	600,000	-1,954,041	-2,188,504	-2,422,968	-2,657,431	-2,891,894	-3,126,357	-3,360,820
Site 24	PRS 25	North	500,000	600,000	-1,002,782	-1,312,814	-1,622,846	-1,935,286	-2,249,508	-2,563,731	-2,877,953
Site 25	PRS 60	North	500,000	600,000	-976,695	-1,284,513	-1,594,258	-1,904,004	-2,213,750	-2,523,496	-2,834,632

0% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	849,946	780,892	711,839	642,785	573,731	504,677	434,373
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	762,903	699,969	637,036	574,103	511,169	448,236	384,309
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	725,542	643,256	560,233	477,210	394,187	311,164	225,593
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	613,781	542,569	471,357	398,813	325,866	252,919	177,983
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	735,745	653,198	570,651	488,104	403,825	318,939	234,053
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,300,533	1,223,494	1,145,954	1,068,415	990,876	913,336	835,797
Site 7	Clive Barracks	Tern Hill	100,000	400,000	512,261	430,174	347,854	265,533	183,213	98,709	13,450

Source: HDH (June 2020)

10.38 The results indicate that, without affordable housing the greenfield sites in the higher value areas have considerable capacity to bear developer contributions, but in the lower value north, and on the greenfield sites in the north, the capacity for developer contributions is limited.

Affordable Housing v Developer Contributions

10.39 As set out earlier, the core balance in a viability assessment is between the provision of affordable housing and the provision of developer contributions towards strategic infrastructure and mitigation measures that are required to make development acceptable. A further set of appraisals has been run with varied levels of developer contributions tested against varied affordable housing targets.

10.40 These appraisals also assume the following policy requirements:

a. Future Homes Standard Option 1.

b. Water Measures and 10% biodiversity net gain.

c. Part M4-2 100%.

Table 10.11a Varied Developer Contributions – 5% Affordable Housing SOUTH and HIGHER SOUTH

5% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South	25,000	425,000	740,368	636,147	531,926	427,704	323,483	219,262	115,040
Site 2	Green 120	South	25,000	425,000	751,199	644,317	537,434	430,552	323,670	216,787	109,905
Site 3	Green 80	South	25,000	425,000	875,335	748,941	622,547	496,153	369,759	243,365	116,971
Site 4	Green 60	South	25,000	425,000	883,904	755,324	626,743	498,162	369,582	241,001	112,298
Site 5	Green 30	South	25,000	425,000	900,287	769,980	639,673	509,367	379,060	248,753	114,644
Site 6	Green 20	South	25,000	425,000	916,067	777,991	639,914	501,837	363,639	221,579	76,749
Site 7	Green 12	South	100,000	500,000	1,004,003	865,913	727,822	589,191	447,117	303,866	159,007
Site 8	Green 9	South	100,000	500,000	1,808,091	1,685,816	1,563,542	1,441,267	1,318,992	1,196,718	1,074,443
Site 9	Green 6	South	100,000	500,000	1,872,125	1,730,287	1,588,448	1,446,610	1,304,771	1,160,421	1,014,491
Site 10	Green 3	South	100,000	500,000	1,991,482	1,845,552	1,699,622	1,553,692	1,405,953	1,257,162	1,108,371
Site 11	Green Plot	South	100,000	500,000	1,659,828	1,508,649	1,357,470	1,206,292	1,055,113	903,934	752,755
Site 12	Urban 300	South	500,000	600,000	606,476	449,562	288,872	126,360	-40,970	-218,987	-401,428
Site 13	Urban 100	South	500,000	600,000	464,964	287,474	109,984	-74,933	-261,123	-452,227	-644,714
Site 14	Urban 60	South	500,000	600,000	499,176	292,528	82,370	-134,407	-351,439	-575,559	-799,678
Site 15	Urban 25 HD	South	500,000	600,000	24,030	-275,830	-585,228	-895,261	-1,205,293	-1,515,325	-1,825,357
Site 16	Urban 25	South	500,000	600,000	532,764	319,689	100,976	-118,712	-338,399	-565,463	-792,595
Site 17	Urban 16 HD	South	500,000	600,000	14,771	-285,541	-595,672	-905,804	-1,215,935	-1,526,067	-1,836,198
Site 18	Urban 16	South	500,000	600,000	913,228	702,119	484,950	264,760	43,333	-178,095	-400,829
Site 19	Urban 8 HD	South	500,000	600,000	-338,815	-651,432	-964,050	-1,276,667	-1,589,285	-1,901,902	-2,214,520
Site 20	Urban 8	South	500,000	600,000	859,340	634,678	409,711	184,743	-40,224	-265,192	-495,686
Site 21	Urban 5	South	500,000	600,000	373,511	151,040	-71,431	-293,902	-523,755	-753,769	-983,783
Site 22	Urban 3	South	500,000	600,000	-41,199	-264,386	-491,584	-722,339	-953,095	-1,183,850	-1,414,606
Site 23	Urban Plot	South	500,000	600,000	-1,143,570	-1,378,033	-1,612,496	-1,846,959	-2,081,422	-2,315,885	-2,550,349
Site 24	PRS 25	South	500,000	600,000	-1,048,140	-1,358,172	-1,668,204	-1,981,605	-2,295,828	-2,610,050	-2,924,272
Site 25	PRS 60	South	500,000	600,000	-1,025,711	-1,334,466	-1,644,212	-1,953,957	-2,263,703	-2,573,449	-2,885,619

5% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South Higher	25,000	425,000	1,536,095	1,431,874	1,327,653	1,223,431	1,119,210	1,014,988	910,767
Site 2	Green 120	South Higher	25,000	425,000	1,565,884	1,459,002	1,352,119	1,245,237	1,138,355	1,031,473	924,590
Site 3	Green 80	South Higher	25,000	425,000	1,843,667	1,717,273	1,590,879	1,464,485	1,338,091	1,211,697	1,085,303
Site 4	Green 60	South Higher	25,000	425,000	1,871,560	1,742,979	1,614,399	1,485,818	1,357,237	1,228,657	1,100,076
Site 5	Green 30	South Higher	25,000	425,000	1,882,874	1,752,567	1,622,260	1,491,953	1,361,647	1,231,340	1,101,033
Site 6	Green 20	South Higher	25,000	425,000	1,942,395	1,804,318	1,666,241	1,528,164	1,390,087	1,252,010	1,113,933
Site 7	Green 12	South Higher	100,000	500,000	2,095,481	1,957,391	1,819,300	1,681,210	1,543,120	1,405,029	1,266,939
Site 8	Green 9	South Higher	100,000	500,000	2,236,887	2,114,613	1,992,338	1,870,063	1,747,789	1,625,514	1,503,240
Site 9	Green 6	South Higher	100,000	500,000	2,359,373	2,217,535	2,075,696	1,933,858	1,792,019	1,650,180	1,508,342
Site 10	Green 3	South Higher	100,000	500,000	2,555,875	2,411,557	2,265,627	2,119,697	1,973,767	1,827,837	1,681,907
Site 11	Green Plot	South Higher	100,000	500,000	2,338,583	2,187,404	2,036,225	1,885,046	1,733,867	1,582,688	1,431,509
Site 12	Urban 300	South Higher	500,000	600,000	2,103,136	1,950,407	1,797,678	1,644,948	1,492,219	1,339,490	1,185,411
Site 13	Urban 100	South Higher	500,000	600,000	2,132,931	1,955,441	1,777,951	1,600,461	1,422,971	1,245,481	1,067,991
Site 14	Urban 60	South Higher	500,000	600,000	2,439,229	2,232,581	2,025,934	1,819,286	1,612,638	1,405,991	1,199,343
Site 15	Urban 25 HD	South Higher	500,000	600,000	3,346,985	3,061,137	2,775,289	2,489,440	2,203,592	1,917,744	1,631,895
Site 16	Urban 25	South Higher	500,000	600,000	2,465,418	2,255,996	2,046,575	1,837,153	1,627,731	1,418,310	1,208,888
Site 17	Urban 16 HD	South Higher	500,000	600,000	3,104,642	2,818,702	2,532,762	2,246,822	1,960,882	1,674,942	1,389,002
Site 18	Urban 16	South Higher	500,000	600,000	2,993,613	2,782,532	2,571,452	2,360,372	2,149,292	1,938,212	1,727,132
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,839,201	2,550,973	2,262,744	1,974,515	1,680,842	1,384,299	1,087,025
Site 20	Urban 8	South Higher	500,000	600,000	2,766,799	2,552,344	2,337,889	2,123,434	1,908,979	1,694,524	1,480,069
Site 21	Urban 5	South Higher	500,000	600,000	2,137,279	1,919,086	1,700,894	1,482,701	1,262,832	1,040,361	817,890
Site 22	Urban 3	South Higher	500,000	600,000	2,197,398	1,974,211	1,751,024	1,527,837	1,304,650	1,081,462	858,275
Site 23	Urban Plot	South Higher	500,000	600,000	1,689,198	1,462,430	1,235,661	1,008,893	782,125	555,356	328,588
Site 24	PRS 25	South Higher	500,000	600,000	-1,048,140	-1,358,172	-1,668,204	-1,981,605	-2,295,828	-2,610,050	-2,924,272
Site 25	PRS 60	South Higher	500,000	600,000	-1,025,711	-1,334,466	-1,644,212	-1,953,957	-2,263,703	-2,573,449	-2,885,619

Source: HDH (June 2020)

Table 10.11b Varied Developer Contributions – 5% Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

5% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	Shrewsbury	25,000	425,000	793,448	688,570	583,691	478,812	373,934	269,055	164,176
Site 2	Green 120	Shrewsbury	25,000	425,000	804,622	697,221	589,820	482,420	375,019	267,619	160,218
Site 3	Green 80	Shrewsbury	25,000	425,000	939,203	812,417	685,630	558,843	432,056	305,270	178,483
Site 4	Green 60	Shrewsbury	25,000	425,000	947,670	818,788	689,906	561,023	432,141	303,259	174,377
Site 5	Green 30	Shrewsbury	25,000	425,000	962,815	832,508	702,202	571,895	441,588	311,281	179,464
Site 6	Green 20	Shrewsbury	25,000	425,000	981,379	843,302	705,225	567,148	429,071	288,775	145,262
Site 7	Green 12	Shrewsbury	100,000	500,000	1,073,461	935,370	797,280	659,190	518,578	376,505	231,869
Site 8	Green 9	Shrewsbury	100,000	500,000	2,236,887	2,114,613	1,992,338	1,870,063	1,747,789	1,625,514	1,503,240
Site 9	Green 6	Shrewsbury	100,000	500,000	2,359,373	2,217,535	2,075,696	1,933,858	1,792,019	1,650,180	1,508,342
Site 10	Green 3	Shrewsbury	100,000	500,000	2,555,875	2,411,557	2,265,627	2,119,697	1,973,767	1,827,837	1,681,907
Site 11	Green Plot	Shrewsbury	100,000	500,000	2,338,583	2,187,404	2,036,225	1,885,046	1,733,867	1,582,688	1,431,509
Site 12	Urban 300	Shrewsbury	500,000	600,000	922,260	764,955	607,650	448,279	285,563	122,847	-46,944
Site 13	Urban 100	Shrewsbury	500,000	600,000	803,150	624,949	446,747	268,546	90,066	-96,281	-283,218
Site 14	Urban 60	Shrewsbury	500,000	600,000	892,886	685,754	478,622	271,490	59,793	-157,493	-375,243
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	612,263	317,710	17,850	-282,011	-590,797	-900,829	-1,210,861
Site 16	Urban 25	Shrewsbury	500,000	600,000	924,897	715,475	506,053	292,208	72,956	-146,732	-366,717
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	563,908	263,979	-35,978	-337,251	-647,383	-957,514	-1,267,646
Site 18	Urban 16	Shrewsbury	500,000	600,000	1,335,335	1,124,255	913,175	702,065	484,896	264,704	43,277
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	218,332	-84,026	-389,382	-701,999	-1,014,617	-1,327,234	-1,639,852
Site 20	Urban 8	Shrewsbury	500,000	600,000	1,254,324	1,033,682	812,439	587,472	362,504	137,537	-87,430
Site 21	Urban 5	Shrewsbury	500,000	600,000	734,509	512,038	289,567	67,096	-155,375	-380,026	-610,040
Site 22	Urban 3	Shrewsbury	500,000	600,000	413,009	189,822	-33,365	-256,552	-482,850	-713,606	-944,361
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-553,286	-787,749	-1,022,212	-1,256,675	-1,491,138	-1,725,602	-1,960,065
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,048,140	-1,358,172	-1,668,204	-1,981,605	-2,295,828	-2,610,050	-2,924,272
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,025,711	-1,334,466	-1,644,212	-1,953,957	-2,263,703	-2,573,449	-2,885,619

5% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	North	25,000	425,000	174,838	73,248	-31,412	-137,981	-247,053	-357,216	-468,212
Site 2	Green 120	North	25,000	425,000	80,136	-25,329	-132,620	-242,397	-353,306	-464,927	-577,574
Site 3	Green 80	North	25,000	425,000	94,075	-33,056	-161,195	-292,585	-425,054	-557,981	-692,516
Site 4	Green 60	North	25,000	425,000	83,674	-47,522	-178,986	-314,354	-450,266	-586,340	-724,358
Site 5	Green 30	North	25,000	425,000	91,468	-45,227	-181,921	-322,892	-464,219	-605,546	-746,873
Site 6	Green 20	North	25,000	425,000	64,937	-79,909	-225,608	-375,364	-525,119	-674,875	-824,631
Site 7	Green 12	North	100,000	500,000	91,360	-53,499	-198,359	-347,761	-497,532	-647,304	-797,076
Site 8	Green 9	North	100,000	500,000	1,379,294	1,257,020	1,134,745	1,012,470	890,196	767,921	643,548
Site 9	Green 6	North	100,000	500,000	1,384,878	1,242,838	1,096,908	950,978	805,048	657,336	508,545
Site 10	Green 3	North	100,000	500,000	1,424,016	1,275,225	1,126,433	977,642	828,850	680,059	531,268
Site 11	Green Plot	North	100,000	500,000	981,074	829,895	678,716	527,537	376,358	225,179	74,000
Site 12	Urban 300	North	500,000	600,000	63,617	-101,628	-274,911	-457,597	-658,300	-870,065	-1,081,829
Site 13	Urban 100	North	500,000	600,000	-85,160	-263,659	-447,719	-632,243	-818,230	-1,005,754	-1,195,327
Site 14	Urban 60	North	500,000	600,000	-154,756	-367,751	-586,180	-804,610	-1,024,464	-1,246,279	-1,468,093
Site 15	Urban 25 HD	North	500,000	600,000	-669,274	-979,306	-1,289,338	-1,599,370	-1,910,642	-2,224,865	-2,539,087
Site 16	Urban 25	North	500,000	600,000	-150,138	-371,801	-598,933	-826,065	-1,053,198	-1,281,281	-1,511,822
Site 17	Urban 16 HD	North	500,000	600,000	-626,876	-937,008	-1,247,139	-1,557,271	-1,869,042	-2,183,331	-2,497,620
Site 18	Urban 16	North	500,000	600,000	185,773	-35,655	-257,082	-483,540	-712,473	-941,407	-1,170,340
Site 19	Urban 8 HD	North	500,000	600,000	-997,288	-1,309,906	-1,622,523	-1,935,141	-2,247,758	-2,560,376	-2,872,993
Site 20	Urban 8	North	500,000	600,000	183,637	-41,330	-266,298	-497,766	-730,365	-962,964	-1,195,562
Site 21	Urban 5	North	500,000	600,000	-232,450	-461,069	-691,083	-921,097	-1,152,490	-1,385,963	-1,619,436
Site 22	Urban 3	North	500,000	600,000	-819,412	-1,050,167	-1,280,923	-1,511,678	-1,742,434	-1,975,585	-2,209,641
Site 23	Urban Plot	North	500,000	600,000	-2,134,403	-2,368,867	-2,603,330	-2,837,793	-3,072,256	-3,306,719	-3,541,182
Site 24	PRS 25	North	500,000	600,000	-1,048,140	-1,358,172	-1,668,204	-1,981,605	-2,295,828	-2,610,050	-2,924,272
Site 25	PRS 60	North	500,000	600,000	-1,025,711	-1,334,466	-1,644,212	-1,953,957	-2,263,703	-2,573,449	-2,885,619

5% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	791,702	722,648	653,594	584,540	515,486	445,781	374,881
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	710,116	647,183	584,249	521,316	458,383	394,924	330,441
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	666,378	583,354	500,331	417,308	334,285	249,733	163,955
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	562,944	491,732	419,928	346,981	274,034	199,847	124,758
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	675,835	593,288	510,741	427,421	342,535	257,650	171,455
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,214,710	1,137,171	1,059,631	982,092	904,553	827,014	749,474
Site 7	Clive Barracks	Tern Hill	100,000	400,000	458,905	376,584	294,264	211,943	128,565	43,306	-44,298

Source: HDH (June 2020)

Table 10.12a Varied Developer Contributions – 10% Affordable Housing SOUTH and HIGHER SOUTH

10% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South	25,000	425,000	664,938	560,716	456,495	352,274	248,052	143,831	39,574
Site 2	Green 120	South	25,000	425,000	674,717	567,834	460,952	354,070	247,187	140,305	32,915
Site 3	Green 80	South	25,000	425,000	783,953	657,559	531,165	404,771	278,377	151,983	23,241
Site 4	Green 60	South	25,000	425,000	791,149	662,568	533,987	405,407	276,826	148,245	15,825
Site 5	Green 30	South	25,000	425,000	807,521	677,214	546,908	416,601	286,294	153,756	17,331
Site 6	Green 20	South	25,000	425,000	818,966	680,889	542,812	404,735	263,736	119,733	-25,112
Site 7	Green 12	South	100,000	500,000	905,782	767,692	629,601	488,137	345,690	200,830	55,971
Site 8	Green 9	South	100,000	500,000	1,683,568	1,561,293	1,439,019	1,316,744	1,194,470	1,072,195	949,920
Site 9	Green 6	South	100,000	500,000	1,733,218	1,591,379	1,449,541	1,307,702	1,163,437	1,017,507	871,577
Site 10	Green 3	South	100,000	500,000	1,808,510	1,662,580	1,516,650	1,368,185	1,219,394	1,070,602	921,811
Site 11	Green Plot	South	100,000	500,000	1,440,408	1,289,229	1,138,050	986,871	835,692	684,513	533,334
Site 12	Urban 300	South	500,000	600,000	506,168	347,875	185,363	22,550	-154,347	-333,794	-521,223
Site 13	Urban 100	South	500,000	600,000	356,518	179,028	-2,504	-188,695	-377,605	-570,092	-762,580
Site 14	Urban 60	South	500,000	600,000	374,889	167,686	-48,009	-264,786	-486,526	-710,646	-934,765
Site 15	Urban 25 HD	South	500,000	600,000	-96,142	-399,661	-709,693	-1,019,726	-1,329,758	-1,639,790	-1,949,822
Site 16	Urban 25	South	500,000	600,000	405,571	188,542	-31,145	-250,833	-475,210	-702,343	-929,475
Site 17	Urban 16 HD	South	500,000	600,000	-102,378	-406,850	-716,982	-1,027,113	-1,337,245	-1,647,376	-1,958,259
Site 18	Urban 16	South	500,000	600,000	791,900	577,291	358,911	137,484	-83,943	-305,370	-532,779
Site 19	Urban 8 HD	South	500,000	600,000	-468,322	-780,939	-1,093,557	-1,406,174	-1,718,792	-2,031,409	-2,344,027
Site 20	Urban 8	South	500,000	600,000	708,791	483,823	258,856	33,889	-191,079	-419,269	-651,867
Site 21	Urban 5	South	500,000	600,000	238,288	15,817	-206,654	-433,739	-663,753	-893,767	-1,123,781
Site 22	Urban 3	South	500,000	600,000	-211,337	-436,973	-667,729	-898,484	-1,129,240	-1,359,995	-1,590,751
Site 23	Urban Plot	South	500,000	600,000	-1,364,679	-1,599,142	-1,833,606	-2,068,069	-2,302,532	-2,536,995	-2,771,458
Site 24	PRS 25	South	500,000	600,000	-1,093,498	-1,403,530	-1,713,703	-2,027,925	-2,342,147	-2,656,370	-2,970,592
Site 25	PRS 60	South	500,000	600,000	-1,074,728	-1,384,419	-1,694,165	-2,003,911	-2,313,656	-2,623,402	-2,936,606

10% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South Higher	25,000	425,000	1,426,067	1,321,845	1,217,624	1,113,403	1,009,181	904,960	800,738
Site 2	Green 120	South Higher	25,000	425,000	1,453,838	1,346,956	1,240,074	1,133,191	1,026,309	919,427	812,544
Site 3	Green 80	South Higher	25,000	425,000	1,710,152	1,583,758	1,457,364	1,330,970	1,204,576	1,078,182	951,788
Site 4	Green 60	South Higher	25,000	425,000	1,735,757	1,607,176	1,478,595	1,350,014	1,221,434	1,092,853	964,272
Site 5	Green 30	South Higher	25,000	425,000	1,747,342	1,617,035	1,486,728	1,356,421	1,226,114	1,095,808	965,501
Site 6	Green 20	South Higher	25,000	425,000	1,800,727	1,662,650	1,524,573	1,386,497	1,248,420	1,110,343	972,266
Site 7	Green 12	South Higher	100,000	500,000	1,948,789	1,810,698	1,672,608	1,534,518	1,396,427	1,258,337	1,120,246
Site 8	Green 9	South Higher	100,000	500,000	2,093,080	1,970,806	1,848,531	1,726,256	1,603,982	1,481,707	1,359,432
Site 9	Green 6	South Higher	100,000	500,000	2,198,630	2,056,792	1,914,953	1,773,115	1,631,276	1,489,437	1,347,599
Site 10	Green 3	South Higher	100,000	500,000	2,351,238	2,205,308	2,059,378	1,913,448	1,767,518	1,621,588	1,475,181
Site 11	Green Plot	South Higher	100,000	500,000	2,091,249	1,940,070	1,788,891	1,637,712	1,486,533	1,335,355	1,184,176
Site 12	Urban 300	South Higher	500,000	600,000	1,940,396	1,787,667	1,634,938	1,482,208	1,329,479	1,176,139	1,019,225
Site 13	Urban 100	South Higher	500,000	600,000	1,952,283	1,774,793	1,597,303	1,419,813	1,242,323	1,064,833	887,343
Site 14	Urban 60	South Higher	500,000	600,000	2,230,682	2,024,035	1,817,387	1,610,739	1,404,092	1,197,444	990,797
Site 15	Urban 25 HD	South Higher	500,000	600,000	3,092,571	2,806,723	2,520,874	2,235,026	1,949,178	1,663,330	1,377,481
Site 16	Urban 25	South Higher	500,000	600,000	2,255,891	2,046,470	1,837,048	1,627,626	1,418,205	1,208,783	999,361
Site 17	Urban 16 HD	South Higher	500,000	600,000	2,865,375	2,579,435	2,293,495	2,007,556	1,721,616	1,435,676	1,149,736
Site 18	Urban 16	South Higher	500,000	600,000	2,778,455	2,567,375	2,356,295	2,145,215	1,934,135	1,723,054	1,511,974
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,593,021	2,304,792	2,016,563	1,724,104	1,427,561	1,131,017	828,778
Site 20	Urban 8	South Higher	500,000	600,000	2,545,181	2,330,726	2,116,271	1,901,816	1,687,361	1,472,906	1,254,188
Site 21	Urban 5	South Higher	500,000	600,000	1,932,894	1,714,702	1,496,509	1,276,911	1,054,440	831,969	609,498
Site 22	Urban 3	South Higher	500,000	600,000	1,935,199	1,712,012	1,488,825	1,265,638	1,042,451	819,263	596,076
Site 23	Urban Plot	South Higher	500,000	600,000	1,360,067	1,133,299	906,531	679,762	452,994	226,226	-543
Site 24	PRS 25	South Higher	500,000	600,000	-1,093,498	-1,403,530	-1,713,703	-2,027,925	-2,342,147	-2,656,370	-2,970,592
Site 25	PRS 60	South Higher	500,000	600,000	-1,074,728	-1,384,419	-1,694,165	-2,003,911	-2,313,656	-2,623,402	-2,936,606

Source: HDH (June 2020)

Table 10.12b Varied Developer Contributions – 10% Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

10% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	Shrewsbury	25,000	425,000	715,398	610,519	505,640	400,762	295,883	191,004	86,125
Site 2	Green 120	Shrewsbury	25,000	425,000	725,560	618,159	510,759	403,358	295,958	188,557	81,157
Site 3	Green 80	Shrewsbury	25,000	425,000	844,867	718,080	591,293	464,507	337,720	210,933	84,050
Site 4	Green 60	Shrewsbury	25,000	425,000	851,988	723,106	594,224	465,342	336,460	207,577	77,600
Site 5	Green 30	Shrewsbury	25,000	425,000	867,328	737,021	606,714	476,408	346,101	215,288	80,070
Site 6	Green 20	Shrewsbury	25,000	425,000	881,442	743,365	605,288	467,211	328,014	185,271	40,426
Site 7	Green 12	Shrewsbury	100,000	500,000	972,155	834,065	695,975	556,425	414,351	270,457	125,598
Site 8	Green 9	Shrewsbury	100,000	500,000	2,093,080	1,970,806	1,848,531	1,726,256	1,603,982	1,481,707	1,359,432
Site 9	Green 6	Shrewsbury	100,000	500,000	2,198,630	2,056,792	1,914,953	1,773,115	1,631,276	1,489,437	1,347,599
Site 10	Green 3	Shrewsbury	100,000	500,000	2,351,238	2,205,308	2,059,378	1,913,448	1,767,518	1,621,588	1,475,181
Site 11	Green Plot	Shrewsbury	100,000	500,000	2,091,249	1,940,070	1,788,891	1,637,712	1,486,533	1,335,355	1,184,176
Site 12	Urban 300	Shrewsbury	500,000	600,000	808,167	650,862	493,458	330,742	168,026	2,564	-175,527
Site 13	Urban 100	Shrewsbury	500,000	600,000	679,655	501,454	323,253	145,051	-38,893	-225,830	-416,270
Site 14	Urban 60	Shrewsbury	500,000	600,000	751,228	544,096	336,964	128,168	-88,810	-306,095	-529,197
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	470,089	172,387	-127,474	-431,269	-741,301	-1,051,333	-1,361,365
Site 16	Urban 25	Shrewsbury	500,000	600,000	781,991	572,570	360,643	142,733	-76,955	-296,642	-522,014
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	423,841	123,885	-176,072	-482,316	-792,447	-1,102,579	-1,412,710
Site 18	Urban 16	Shrewsbury	500,000	600,000	1,194,969	983,889	772,808	557,650	338,885	117,457	-103,970
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	70,414	-231,944	-542,522	-855,139	-1,167,757	-1,480,374	-1,792,992
Site 20	Urban 8	Shrewsbury	500,000	600,000	1,090,126	869,485	645,022	420,055	195,088	-29,880	-254,847
Site 21	Urban 5	Shrewsbury	500,000	600,000	584,440	361,969	139,498	-82,973	-305,444	-535,393	-765,407
Site 22	Urban 3	Shrewsbury	500,000	600,000	224,192	1,005	-222,182	-447,578	-678,334	-909,089	-1,139,845
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-798,670	-1,033,134	-1,267,597	-1,502,060	-1,736,523	-1,970,986	-2,205,449
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,093,498	-1,403,530	-1,713,703	-2,027,925	-2,342,147	-2,656,370	-2,970,592
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,074,728	-1,384,419	-1,694,165	-2,003,911	-2,313,656	-2,623,402	-2,936,606

10% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	North	25,000	425,000	124,752	22,617	-83,953	-191,342	-301,504	-411,784	-523,678
Site 2	Green 120	North	25,000	425,000	34,341	-72,877	-180,773	-291,683	-402,592	-515,146	-628,672
Site 3	Green 80	North	25,000	425,000	37,030	-91,109	-220,283	-352,752	-485,221	-619,284	-753,819
Site 4	Green 60	North	25,000	425,000	24,836	-106,628	-239,701	-375,613	-511,524	-648,764	-786,782
Site 5	Green 30	North	25,000	425,000	30,861	-105,834	-244,376	-385,703	-527,029	-668,356	-810,831
Site 6	Green 20	North	25,000	425,000	1,325	-143,520	-291,528	-441,284	-591,040	-740,795	-891,001
Site 7	Green 12	North	100,000	500,000	29,927	-114,932	-261,686	-411,458	-561,229	-711,001	-860,773
Site 8	Green 9	North	100,000	500,000	1,274,056	1,151,781	1,029,507	907,232	784,958	661,076	535,274
Site 9	Green 6	North	100,000	500,000	1,267,806	1,122,389	976,459	830,529	683,317	534,525	385,734
Site 10	Green 3	North	100,000	500,000	1,261,189	1,112,398	963,607	814,815	666,024	517,232	368,441
Site 11	Green Plot	North	100,000	500,000	789,566	638,388	487,209	336,030	184,851	33,672	-117,507
Site 12	Urban 300	North	500,000	600,000	-15,691	-184,990	-363,167	-553,860	-765,076	-976,841	-1,188,606
Site 13	Urban 100	North	500,000	600,000	-170,052	-351,172	-535,695	-720,444	-907,917	-1,096,409	-1,286,742
Site 14	Urban 60	North	500,000	600,000	-252,945	-469,512	-687,941	-906,371	-1,128,154	-1,349,968	-1,572,148
Site 15	Urban 25 HD	North	500,000	600,000	-763,903	-1,073,935	-1,383,967	-1,693,999	-2,007,075	-2,321,297	-2,635,519
Site 16	Urban 25	North	500,000	600,000	-252,398	-477,766	-704,898	-932,030	-1,159,162	-1,389,272	-1,619,813
Site 17	Urban 16 HD	North	500,000	600,000	-720,966	-1,031,098	-1,341,229	-1,651,361	-1,964,852	-2,279,141	-2,593,430
Site 18	Urban 16	North	500,000	600,000	92,020	-129,408	-351,850	-580,784	-809,717	-1,038,650	-1,267,584
Site 19	Urban 8 HD	North	500,000	600,000	-1,099,716	-1,412,334	-1,724,951	-2,037,569	-2,350,186	-2,662,804	-2,975,421
Site 20	Urban 8	North	500,000	600,000	60,583	-164,385	-392,567	-625,165	-857,764	-1,090,362	-1,322,961
Site 21	Urban 5	North	500,000	600,000	-345,253	-575,267	-805,281	-1,035,295	-1,268,686	-1,502,159	-1,735,632
Site 22	Urban 3	North	500,000	600,000	-963,096	-1,193,851	-1,424,607	-1,655,362	-1,887,728	-2,121,784	-2,355,840
Site 23	Urban Plot	North	500,000	600,000	-2,314,765	-2,549,229	-2,783,692	-3,018,155	-3,252,618	-3,487,081	-3,721,544
Site 24	PRS 25	North	500,000	600,000	-1,093,498	-1,403,530	-1,713,703	-2,027,925	-2,342,147	-2,656,370	-2,970,592
Site 25	PRS 60	North	500,000	600,000	-1,074,728	-1,384,419	-1,694,165	-2,003,911	-2,313,656	-2,623,402	-2,936,606

10% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	733,457	664,403	595,349	526,295	457,189	386,289	315,389
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	657,330	594,396	531,463	468,530	405,540	341,056	276,573
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	606,476	523,452	440,429	357,406	273,874	188,096	102,318
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	512,107	440,895	368,096	295,149	221,711	146,623	71,078
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	615,925	533,378	450,831	366,131	281,246	196,064	108,176
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,128,387	1,050,848	973,308	895,769	818,230	740,691	663,151
Site 7	Clive Barracks	Tern Hill	100,000	400,000	405,315	322,994	240,674	158,353	73,161	-12,979	-104,286

Source: HDH (June 2020)

Table 10.13a Varied Developer Contributions – 15% Affordable Housing SOUTH and HIGHER SOUTH

15% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South	25,000	425,000	589,507	485,286	381,064	276,843	172,622	68,400	-39,258
Site 2	Green 120	South	25,000	425,000	598,234	491,352	384,470	277,587	170,705	63,823	-47,272
Site 3	Green 80	South	25,000	425,000	692,571	566,177	439,783	313,389	186,995	59,825	-72,621
Site 4	Green 60	South	25,000	425,000	698,393	569,813	441,232	312,651	184,071	53,406	-81,478
Site 5	Green 30	South	25,000	425,000	714,756	584,449	454,142	323,835	192,380	56,713	-79,982
Site 6	Green 20	South	25,000	425,000	721,864	583,787	445,711	305,894	162,717	17,872	-126,974
Site 7	Green 12	South	100,000	500,000	807,561	669,471	529,156	387,083	242,654	97,795	-47,065
Site 8	Green 9	South	100,000	500,000	1,559,045	1,436,771	1,314,496	1,192,222	1,069,947	947,672	825,398
Site 9	Green 6	South	100,000	500,000	1,594,310	1,452,472	1,310,633	1,166,452	1,020,522	874,592	728,244
Site 10	Green 3	South	100,000	500,000	1,625,538	1,479,208	1,330,417	1,181,626	1,032,834	884,043	735,251
Site 11	Green Plot	South	100,000	500,000	1,220,987	1,069,808	918,630	767,451	616,272	465,093	313,914
Site 12	Urban 300	South	500,000	600,000	405,860	244,367	81,855	-89,707	-267,724	-453,589	-650,877
Site 13	Urban 100	South	500,000	600,000	248,072	69,733	-116,266	-302,983	-495,471	-687,958	-881,243
Site 14	Urban 60	South	500,000	600,000	250,603	38,389	-178,388	-397,494	-621,613	-845,733	-1,069,852
Site 15	Urban 25 HD	South	500,000	600,000	-216,315	-524,126	-834,158	-1,144,190	-1,454,223	-1,764,255	-2,076,237
Site 16	Urban 25	South	500,000	600,000	275,991	56,421	-163,266	-384,958	-612,090	-839,223	-1,066,355
Site 17	Urban 16 HD	South	500,000	600,000	-219,527	-528,160	-838,291	-1,148,423	-1,458,554	-1,768,686	-2,081,765
Site 18	Urban 16	South	500,000	600,000	669,632	452,463	231,636	10,209	-211,219	-435,796	-664,729
Site 19	Urban 8 HD	South	500,000	600,000	-597,829	-910,446	-1,223,064	-1,535,681	-1,848,299	-2,160,917	-2,473,534
Site 20	Urban 8	South	500,000	600,000	557,936	332,969	108,001	-116,966	-342,851	-575,449	-808,048
Site 21	Urban 5	South	500,000	600,000	103,064	-119,406	-343,722	-573,736	-803,750	-1,033,764	-1,265,997
Site 22	Urban 3	South	500,000	600,000	-382,363	-613,118	-843,874	-1,074,629	-1,305,385	-1,536,140	-1,766,896
Site 23	Urban Plot	South	500,000	600,000	-1,585,789	-1,820,252	-2,054,715	-2,289,178	-2,523,641	-2,758,104	-2,992,568
Site 24	PRS 25	South	500,000	600,000	-1,138,856	-1,448,888	-1,760,022	-2,074,244	-2,388,467	-2,702,689	-3,016,911
Site 25	PRS 60	South	500,000	600,000	-1,124,627	-1,434,372	-1,744,118	-2,053,864	-2,363,609	-2,674,126	-2,987,594

15% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South Higher	25,000	425,000	1,316,038	1,211,817	1,107,595	1,003,374	899,153	794,931	690,710
Site 2	Green 120	South Higher	25,000	425,000	1,341,792	1,234,910	1,128,028	1,021,145	914,263	807,381	700,498
Site 3	Green 80	South Higher	25,000	425,000	1,576,636	1,450,242	1,323,849	1,197,455	1,071,061	944,667	818,273
Site 4	Green 60	South Higher	25,000	425,000	1,599,953	1,471,372	1,342,792	1,214,211	1,085,630	957,050	828,469
Site 5	Green 30	South Higher	25,000	425,000	1,611,810	1,481,503	1,351,196	1,220,889	1,090,582	960,275	829,969
Site 6	Green 20	South Higher	25,000	425,000	1,659,060	1,520,983	1,382,906	1,244,829	1,106,752	968,675	830,598
Site 7	Green 12	South Higher	100,000	500,000	1,802,096	1,664,006	1,525,915	1,387,825	1,249,735	1,111,644	973,554
Site 8	Green 9	South Higher	100,000	500,000	1,949,273	1,826,998	1,704,724	1,582,449	1,460,175	1,337,900	1,215,625
Site 9	Green 6	South Higher	100,000	500,000	2,037,887	1,896,049	1,754,210	1,612,372	1,470,533	1,328,694	1,185,034
Site 10	Green 3	South Higher	100,000	500,000	2,144,990	1,999,060	1,853,130	1,707,200	1,561,270	1,413,680	1,264,888
Site 11	Green Plot	South Higher	100,000	500,000	1,843,915	1,692,736	1,541,557	1,390,379	1,239,200	1,088,021	936,842
Site 12	Urban 300	South Higher	500,000	600,000	1,777,656	1,624,927	1,472,197	1,319,468	1,166,739	1,009,954	853,040
Site 13	Urban 100	South Higher	500,000	600,000	1,771,635	1,594,145	1,416,655	1,239,165	1,061,675	884,185	706,694
Site 14	Urban 60	South Higher	500,000	600,000	2,022,135	1,815,488	1,608,840	1,402,193	1,195,545	988,898	782,250
Site 15	Urban 25 HD	South Higher	500,000	600,000	2,838,157	2,552,309	2,266,460	1,980,612	1,694,764	1,408,915	1,123,067
Site 16	Urban 25	South Higher	500,000	600,000	2,046,365	1,836,943	1,627,521	1,418,099	1,208,678	999,256	789,834
Site 17	Urban 16 HD	South Higher	500,000	600,000	2,626,109	2,340,169	2,054,229	1,768,289	1,482,349	1,196,409	909,690
Site 18	Urban 16	South Higher	500,000	600,000	2,563,298	2,352,218	2,141,137	1,930,057	1,718,977	1,507,897	1,296,817
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,346,841	2,058,612	1,767,365	1,470,822	1,174,279	872,887	570,530
Site 20	Urban 8	South Higher	500,000	600,000	2,323,563	2,109,108	1,894,653	1,680,198	1,465,743	1,246,818	1,026,177
Site 21	Urban 5	South Higher	500,000	600,000	1,728,510	1,510,317	1,290,990	1,068,519	846,048	623,577	401,106
Site 22	Urban 3	South Higher	500,000	600,000	1,673,000	1,449,813	1,226,626	1,003,439	780,251	557,064	333,877
Site 23	Urban Plot	South Higher	500,000	600,000	1,030,937	804,168	577,400	350,632	123,863	-102,905	-329,673
Site 24	PRS 25	South Higher	500,000	600,000	-1,138,856	-1,448,888	-1,760,022	-2,074,244	-2,388,467	-2,702,689	-3,016,911
Site 25	PRS 60	South Higher	500,000	600,000	-1,124,627	-1,434,372	-1,744,118	-2,053,864	-2,363,609	-2,674,126	-2,987,594

Source: HDH (June 2020)

Table 10.13b Varied Developer Contributions – 15% Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

15% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	Shrewsbury	25,000	425,000	637,347	532,468	427,589	322,711	217,832	112,953	6,789
Site 2	Green 120	Shrewsbury	25,000	425,000	646,498	539,098	431,697	324,297	216,896	109,496	96
Site 3	Green 80	Shrewsbury	25,000	425,000	750,531	623,744	496,957	370,170	243,383	116,597	-14,293
Site 4	Green 60	Shrewsbury	25,000	425,000	756,306	627,424	498,542	369,660	240,778	111,758	-22,623
Site 5	Green 30	Shrewsbury	25,000	425,000	771,841	641,534	511,227	380,920	250,614	116,596	-20,098
Site 6	Green 20	Shrewsbury	25,000	425,000	781,504	643,427	505,350	367,254	225,194	80,435	-64,410
Site 7	Green 12	Shrewsbury	100,000	500,000	870,850	732,760	594,271	452,197	309,045	164,186	19,326
Site 8	Green 9	Shrewsbury	100,000	500,000	1,949,273	1,826,998	1,704,724	1,582,449	1,460,175	1,337,900	1,215,625
Site 9	Green 6	Shrewsbury	100,000	500,000	2,037,887	1,896,049	1,754,210	1,612,372	1,470,533	1,328,694	1,185,034
Site 10	Green 3	Shrewsbury	100,000	500,000	2,144,990	1,999,060	1,853,130	1,707,200	1,561,270	1,413,680	1,264,888
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,843,915	1,692,736	1,541,557	1,390,379	1,239,200	1,088,021	936,842
Site 12	Urban 300	Shrewsbury	500,000	600,000	694,074	536,769	375,921	213,206	50,490	-126,019	-304,504
Site 13	Urban 100	Shrewsbury	500,000	600,000	556,160	377,959	199,758	18,495	-168,442	-357,220	-550,480
Site 14	Urban 60	Shrewsbury	500,000	600,000	609,569	402,437	195,305	-20,127	-237,412	-458,505	-683,151
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	326,924	27,063	-272,797	-581,772	-891,804	-1,201,836	-1,511,869
Site 16	Urban 25	Shrewsbury	500,000	600,000	639,086	429,078	212,510	-7,178	-226,865	-450,180	-677,312
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	283,747	-16,210	-317,249	-627,380	-937,512	-1,247,643	-1,557,775
Site 18	Urban 16	Shrewsbury	500,000	600,000	1,054,603	843,523	630,403	413,065	191,638	-29,789	-251,217
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-77,504	-383,044	-695,662	-1,008,279	-1,320,897	-1,633,514	-1,946,132
Site 20	Urban 8	Shrewsbury	500,000	600,000	925,929	702,573	477,606	252,638	27,671	-197,296	-425,394
Site 21	Urban 5	Shrewsbury	500,000	600,000	434,371	211,900	-10,571	-233,042	-460,747	-690,761	-920,775
Site 22	Urban 3	Shrewsbury	500,000	600,000	35,375	-187,812	-412,306	-643,062	-873,817	-1,104,573	-1,335,328
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-1,044,055	-1,278,518	-1,512,981	-1,747,444	-1,981,908	-2,216,371	-2,450,834
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,138,856	-1,448,888	-1,760,022	-2,074,244	-2,388,467	-2,702,689	-3,016,911
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,124,627	-1,434,372	-1,744,118	-2,053,864	-2,363,609	-2,674,126	-2,987,594

15% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	North	25,000	425,000	74,667	-29,924	-136,494	-245,792	-355,955	-467,251	-580,027
Site 2	Green 120	North	25,000	425,000	-13,135	-120,426	-230,059	-340,969	-452,718	-565,519	-679,864
Site 3	Green 80	North	25,000	425,000	-21,023	-149,162	-280,450	-412,919	-546,052	-680,587	-815,611
Site 4	Green 60	North	25,000	425,000	-34,269	-165,733	-300,960	-436,871	-573,169	-711,187	-849,205
Site 5	Green 30	North	25,000	425,000	-29,747	-166,441	-307,186	-448,513	-589,839	-731,407	-874,855
Site 6	Green 20	North	25,000	425,000	-62,286	-207,693	-357,448	-507,204	-656,960	-806,715	-958,202
Site 7	Green 12	North	100,000	500,000	-31,506	-176,365	-325,383	-475,154	-624,926	-774,698	-924,470
Site 8	Green 9	North	100,000	500,000	1,168,818	1,046,543	924,268	801,994	678,604	552,802	426,921
Site 9	Green 6	North	100,000	500,000	1,147,870	1,001,940	856,010	709,297	560,506	411,714	262,923
Site 10	Green 3	North	100,000	500,000	1,098,363	949,572	800,780	651,989	503,197	354,406	205,614
Site 11	Green Plot	North	100,000	500,000	598,059	446,881	295,702	144,523	-6,656	-157,835	-309,014
Site 12	Urban 300	North	500,000	600,000	-99,052	-272,647	-456,165	-660,088	-871,853	-1,083,617	-1,295,382
Site 13	Urban 100	North	500,000	600,000	-254,944	-439,148	-623,671	-810,080	-997,611	-1,187,824	-1,378,156
Site 14	Urban 60	North	500,000	600,000	-352,844	-571,273	-789,703	-1,010,029	-1,231,843	-1,453,658	-1,677,886
Site 15	Urban 25 HD	North	500,000	600,000	-858,532	-1,168,564	-1,478,596	-1,789,285	-2,103,507	-2,417,730	-2,731,952
Site 16	Urban 25	North	500,000	600,000	-356,598	-583,730	-810,863	-1,037,995	-1,266,722	-1,497,263	-1,727,804
Site 17	Urban 16 HD	North	500,000	600,000	-815,056	-1,125,188	-1,435,319	-1,746,373	-2,060,662	-2,374,951	-2,689,241
Site 18	Urban 16	North	500,000	600,000	-1,733	-223,161	-449,094	-678,027	-906,961	-1,135,894	-1,364,828
Site 19	Urban 8 HD	North	500,000	600,000	-1,202,144	-1,514,761	-1,827,379	-2,139,996	-2,452,614	-2,765,231	-3,077,849
Site 20	Urban 8	North	500,000	600,000	-62,472	-287,439	-519,965	-752,564	-985,163	-1,217,761	-1,450,360
Site 21	Urban 5	North	500,000	600,000	-459,450	-689,464	-919,478	-1,151,410	-1,384,883	-1,618,356	-1,851,829
Site 22	Urban 3	North	500,000	600,000	-1,106,780	-1,337,535	-1,568,291	-1,799,870	-2,033,926	-2,267,982	-2,502,038
Site 23	Urban Plot	North	500,000	600,000	-2,495,128	-2,729,591	-2,964,054	-3,198,517	-3,432,980	-3,667,443	-3,901,906
Site 24	PRS 25	North	500,000	600,000	-1,138,856	-1,448,888	-1,760,022	-2,074,244	-2,388,467	-2,702,689	-3,016,911
Site 25	PRS 60	North	500,000	600,000	-1,124,627	-1,434,372	-1,744,118	-2,053,864	-2,363,609	-2,674,126	-2,987,594

15% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	675,212	606,158	537,104	468,050	397,697	326,797	255,896
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	604,543	541,610	478,677	415,743	351,672	287,188	222,705
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	546,574	463,550	380,527	297,504	212,236	126,458	40,505
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	461,270	389,211	316,264	243,317	168,487	93,398	16,013
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	556,015	473,468	389,727	304,842	219,956	132,785	44,897
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,042,064	964,525	886,985	809,446	731,907	654,368	576,171
Site 7	Clive Barracks	Tern Hill	100,000	400,000	351,725	269,404	187,084	103,017	17,757	-71,677	-165,147

Source: HDH (June 2020)

Table 10.14a Varied Developer Contributions – 20% Affordable Housing SOUTH and HIGHER SOUTH

20% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South	25,000	425,000	514,076	409,855	305,634	201,412	97,191	-9,056	-118,387
Site 2	Green 120	South	25,000	425,000	521,752	414,870	307,987	201,105	94,223	-15,382	-127,504
Site 3	Green 80	South	25,000	425,000	601,189	474,795	348,401	222,007	95,613	-35,892	-168,482
Site 4	Green 60	South	25,000	425,000	605,638	477,057	348,476	219,896	90,584	-43,896	-178,780
Site 5	Green 30	South	25,000	425,000	621,990	491,683	361,376	231,004	96,094	-40,600	-177,295
Site 6	Green 20	South	25,000	425,000	624,763	486,686	348,051	205,701	60,856	-83,990	-229,207
Site 7	Green 12	South	100,000	500,000	709,340	570,176	428,102	284,478	139,619	-5,241	-150,100
Site 8	Green 9	South	100,000	500,000	1,434,523	1,312,248	1,189,973	1,067,699	945,424	823,150	700,370
Site 9	Green 6	South	100,000	500,000	1,455,403	1,313,564	1,169,468	1,023,538	877,608	731,318	582,527
Site 10	Green 3	South	100,000	500,000	1,441,440	1,292,649	1,143,857	995,066	846,275	697,483	548,692
Site 11	Green Plot	South	100,000	500,000	1,001,567	850,388	699,209	548,030	396,851	245,672	94,494
Site 12	Urban 300	South	500,000	600,000	303,370	140,859	-25,067	-203,084	-385,955	-576,896	-788,228
Site 13	Urban 100	South	500,000	600,000	139,626	-43,838	-230,028	-420,849	-613,336	-805,823	-1,001,289
Site 14	Urban 60	South	500,000	600,000	124,551	-91,990	-308,767	-532,581	-756,700	-980,820	-1,206,674
Site 15	Urban 25 HD	South	500,000	600,000	-338,559	-648,591	-958,623	-1,268,655	-1,578,688	-1,888,805	-2,203,027
Site 16	Urban 25	South	500,000	600,000	143,988	-75,700	-295,387	-521,838	-748,971	-976,103	-1,203,235
Site 17	Urban 16 HD	South	500,000	600,000	-339,338	-649,469	-959,601	-1,269,732	-1,579,864	-1,890,982	-2,205,271
Site 18	Urban 16	South	500,000	600,000	544,804	325,787	104,360	-117,067	-338,813	-567,746	-796,680
Site 19	Urban 8 HD	South	500,000	600,000	-727,336	-1,039,954	-1,352,571	-1,665,189	-1,977,806	-2,290,424	-2,603,041
Site 20	Urban 8	South	500,000	600,000	407,081	182,114	-42,854	-267,821	-499,032	-731,630	-964,229
Site 21	Urban 5	South	500,000	600,000	-32,159	-254,630	-483,720	-713,734	-943,748	-1,174,971	-1,408,444
Site 22	Urban 3	South	500,000	600,000	-558,508	-789,263	-1,020,019	-1,250,774	-1,481,530	-1,712,285	-1,944,172
Site 23	Urban Plot	South	500,000	600,000	-1,806,898	-2,041,361	-2,275,825	-2,510,288	-2,744,751	-2,979,214	-3,213,677
Site 24	PRS 25	South	500,000	600,000	-1,184,213	-1,494,245	-1,806,341	-2,120,564	-2,434,786	-2,749,008	-3,063,231
Site 25	PRS 60	South	500,000	600,000	-1,174,580	-1,484,326	-1,794,071	-2,103,817	-2,413,563	-2,725,113	-3,038,581

20% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South Higher	25,000	425,000	1,206,010	1,101,788	997,567	893,345	789,124	684,903	580,681
Site 2	Green 120	South Higher	25,000	425,000	1,229,746	1,122,864	1,015,982	909,099	802,217	695,335	588,453
Site 3	Green 80	South Higher	25,000	425,000	1,443,121	1,316,727	1,190,333	1,063,939	937,545	811,151	684,757
Site 4	Green 60	South Higher	25,000	425,000	1,464,149	1,335,569	1,206,988	1,078,407	949,827	821,246	692,665
Site 5	Green 30	South Higher	25,000	425,000	1,476,277	1,345,971	1,215,664	1,085,357	955,050	824,743	694,436
Site 6	Green 20	South Higher	25,000	425,000	1,517,393	1,379,316	1,241,239	1,103,162	965,085	827,008	688,931
Site 7	Green 12	South Higher	100,000	500,000	1,655,404	1,517,313	1,379,223	1,241,133	1,103,042	964,952	826,862
Site 8	Green 9	South Higher	100,000	500,000	1,805,466	1,683,191	1,560,917	1,438,642	1,316,367	1,194,093	1,071,818
Site 9	Green 6	South Higher	100,000	500,000	1,877,144	1,735,306	1,593,467	1,451,629	1,309,790	1,165,585	1,019,655
Site 10	Green 3	South Higher	100,000	500,000	1,938,741	1,792,811	1,646,881	1,500,951	1,352,179	1,203,387	1,054,596
Site 11	Green Plot	South Higher	100,000	500,000	1,596,581	1,445,402	1,294,224	1,143,045	991,866	840,687	689,508
Site 12	Urban 300	South Higher	500,000	600,000	1,614,916	1,462,187	1,309,457	1,156,728	1,000,683	843,769	686,854
Site 13	Urban 100	South Higher	500,000	600,000	1,590,987	1,413,497	1,236,007	1,058,516	881,026	703,536	526,046
Site 14	Urban 60	South Higher	500,000	600,000	1,813,589	1,606,941	1,400,294	1,193,646	986,999	780,351	573,704
Site 15	Urban 25 HD	South Higher	500,000	600,000	2,583,743	2,297,895	2,012,046	1,726,198	1,440,350	1,154,501	868,653
Site 16	Urban 25	South Higher	500,000	600,000	1,836,838	1,627,416	1,417,994	1,208,573	999,151	789,729	580,308
Site 17	Urban 16 HD	South Higher	500,000	600,000	2,386,842	2,100,903	1,814,963	1,529,023	1,243,083	957,143	663,522
Site 18	Urban 16	South Higher	500,000	600,000	2,348,140	2,137,060	1,925,980	1,714,900	1,503,820	1,292,740	1,081,659
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,100,661	1,810,627	1,514,084	1,217,541	916,997	614,640	312,282
Site 20	Urban 8	South Higher	500,000	600,000	2,101,945	1,887,490	1,673,035	1,458,580	1,239,449	1,018,807	797,273
Site 21	Urban 5	South Higher	500,000	600,000	1,524,125	1,305,069	1,082,598	860,127	637,656	415,185	192,714
Site 22	Urban 3	South Higher	500,000	600,000	1,410,801	1,187,614	964,427	741,240	518,052	294,865	71,678
Site 23	Urban Plot	South Higher	500,000	600,000	701,806	475,038	248,269	21,501	-205,267	-432,036	-663,345
Site 24	PRS 25	South Higher	500,000	600,000	-1,184,213	-1,494,245	-1,806,341	-2,120,564	-2,434,786	-2,749,008	-3,063,231
Site 25	PRS 60	South Higher	500,000	600,000	-1,174,580	-1,484,326	-1,794,071	-2,103,817	-2,413,563	-2,725,113	-3,038,581

Source: HDH (June 2020)

Table 10.14b Varied Developer Contributions – 20% Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

20% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	Shrewsbury	25,000	425,000	559,296	454,417	349,539	244,660	139,781	34,731	-75,088
Site 2	Green 120	Shrewsbury	25,000	425,000	567,437	460,036	352,636	245,235	137,835	29,824	-82,841
Site 3	Green 80	Shrewsbury	25,000	425,000	656,194	529,407	402,620	275,834	149,047	19,748	-113,253
Site 4	Green 60	Shrewsbury	25,000	425,000	660,624	531,742	402,860	273,978	145,096	12,205	-122,995
Site 5	Green 30	Shrewsbury	25,000	425,000	676,354	546,047	415,740	285,433	152,870	16,428	-120,266
Site 6	Green 20	Shrewsbury	25,000	425,000	681,567	543,490	405,413	264,433	120,444	-24,401	-169,247
Site 7	Green 12	Shrewsbury	100,000	500,000	769,544	631,454	490,043	347,633	202,774	57,914	-86,945
Site 8	Green 9	Shrewsbury	100,000	500,000	1,805,466	1,683,191	1,560,917	1,438,642	1,316,367	1,194,093	1,071,818
Site 9	Green 6	Shrewsbury	100,000	500,000	1,877,144	1,735,306	1,593,467	1,451,629	1,309,790	1,165,585	1,019,655
Site 10	Green 3	Shrewsbury	100,000	500,000	1,938,741	1,792,811	1,646,881	1,500,951	1,352,179	1,203,387	1,054,596
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,596,581	1,445,402	1,294,224	1,143,045	991,866	840,687	689,508
Site 12	Urban 300	Shrewsbury	500,000	600,000	579,982	421,101	258,385	95,669	-76,511	-254,602	-440,263
Site 13	Urban 100	Shrewsbury	500,000	600,000	432,666	254,464	75,578	-111,053	-298,169	-491,429	-684,689
Site 14	Urban 60	Shrewsbury	500,000	600,000	467,911	260,779	48,556	-168,729	-387,814	-612,459	-837,104
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	181,601	-118,260	-422,244	-732,276	-1,042,308	-1,352,340	-1,662,372
Site 16	Urban 25	Shrewsbury	500,000	600,000	496,181	282,050	62,599	-157,088	-378,345	-605,477	-832,609
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	143,653	-156,304	-462,313	-772,445	-1,082,576	-1,392,708	-1,702,839
Site 18	Urban 16	Shrewsbury	500,000	600,000	914,237	703,157	485,988	265,818	44,391	-177,036	-400,276
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-225,421	-536,184	-848,802	-1,161,419	-1,474,037	-1,786,654	-2,099,272
Site 20	Urban 8	Shrewsbury	500,000	600,000	760,124	535,156	310,189	85,222	-139,746	-366,123	-598,722
Site 21	Urban 5	Shrewsbury	500,000	600,000	284,302	61,831	-160,640	-386,100	-616,114	-846,128	-1,076,142
Site 22	Urban 3	Shrewsbury	500,000	600,000	-153,442	-377,034	-607,790	-838,545	-1,069,301	-1,300,056	-1,530,812
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-1,289,440	-1,523,903	-1,758,366	-1,992,829	-2,227,292	-2,461,755	-2,696,219
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,184,213	-1,494,245	-1,806,341	-2,120,564	-2,434,786	-2,749,008	-3,063,231
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,174,580	-1,484,326	-1,794,071	-2,103,817	-2,413,563	-2,725,113	-3,038,581

20% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	North	25,000	425,000	24,105	-82,465	-190,080	-300,243	-410,823	-522,946	-636,546
Site 2	Green 120	North	25,000	425,000	-60,684	-168,436	-279,346	-390,289	-502,937	-616,712	-731,057
Site 3	Green 80	North	25,000	425,000	-79,077	-208,147	-340,617	-473,086	-607,355	-741,890	-878,109
Site 4	Green 60	North	25,000	425,000	-93,375	-226,306	-362,218	-498,130	-635,593	-773,611	-911,675
Site 5	Green 30	North	25,000	425,000	-90,354	-228,669	-369,996	-511,323	-652,650	-795,431	-938,879
Site 6	Green 20	North	25,000	425,000	-125,897	-273,613	-423,369	-573,124	-722,880	-873,440	-1,025,403
Site 7	Green 12	North	100,000	500,000	-92,939	-239,308	-389,079	-538,851	-688,623	-838,395	-988,166
Site 8	Green 9	North	100,000	500,000	1,063,579	941,305	819,030	696,132	570,330	444,528	316,524
Site 9	Green 6	North	100,000	500,000	1,027,421	881,491	735,278	586,486	437,695	288,903	140,112
Site 10	Green 3	North	100,000	500,000	935,536	786,745	637,954	489,162	340,371	191,579	42,788
Site 11	Green Plot	North	100,000	500,000	406,552	255,374	104,195	-46,984	-198,163	-350,138	-506,447
Site 12	Urban 300	North	500,000	600,000	-182,712	-361,735	-555,099	-766,864	-978,629	-1,190,393	-1,402,158
Site 13	Urban 100	North	500,000	600,000	-342,600	-527,124	-712,281	-899,775	-1,088,906	-1,279,239	-1,469,571
Site 14	Urban 60	North	500,000	600,000	-454,605	-673,034	-891,903	-1,113,718	-1,335,532	-1,558,622	-1,783,623
Site 15	Urban 25 HD	North	500,000	600,000	-953,161	-1,263,193	-1,573,225	-1,885,717	-2,199,940	-2,514,162	-2,828,384
Site 16	Urban 25	North	500,000	600,000	-462,563	-689,695	-916,828	-1,144,172	-1,374,713	-1,605,254	-1,835,794
Site 17	Urban 16 HD	North	500,000	600,000	-909,146	-1,219,278	-1,529,409	-1,842,183	-2,156,473	-2,470,762	-2,785,051
Site 18	Urban 16	North	500,000	600,000	-95,486	-317,404	-546,338	-775,271	-1,004,205	-1,233,138	-1,463,952
Site 19	Urban 8 HD	North	500,000	600,000	-1,304,572	-1,617,189	-1,929,807	-2,242,424	-2,555,042	-2,867,659	-3,180,277
Site 20	Urban 8	North	500,000	600,000	-185,526	-414,766	-647,364	-879,963	-1,112,562	-1,345,160	-1,577,759
Site 21	Urban 5	North	500,000	600,000	-573,648	-803,662	-1,034,133	-1,267,606	-1,501,079	-1,734,552	-1,968,025
Site 22	Urban 3	North	500,000	600,000	-1,250,464	-1,481,219	-1,712,013	-1,946,069	-2,180,125	-2,414,181	-2,648,236
Site 23	Urban Plot	North	500,000	600,000	-2,675,490	-2,909,953	-3,144,416	-3,378,879	-3,613,342	-3,847,805	-4,082,268
Site 24	PRS 25	North	500,000	600,000	-1,184,213	-1,494,245	-1,806,341	-2,120,564	-2,434,786	-2,749,008	-3,063,231
Site 25	PRS 60	North	500,000	600,000	-1,174,580	-1,484,326	-1,794,071	-2,103,817	-2,413,563	-2,725,113	-3,038,581

20% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	616,967	547,913	478,859	409,104	338,204	267,304	196,404
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	551,757	488,824	425,890	362,287	297,803	233,320	168,836
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	486,672	403,648	320,625	236,377	150,599	64,821	-25,379
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	410,326	337,379	264,432	190,351	115,263	38,634	-42,277
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	496,105	413,323	328,438	243,552	157,395	69,506	-21,737
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	955,741	878,202	800,663	723,123	645,584	567,559	488,094
Site 7	Clive Barracks	Tern Hill	100,000	400,000	298,135	215,815	132,872	47,613	-39,780	-132,538	-226,875

Source: HDH (June 2020)

Table 10.15a Varied Developer Contributions – 25% Affordable Housing SOUTH and HIGHER SOUTH

25% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South	25,000	425,000	438,646	334,424	230,203	125,982	21,146	-88,185	-198,237
Site 2	Green 120	South	25,000	425,000	445,270	338,387	231,505	124,623	16,508	-95,613	-208,811
Site 3	Green 80	South	25,000	425,000	509,807	383,413	257,019	130,626	836	-131,754	-266,387
Site 4	Green 60	South	25,000	425,000	512,882	384,302	255,721	127,140	-6,315	-141,199	-278,457
Site 5	Green 30	South	25,000	425,000	529,224	398,917	268,610	135,475	-1,219	-137,913	-277,002
Site 6	Green 20	South	25,000	425,000	527,661	389,584	248,148	103,840	-41,006	-185,851	-334,728
Site 7	Green 12	South	100,000	500,000	611,120	469,122	326,302	181,443	36,583	-108,276	-254,271
Site 8	Green 9	South	100,000	500,000	1,310,000	1,187,725	1,065,451	943,176	820,901	698,057	572,255
Site 9	Green 6	South	100,000	500,000	1,316,495	1,172,483	1,026,553	880,623	734,393	585,602	436,810
Site 10	Green 3	South	100,000	500,000	1,254,881	1,106,089	957,298	808,506	659,715	510,924	362,132
Site 11	Green Plot	South	100,000	500,000	782,146	630,968	479,789	328,610	177,431	26,252	-124,927
Site 12	Urban 300	South	500,000	600,000	199,862	37,351	-138,444	-318,321	-505,998	-713,815	-925,579
Site 13	Urban 100	South	500,000	600,000	28,591	-157,600	-346,227	-538,714	-731,201	-925,858	-1,121,336
Site 14	Urban 60	South	500,000	600,000	-5,591	-222,369	-443,549	-667,668	-891,787	-1,116,754	-1,344,294
Site 15	Urban 25 HD	South	500,000	600,000	-463,024	-773,056	-1,083,088	-1,393,120	-1,703,152	-2,015,596	-2,329,818
Site 16	Urban 25	South	500,000	600,000	11,867	-207,821	-431,586	-658,718	-885,851	-1,112,983	-1,342,233
Site 17	Urban 16 HD	South	500,000	600,000	-460,647	-770,779	-1,080,910	-1,391,042	-1,701,173	-2,014,488	-2,328,777
Site 18	Urban 16	South	500,000	600,000	419,939	198,512	-22,916	-244,343	-470,763	-699,696	-928,630
Site 19	Urban 8 HD	South	500,000	600,000	-856,843	-1,169,461	-1,482,078	-1,794,696	-2,107,313	-2,419,931	-2,732,548
Site 20	Urban 8	South	500,000	600,000	256,227	31,259	-193,708	-422,614	-655,212	-887,811	-1,120,410
Site 21	Urban 5	South	500,000	600,000	-167,382	-393,703	-623,717	-853,731	-1,083,946	-1,317,419	-1,550,892
Site 22	Urban 3	South	500,000	600,000	-734,653	-965,408	-1,196,164	-1,426,919	-1,657,675	-1,889,343	-2,123,399
Site 23	Urban Plot	South	500,000	600,000	-2,028,008	-2,262,471	-2,496,934	-2,731,397	-2,965,860	-3,200,324	-3,434,787
Site 24	PRS 25	South	500,000	600,000	-1,229,571	-1,539,603	-1,852,661	-2,166,883	-2,481,106	-2,795,328	-3,109,550
Site 25	PRS 60	South	500,000	600,000	-1,224,533	-1,534,279	-1,844,024	-2,153,770	-2,463,516	-2,776,101	-3,089,568

25% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South Higher	25,000	425,000	1,095,981	991,760	887,538	783,317	679,096	574,874	470,653
Site 2	Green 120	South Higher	25,000	425,000	1,117,701	1,010,818	903,936	797,054	690,171	583,289	476,407
Site 3	Green 80	South Higher	25,000	425,000	1,309,606	1,183,212	1,056,818	930,424	804,030	677,636	551,242
Site 4	Green 60	South Higher	25,000	425,000	1,328,346	1,199,765	1,071,185	942,604	814,023	685,442	556,862
Site 5	Green 30	South Higher	25,000	425,000	1,340,745	1,210,438	1,080,132	949,825	819,518	689,211	558,904
Site 6	Green 20	South Higher	25,000	425,000	1,375,725	1,237,648	1,099,572	961,495	823,418	685,341	547,264
Site 7	Green 12	South Higher	100,000	500,000	1,508,711	1,370,621	1,232,531	1,094,440	956,350	818,259	680,169
Site 8	Green 9	South Higher	100,000	500,000	1,661,659	1,539,384	1,417,109	1,294,835	1,172,560	1,050,286	928,011
Site 9	Green 6	South Higher	100,000	500,000	1,716,401	1,574,563	1,432,724	1,290,886	1,146,135	1,000,205	854,275
Site 10	Green 3	South Higher	100,000	500,000	1,732,493	1,586,563	1,439,469	1,290,677	1,141,886	993,095	844,303
Site 11	Green Plot	South Higher	100,000	500,000	1,349,248	1,198,069	1,046,890	895,711	744,532	593,353	442,174
Site 12	Urban 300	South Higher	500,000	600,000	1,452,176	1,299,447	1,146,717	991,411	834,497	677,583	520,669
Site 13	Urban 100	South Higher	500,000	600,000	1,410,338	1,232,848	1,055,358	877,868	700,378	522,888	345,398
Site 14	Urban 60	South Higher	500,000	600,000	1,605,042	1,398,395	1,191,747	985,100	778,452	571,805	365,157
Site 15	Urban 25 HD	South Higher	500,000	600,000	2,329,329	2,043,480	1,757,632	1,471,784	1,185,936	900,087	614,239
Site 16	Urban 25	South Higher	500,000	600,000	1,627,311	1,417,889	1,208,468	999,046	789,624	580,203	368,496
Site 17	Urban 16 HD	South Higher	500,000	600,000	2,147,576	1,861,636	1,575,696	1,289,756	1,003,817	711,541	414,507
Site 18	Urban 16	South Higher	500,000	600,000	2,132,983	1,921,903	1,710,823	1,499,742	1,288,662	1,077,582	866,502
Site 19	Urban 8 HD	South Higher	500,000	600,000	1,853,889	1,557,345	1,260,802	961,107	658,749	356,392	54,034
Site 20	Urban 8	South Higher	500,000	600,000	1,880,327	1,665,872	1,451,417	1,232,079	1,011,438	789,758	564,791
Site 21	Urban 5	South Higher	500,000	600,000	1,319,148	1,096,677	874,206	651,735	429,264	206,793	-15,678
Site 22	Urban 3	South Higher	500,000	600,000	1,148,602	925,415	702,228	479,041	255,853	32,666	-190,521
Site 23	Urban Plot	South Higher	500,000	600,000	372,675	145,907	-80,861	-307,630	-535,170	-769,633	-1,004,096
Site 24	PRS 25	South Higher	500,000	600,000	-1,229,571	-1,539,603	-1,852,661	-2,166,883	-2,481,106	-2,795,328	-3,109,550
Site 25	PRS 60	South Higher	500,000	600,000	-1,224,533	-1,534,279	-1,844,024	-2,153,770	-2,463,516	-2,776,101	-3,089,568

Source: HDH (June 2020)

Table 10.15b Varied Developer Contributions – 25% Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

25% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	Shrewsbury	25,000	425,000	481,245	376,367	271,488	166,609	61,730	-46,945	-156,965
Site 2	Green 120	Shrewsbury	25,000	425,000	488,375	380,975	273,574	166,174	58,773	-53,113	-165,778
Site 3	Green 80	Shrewsbury	25,000	425,000	561,858	435,071	308,284	181,497	53,765	-79,212	-212,417
Site 4	Green 60	Shrewsbury	25,000	425,000	564,942	436,060	307,178	178,296	47,032	-88,167	-223,880
Site 5	Green 30	Shrewsbury	25,000	425,000	580,866	450,560	320,253	188,694	52,955	-83,740	-220,916
Site 6	Green 20	Shrewsbury	25,000	425,000	581,629	443,552	303,673	160,453	15,608	-129,238	-276,116
Site 7	Green 12	Shrewsbury	100,000	500,000	668,239	527,889	385,815	241,362	96,503	-48,357	-193,216
Site 8	Green 9	Shrewsbury	100,000	500,000	1,661,659	1,539,384	1,417,109	1,294,835	1,172,560	1,050,286	928,011
Site 9	Green 6	Shrewsbury	100,000	500,000	1,716,401	1,574,563	1,432,724	1,290,886	1,146,135	1,000,205	854,275
Site 10	Green 3	Shrewsbury	100,000	500,000	1,732,493	1,586,563	1,439,469	1,290,677	1,141,886	993,095	844,303
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,349,248	1,198,069	1,046,890	895,711	744,532	593,353	442,174
Site 12	Urban 300	Shrewsbury	500,000	600,000	465,889	303,564	140,848	-27,003	-205,094	-388,593	-579,077
Site 13	Urban 100	Shrewsbury	500,000	600,000	309,171	130,969	-53,665	-240,602	-432,379	-625,639	-818,898
Site 14	Urban 60	Shrewsbury	500,000	600,000	326,253	117,148	-100,046	-317,331	-541,767	-766,413	-991,058
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	36,277	-263,583	-572,748	-882,780	-1,192,812	-1,502,844	-1,812,876
Site 16	Urban 25	Shrewsbury	500,000	600,000	350,485	132,376	-87,311	-306,999	-533,642	-760,775	-987,907
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	3,558	-297,246	-607,378	-917,509	-1,227,641	-1,537,772	-1,847,904
Site 18	Urban 16	Shrewsbury	500,000	600,000	773,871	558,742	339,999	118,572	-102,856	-324,283	-552,902
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-376,707	-689,324	-1,001,942	-1,314,559	-1,627,177	-1,939,795	-2,252,412
Site 20	Urban 8	Shrewsbury	500,000	600,000	592,707	367,740	142,772	-82,195	-307,162	-539,451	-772,049
Site 21	Urban 5	Shrewsbury	500,000	600,000	134,233	-88,238	-311,454	-541,468	-771,482	-1,001,496	-1,233,164
Site 22	Urban 3	Shrewsbury	500,000	600,000	-342,259	-572,518	-803,273	-1,034,029	-1,264,784	-1,495,540	-1,726,295
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-1,534,824	-1,769,287	-2,003,751	-2,238,214	-2,472,677	-2,707,140	-2,941,603
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,229,571	-1,539,603	-1,852,661	-2,166,883	-2,481,106	-2,795,328	-3,109,550
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,224,533	-1,534,279	-1,844,024	-2,153,770	-2,463,516	-2,776,101	-3,089,568

25% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	North	25,000	425,000	-28,436	-135,006	-244,531	-354,693	-466,290	-579,465	-693,108
Site 2	Green 120	North	25,000	425,000	-108,232	-217,722	-328,632	-440,508	-553,559	-667,904	-782,456
Site 3	Green 80	North	25,000	425,000	-137,130	-268,314	-400,784	-534,123	-668,658	-804,091	-940,608
Site 4	Green 60	North	25,000	425,000	-152,480	-287,565	-423,477	-559,999	-698,017	-836,035	-975,339
Site 5	Green 30	North	25,000	425,000	-150,961	-291,479	-432,806	-574,133	-716,008	-859,455	-1,002,903
Site 6	Green 20	North	25,000	425,000	-189,778	-339,533	-489,289	-639,044	-788,800	-940,641	-1,092,605
Site 7	Green 12	North	100,000	500,000	-154,372	-303,005	-452,776	-602,548	-752,320	-902,092	-1,052,668
Site 8	Green 9	North	100,000	500,000	958,341	836,067	713,659	587,858	462,056	334,396	206,127
Site 9	Green 6	North	100,000	500,000	906,972	761,042	612,467	463,675	314,884	166,093	17,301
Site 10	Green 3	North	100,000	500,000	772,710	623,918	475,127	326,336	177,544	28,753	-120,039
Site 11	Green Plot	North	100,000	500,000	215,045	63,866	-87,312	-238,491	-392,097	-548,406	-704,715
Site 12	Urban 300	North	500,000	600,000	-270,383	-454,732	-661,876	-873,640	-1,085,405	-1,297,170	-1,508,934
Site 13	Urban 100	North	500,000	600,000	-430,576	-615,100	-801,938	-989,989	-1,180,321	-1,370,654	-1,562,339
Site 14	Urban 60	North	500,000	600,000	-556,366	-774,795	-995,593	-1,217,407	-1,439,358	-1,664,360	-1,889,361
Site 15	Urban 25 HD	North	500,000	600,000	-1,047,790	-1,357,822	-1,667,927	-1,982,150	-2,296,372	-2,610,594	-2,924,817
Site 16	Urban 25	North	500,000	600,000	-568,528	-795,660	-1,022,792	-1,252,162	-1,482,703	-1,713,244	-1,943,785
Site 17	Urban 16 HD	North	500,000	600,000	-1,003,236	-1,313,368	-1,623,705	-1,937,994	-2,252,283	-2,566,572	-2,880,861
Site 18	Urban 16	North	500,000	600,000	-189,239	-414,648	-643,582	-872,515	-1,101,449	-1,330,955	-1,563,264
Site 19	Urban 8 HD	North	500,000	600,000	-1,407,000	-1,719,617	-2,032,235	-2,344,852	-2,657,470	-2,970,087	-3,282,705
Site 20	Urban 8	North	500,000	600,000	-309,566	-542,165	-774,763	-1,007,362	-1,239,960	-1,472,559	-1,705,158
Site 21	Urban 5	North	500,000	600,000	-687,846	-917,860	-1,150,329	-1,383,802	-1,617,275	-1,850,748	-2,084,221
Site 22	Urban 3	North	500,000	600,000	-1,394,147	-1,624,903	-1,858,211	-2,092,267	-2,326,323	-2,560,379	-2,794,435
Site 23	Urban Plot	North	500,000	600,000	-2,855,852	-3,090,315	-3,324,778	-3,559,241	-3,793,704	-4,028,167	-4,262,631
Site 24	PRS 25	North	500,000	600,000	-1,229,571	-1,539,603	-1,852,661	-2,166,883	-2,481,106	-2,795,328	-3,109,550
Site 25	PRS 60	North	500,000	600,000	-1,224,533	-1,534,279	-1,844,024	-2,153,770	-2,463,516	-2,776,101	-3,089,568

25% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	558,722	489,669	420,512	349,612	278,712	207,812	135,599
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	498,970	436,037	372,902	308,419	243,935	179,452	113,864
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	426,770	343,746	260,517	174,739	88,961	1,055	-92,708
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	358,494	285,547	212,215	137,127	61,254	-17,691	-102,876
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	436,196	352,034	267,148	182,004	94,115	5,201	-90,928
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	869,418	791,879	714,340	636,800	558,946	479,482	400,018
Site 7	Clive Barracks	Tern Hill	100,000	400,000	244,545	162,225	77,468	-8,461	-99,929	-193,399	-292,959

Source: HDH (June 2020)

Table 10.16a Varied Developer Contributions – 30% Affordable Housing SOUTH and HIGHER SOUTH

30% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South	25,000	425,000	363,215	258,994	154,772	50,551	-57,983	-167,313	-280,213
Site 2	Green 120	South	25,000	425,000	368,787	261,905	155,023	48,057	-63,723	-176,023	-291,934
Site 3	Green 80	South	25,000	425,000	418,426	292,032	165,638	37,564	-95,025	-228,619	-365,697
Site 4	Green 60	South	25,000	425,000	420,127	291,546	162,965	31,266	-103,617	-239,809	-379,261
Site 5	Green 30	South	25,000	425,000	436,458	306,152	174,186	38,162	-98,532	-236,487	-377,814
Site 6	Green 20	South	25,000	425,000	430,560	290,306	146,824	1,978	-142,867	-290,494	-440,249
Site 7	Green 12	South	100,000	500,000	510,142	368,068	223,267	78,407	-66,452	-211,312	-361,039
Site 8	Green 9	South	100,000	500,000	1,185,477	1,063,203	940,928	818,653	695,744	569,942	444,140
Site 9	Green 6	South	100,000	500,000	1,175,499	1,029,569	883,639	737,468	588,676	439,885	291,094
Site 10	Green 3	South	100,000	500,000	1,068,321	919,530	770,738	621,947	473,155	324,364	175,573
Site 11	Green Plot	South	100,000	500,000	562,726	411,547	260,368	109,189	-41,989	-193,168	-344,759
Site 12	Urban 300	South	500,000	600,000	96,354	-73,804	-251,820	-438,116	-639,401	-851,166	-1,062,930
Site 13	Urban 100	South	500,000	600,000	-85,171	-271,605	-464,092	-656,580	-850,426	-1,045,904	-1,241,383
Site 14	Urban 60	South	500,000	600,000	-135,970	-354,516	-578,636	-802,755	-1,026,874	-1,254,374	-1,481,914
Site 15	Urban 25 HD	South	500,000	600,000	-587,489	-897,521	-1,207,553	-1,517,585	-1,828,164	-2,142,386	-2,456,609
Site 16	Urban 25	South	500,000	600,000	-120,254	-341,334	-568,466	-795,598	-1,022,731	-1,251,139	-1,481,680
Site 17	Urban 16 HD	South	500,000	600,000	-581,956	-892,088	-1,202,220	-1,512,351	-1,823,705	-2,137,994	-2,452,283
Site 18	Urban 16	South	500,000	600,000	292,663	71,236	-150,191	-373,780	-602,713	-831,647	-1,060,580
Site 19	Urban 8 HD	South	500,000	600,000	-986,350	-1,298,968	-1,611,586	-1,924,203	-2,236,821	-2,549,438	-2,862,056
Site 20	Urban 8	South	500,000	600,000	105,372	-119,596	-346,196	-578,795	-811,393	-1,043,992	-1,276,591
Site 21	Urban 5	South	500,000	600,000	-303,687	-533,701	-763,715	-993,729	-1,226,393	-1,459,866	-1,693,339
Site 22	Urban 3	South	500,000	600,000	-910,798	-1,141,553	-1,372,309	-1,603,064	-1,834,515	-2,068,571	-2,302,627
Site 23	Urban Plot	South	500,000	600,000	-2,249,117	-2,483,581	-2,718,044	-2,952,507	-3,186,970	-3,421,433	-3,655,896
Site 24	PRS 25	South	500,000	600,000	-1,274,929	-1,584,961	-1,898,980	-2,213,203	-2,527,425	-2,841,647	-3,155,870
Site 25	PRS 60	South	500,000	600,000	-1,274,486	-1,584,232	-1,893,978	-2,203,723	-2,513,620	-2,827,088	-3,140,556

30% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	South Higher	25,000	425,000	985,953	881,731	777,510	673,288	569,067	464,846	360,624
Site 2	Green 120	South Higher	25,000	425,000	1,005,655	898,772	791,890	685,008	578,125	471,243	364,361
Site 3	Green 80	South Higher	25,000	425,000	1,176,090	1,049,697	923,303	796,909	670,515	544,121	417,727
Site 4	Green 60	South Higher	25,000	425,000	1,192,542	1,063,962	935,381	806,800	678,220	549,639	421,058
Site 5	Green 30	South Higher	25,000	425,000	1,205,213	1,074,906	944,600	814,293	683,986	553,679	423,372
Site 6	Green 20	South Higher	25,000	425,000	1,234,058	1,095,981	957,904	819,827	681,750	543,674	405,597
Site 7	Green 12	South Higher	100,000	500,000	1,362,019	1,223,929	1,085,838	947,748	809,657	671,567	531,313
Site 8	Green 9	South Higher	100,000	500,000	1,517,851	1,395,577	1,273,302	1,151,028	1,028,753	906,478	784,204
Site 9	Green 6	South Higher	100,000	500,000	1,555,658	1,413,820	1,271,981	1,126,685	980,755	834,825	687,697
Site 10	Green 3	South Higher	100,000	500,000	1,526,244	1,377,968	1,229,176	1,080,385	931,593	782,802	634,010
Site 11	Green Plot	South Higher	100,000	500,000	1,101,914	950,735	799,556	648,377	497,198	346,019	194,840
Site 12	Urban 300	South Higher	500,000	600,000	1,289,436	1,136,707	982,140	825,226	668,312	511,398	351,808
Site 13	Urban 100	South Higher	500,000	600,000	1,229,690	1,052,200	874,710	697,220	519,730	342,240	164,750
Site 14	Urban 60	South Higher	500,000	600,000	1,396,496	1,189,848	983,201	776,553	569,905	363,258	155,719
Site 15	Urban 25 HD	South Higher	500,000	600,000	2,074,915	1,789,066	1,503,218	1,217,370	931,521	645,673	352,757
Site 16	Urban 25	South Higher	500,000	600,000	1,417,784	1,208,363	998,941	789,519	580,097	368,388	150,629
Site 17	Urban 16 HD	South Higher	500,000	600,000	1,908,310	1,622,370	1,336,430	1,050,490	759,561	463,469	163,512
Site 18	Urban 16	South Higher	500,000	600,000	1,917,826	1,706,745	1,495,665	1,284,585	1,073,505	862,425	649,851
Site 19	Urban 8 HD	South Higher	500,000	600,000	1,600,607	1,304,064	1,005,217	702,859	400,501	98,144	-204,214
Site 20	Urban 8	South Higher	500,000	600,000	1,658,709	1,444,254	1,224,709	1,004,068	782,244	557,277	332,309
Site 21	Urban 5	South Higher	500,000	600,000	1,110,756	888,285	665,814	443,343	220,872	-1,599	-224,070
Site 22	Urban 3	South Higher	500,000	600,000	886,403	663,216	440,029	216,841	-6,346	-229,533	-454,254
Site 23	Urban Plot	South Higher	500,000	600,000	43,545	-183,223	-409,992	-641,458	-875,921	-1,110,384	-1,344,847
Site 24	PRS 25	South Higher	500,000	600,000	-1,274,929	-1,584,961	-1,898,980	-2,213,203	-2,527,425	-2,841,647	-3,155,870
Site 25	PRS 60	South Higher	500,000	600,000	-1,274,486	-1,584,232	-1,893,978	-2,203,723	-2,513,620	-2,827,088	-3,140,556

Source: HDH (June 2020)

Table 10.16b Varied Developer Contributions – 30% Affordable Housing

SHREWSBURY, NORTH and STRATEGIC SITES

30% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	Shrewsbury	25,000	425,000	403,195	298,316	193,437	88,558	-18,802	-128,822	-241,077
Site 2	Green 120	Shrewsbury	25,000	425,000	409,314	301,913	194,513	87,112	-23,385	-136,050	-251,297
Site 3	Green 80	Shrewsbury	25,000	425,000	467,521	340,734	213,948	87,151	-45,171	-178,173	-314,936
Site 4	Green 60	Shrewsbury	25,000	425,000	469,260	340,378	211,496	81,632	-53,340	-188,540	-327,863
Site 5	Green 30	Shrewsbury	25,000	425,000	485,379	355,072	224,518	89,481	-47,213	-183,908	-324,683
Site 6	Green 20	Shrewsbury	25,000	425,000	481,692	342,912	200,462	55,617	-89,229	-234,962	-384,717
Site 7	Green 12	Shrewsbury	100,000	500,000	565,735	423,661	279,950	135,091	-9,769	-154,628	-302,354
Site 8	Green 9	Shrewsbury	100,000	500,000	1,517,851	1,395,577	1,273,302	1,151,028	1,028,753	906,478	784,204
Site 9	Green 6	Shrewsbury	100,000	500,000	1,555,658	1,413,820	1,271,981	1,126,685	980,755	834,825	687,697
Site 10	Green 3	Shrewsbury	100,000	500,000	1,526,244	1,377,968	1,229,176	1,080,385	931,593	782,802	634,010
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,101,914	950,735	799,556	648,377	497,198	346,019	194,840
Site 12	Urban 300	Shrewsbury	500,000	600,000	348,743	186,028	22,457	-155,586	-336,923	-525,202	-733,615
Site 13	Urban 100	Shrewsbury	500,000	600,000	185,676	3,723	-183,214	-373,328	-566,588	-759,848	-955,533
Site 14	Urban 60	Shrewsbury	500,000	600,000	184,510	-31,363	-248,648	-471,076	-695,721	-920,367	-1,146,036
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	-109,046	-413,219	-723,251	-1,033,283	-1,343,316	-1,653,348	-1,963,831
Site 16	Urban 25	Shrewsbury	500,000	600,000	202,153	-17,534	-237,222	-461,808	-688,940	-916,072	-1,143,205
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	-136,536	-442,311	-752,442	-1,062,574	-1,372,705	-1,682,837	-1,994,635
Site 18	Urban 16	Shrewsbury	500,000	600,000	631,496	414,179	192,752	-28,675	-250,102	-476,595	-705,528
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-529,847	-842,464	-1,155,082	-1,467,700	-1,780,317	-2,092,935	-2,405,552
Site 20	Urban 8	Shrewsbury	500,000	600,000	425,290	200,323	-24,644	-249,612	-480,180	-712,778	-945,377
Site 21	Urban 5	Shrewsbury	500,000	600,000	-15,837	-238,307	-466,821	-696,835	-926,849	-1,157,777	-1,391,250
Site 22	Urban 3	Shrewsbury	500,000	600,000	-537,246	-768,001	-998,757	-1,229,512	-1,460,268	-1,691,023	-1,922,538
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-1,780,209	-2,014,672	-2,249,135	-2,483,598	-2,718,061	-2,952,525	-3,186,988
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,274,929	-1,584,961	-1,898,980	-2,213,203	-2,527,425	-2,841,647	-3,155,870
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,274,486	-1,584,232	-1,893,978	-2,203,723	-2,513,620	-2,827,088	-3,140,556

30% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Green 250	North	25,000	425,000	-80,977	-188,819	-298,981	-409,863	-522,383	-635,983	-750,724
Site 2	Green 120	North	25,000	425,000	-156,099	-267,008	-378,080	-490,728	-604,751	-719,097	-835,230
Site 3	Green 80	North	25,000	425,000	-196,012	-328,481	-460,951	-595,426	-730,072	-866,590	-1,003,107
Site 4	Green 60	North	25,000	425,000	-212,912	-348,823	-484,735	-622,423	-760,440	-899,002	-1,039,003
Site 5	Green 30	North	25,000	425,000	-212,963	-354,290	-495,616	-636,943	-780,032	-923,479	-1,066,927
Site 6	Green 20	North	25,000	425,000	-255,698	-405,453	-555,209	-704,964	-855,879	-1,007,843	-1,159,806
Site 7	Green 12	North	100,000	500,000	-216,930	-366,701	-516,473	-666,245	-816,017	-965,791	-1,117,704
Site 8	Green 9	North	100,000	500,000	853,103	730,828	605,385	479,584	352,267	223,999	95,730
Site 9	Green 6	North	100,000	500,000	786,523	638,447	489,656	340,864	192,073	43,282	-105,510
Site 10	Green 3	North	100,000	500,000	609,883	461,092	312,300	163,509	14,718	-134,074	-283,296
Site 11	Green Plot	North	100,000	500,000	23,538	-127,641	-278,819	-434,057	-590,366	-746,675	-902,983
Site 12	Urban 300	North	500,000	600,000	-360,302	-556,887	-768,652	-980,417	-1,192,181	-1,403,946	-1,615,711
Site 13	Urban 100	North	500,000	600,000	-518,552	-704,118	-891,632	-1,081,404	-1,271,736	-1,462,592	-1,655,569
Site 14	Urban 60	North	500,000	600,000	-658,127	-877,468	-1,099,282	-1,321,097	-1,545,096	-1,770,098	-1,995,099
Site 15	Urban 25 HD	North	500,000	600,000	-1,142,418	-1,452,451	-1,764,360	-2,078,582	-2,392,804	-2,707,027	-3,021,249
Site 16	Urban 25	North	500,000	600,000	-674,493	-901,625	-1,129,612	-1,360,153	-1,590,694	-1,821,235	-2,051,776
Site 17	Urban 16 HD	North	500,000	600,000	-1,097,326	-1,407,458	-1,719,515	-2,033,804	-2,348,093	-2,662,382	-2,976,672
Site 18	Urban 16	North	500,000	600,000	-282,992	-511,892	-740,825	-969,759	-1,198,692	-1,430,267	-1,662,576
Site 19	Urban 8 HD	North	500,000	600,000	-1,509,427	-1,822,045	-2,134,662	-2,447,280	-2,759,898	-3,072,515	-3,385,784
Site 20	Urban 8	North	500,000	600,000	-436,965	-669,563	-902,162	-1,134,761	-1,367,359	-1,599,958	-1,832,557
Site 21	Urban 5	North	500,000	600,000	-802,044	-1,033,052	-1,266,526	-1,499,999	-1,733,472	-1,966,945	-2,200,418
Site 22	Urban 3	North	500,000	600,000	-1,537,831	-1,770,353	-2,004,409	-2,238,465	-2,472,521	-2,706,577	-2,940,633
Site 23	Urban Plot	North	500,000	600,000	-3,036,214	-3,270,677	-3,505,140	-3,739,603	-3,974,066	-4,208,530	-4,442,993
Site 24	PRS 25	North	500,000	600,000	-1,274,929	-1,584,961	-1,898,980	-2,213,203	-2,527,425	-2,841,647	-3,155,870
Site 25	PRS 60	North	500,000	600,000	-1,274,486	-1,584,232	-1,893,978	-2,203,723	-2,513,620	-2,827,088	-3,140,556

30% Affordable Housing			EUV	BLV	Residual Value						
	Developer Contributions				£0	£5,000	£10,000	£15,000	£20,000	£25,000	£30,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	500,478	431,424	361,020	290,120	219,220	147,558	74,189
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	446,184	383,251	319,034	254,551	190,067	124,850	58,358
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	366,867	283,844	198,880	113,102	26,719	-66,274	-162,003
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	306,662	233,715	158,991	83,874	6,189	-77,857	-166,340
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	375,630	290,745	205,859	118,725	30,836	-63,990	-162,930
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	783,095	705,556	628,017	550,334	470,869	391,405	311,941
Site 7	Clive Barracks	Tern Hill	100,000	400,000	190,955	107,324	22,065	-67,320	-160,790	-257,416	-365,013

Source: HDH (June 2020)

10.41 In the base analysis set out in the first part of this chapter, a s106 typical contribution of about £5,000/unit is applied to all sites in addition to CIL. The Council considers this to be an overestimate as it only seeks s106 contributions of sites of 50 or more.

10.42 The consequence of the above is considered below.

Developer's Return

10.43 Through the consultation process a range of views were expressed at to the appropriate developer's return. In this iteration of this study a 17.5% assumption is used across the tenures, although, as set out in Chapter 7 above, this is an area where there was not a consensus. A range of assumptions have been tested. The results set out in **Appendix 16** show the results for the appraisals run on the same basis as the base appraisals above, with only the developer's return assumption being altered.

10.44 In the initial (pre-consultation) iteration of this assessment, developer's return was taken as 17.5% of the value market housing and 6% of the value of affordable housing. Following the consultation this has been changed to 17.5% of the Gross Development Value (i.e. across tenures). This change has the effect of reducing the Residual Value by about £95,000/ha, although this does vary depending on the nature of the specific sites.

10.45 Some consultees suggested that an assumption of 20% of GDV should be used, being at the top of the 15% to 20% range suggested in the PPG. When the appraisals are run with this assumption, the Residual Value is about £185,000/ha less than where a 17.5% assumption is used. This is a substantial difference, when the typologies that are shown as viable at 17.5% are compared with those that are viable at 20%, a similar proportion of the greenfield typologies are shown as viable.

10.46 It is necessary to consider risk in the context of the coronavirus pandemic. At the time of this report there is no evidence of falls in property values or changes in construction costs. There is however anecdotal evidence of a slowdown in sales on some sites. At this stage there is little evidence to draw on. As set out at the start of this report, there are real material uncertainties around the values of property and the costs of construction that are a direct result of the Covid 19 pandemic.

Suggested Affordable Housing Targets

10.47 The consideration of viability in the plan-making process is an iterative process, with the results of the viability testing informing the development of policy. In the sections above, the ability of development to bear a range of costs has been considered. How this information is brought together will be a matter for the Council – bearing in mind its own priorities.

10.48 In considering the appraisal results it is important to have regard to the wider context. When the current affordable housing targets were set (which was after the adoption of CIL), affordable housing was a high priority for the Council. The rates were set as high as they reasonably could be. The *Shropshire Viability Study* (SC, May 2013) provided the viability evidence for the affordable housing targets. Since the report was completed in 2013, build

costs (as per the BCIS) have gone up by 49% and residential values have gone up by 23%. Build costs have increased more than values, so the expectation is that, all other things being equal, viability will have got worse. Having said this, all things are not equal as the approach to viability testing in planning has been formalised through the 2014 and 2018 iterations of the PPG.

10.49 Since 2013, the Council's priorities have broadened, for example a Climate Change Emergency has been declared, and the Council now wants to extend the policy requirements, so the impact of development on the world's climate is mitigated. In addition, CIL has been indexed (in line with the CIL Regulations) further increasing the costs to developers.

10.50 The above analysis highlights the challenges of deliverability in the County, but it is important to note that significant amounts of policy compliant development is coming forward, particularly in the north of the County. The following table sets out recent examples:

Table 10.17 Sales of Consented Development Land

Planning App	Site Name	All Units	Aff Units	Aff %	Price Areas
18/03113/ful	Magistrates Court Oswestry	10	1	10.00%	North
17/05189/ful	Rocks Green, Ludlow	200	30	15.00%	South Higher
18/00018/out	Southlands Ave, Gobowen	27	4	14.81%	North
17/06087/out	North East of Stone Drive, Shifnal (final phase)	105	16	15.24%	South
14/02286/out 17/02174/REM	Shropshire Stone and Granite Station Rd, Baschurch	48	7	14.58%	North
14/00581/out 16/04719/ful	Land Opp Sch, Kinnerley	18	2	11.11%	North
16/04228/out 18/03637/rem	Copthorne Barracks, Shrewsbury	224	45	20.09%	Shrewsbury
14/03664/ful	Calverhall Rd, Ightfield	9	1	11.11%	North
14/00246/out	Churncote, Bicton Heath (SUE West)	296	45	15.20%	Shrewsbury
18/02392/out	Ellesmere Rd, Bagley, Shrewsbury	36	3	8.33%	North
13/04954/out 18/02681/rem	Llwyn rd, Oswestry	11	1	9.09%	North
19/00048/rem/ zone W	South of Oteley Rd, Shrewsbury	49	7	14.29%	Shrewsbury
19/01040/ful	Greenfields, off Tudor Close Market Drayton	21	2	9.52%	North
18/03137/out	Sth of Mytton, Shrewsbury	3	1	33.33%	Shrewsbury
15/03779/out 18/00939/rem	Lower House Farm. Knockin	17	1	5.88%	North
14/00582/FUL 19/00335/VAR	Adj Chronicle House Chester St, Shrewsbury	11	1	9.09%	Shrewsbury
17/01697/OUT, 19/02949/REM	Old Coleham, Shrewsbury	43	8	18.60%	Shrewsbury
13/03452/ful	Land off Abbotts Way, Station Road, Hodnet	44	5	11.36%	North
18/01934/ful	Towers Lawn, Frogmore Rd, Market Drayton	12	1	8.33%	North
14/04608/OUT /18/02413/REM	Foldgate Lane, Ludford	137	34	24.82%	South Higher

Source: Shropshire Council and Land Registry (December 2019)

10.51 Based on this 'on the ground' experience there is a strong case for have a minimum requirement of 10% affordable housing to be applied in all areas.

10.52 Having considered the results of the various appraisals reporting the impact of the range of policy aspirations and requirements set out above, the Council recognise the challenging situation and has provided the following minimum policy requirements. A further set of appraisals has been run, based on these requirements and with varied levels of affordable housing. It is the Council's preference to maintain CIL as a simple and transparent mechanism for collecting developer contributions.

a.	Design	70% Accessible and Adaptable Category 2, 5% Accessible and Adaptable Category 3
		Water efficiency measures
b.	Climate Change	Future Homes Standards – Option1
		10% Merton Rule
		10% Biodiversity Net Gain
c.	Developer Contributions	s106, Typologies, £5,000/unit on sites of 50 and larger (including Strategic Sites)
		CIL At prevailing rate (Stanmore Garden Development and Tasley Gardens Development lie across the CIL Zone boundary so an estimate of the blended CIL Rate is made)

10.53 In relation to car charging it is assumed that a fused spur will be required to be provided to a convenient point. The householder can then install a car charging point, that is suitable for their particular vehicle, as and when required, and to a specification that matches the occupant's needs.

Table 10.18a Residential Development, – Varied Affordable Housing

Minimum SC Requirements. SOUTH

		Affordable Housing	EUV	BLV	Residual Value						
					0%	5%	10%	15%	20%	25%	30%
Site 1	Green 250	South	25,000	425,000	551,652	483,051	414,450	345,849	277,249	208,648	140,047
Site 2	Green 120	South	25,000	425,000	558,075	488,555	419,034	349,514	279,994	210,473	140,953
Site 3	Green 80	South	25,000	425,000	644,763	561,735	478,708	395,681	312,654	229,627	146,600
Site 4	Green 60	South	25,000	425,000	651,003	566,659	482,314	397,970	313,625	229,281	144,936
Site 5	Green 30	South	25,000	425,000	794,817	710,522	626,226	541,931	457,636	373,341	289,046
Site 6	Green 20	South	25,000	425,000	804,560	716,359	628,158	539,957	451,756	363,428	272,682
Site 7	Green 12	South	100,000	500,000	881,449	792,817	704,184	615,552	524,567	433,378	341,740
Site 8	Green 9	South	100,000	500,000	1,586,086	1,477,727	1,369,367	1,261,007	1,152,648	1,044,288	935,928
Site 9	Green 6	South	100,000	500,000	1,617,677	1,497,099	1,376,522	1,255,944	1,132,060	1,008,005	883,949
Site 10	Green 3	South	100,000	500,000	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702
Site 11	Green Plot	South	100,000	500,000	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047
Site 12	Urban 300	South	500,000	600,000	307,753	214,653	121,552	28,311	-70,849	-172,908	-274,967
Site 13	Urban 100	South	500,000	600,000	120,515	20,735	-80,834	-182,404	-284,056	-389,088	-494,369
Site 14	Urban 60	South	500,000	600,000	101,272	-15,288	-131,848	-248,408	-366,191	-487,015	-607,838
Site 15	Urban 25 HD	South	500,000	600,000	-139,819	-248,527	-359,066	-471,706	-584,346	-696,986	-809,626
Site 16	Urban 25	South	500,000	600,000	336,677	219,959	101,933	-16,093	-134,119	-252,145	-372,110
Site 17	Urban 16 HD	South	500,000	600,000	-130,624	-237,324	-346,088	-456,620	-567,152	-677,684	-788,216
Site 18	Urban 16	South	500,000	600,000	692,264	582,802	473,340	362,740	251,132	139,523	27,914
Site 19	Urban 8 HD	South	500,000	600,000	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613
Site 20	Urban 8	South	500,000	600,000	691,468	691,468	691,468	691,468	691,468	691,468	691,468
Site 21	Urban 5	South	500,000	600,000	220,120	220,120	220,120	220,120	220,120	220,120	220,120
Site 22	Urban 3	South	500,000	600,000	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997
Site 23	Urban Plot	South	500,000	600,000	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663
Site 24	PRS 25	South	500,000	600,000	-1,286,414	-1,320,286	-1,354,159	-1,388,031	-1,421,903	-1,455,776	-1,489,648
Site 25	PRS 60	South	500,000	600,000	-1,563,378	-1,602,209	-1,641,040	-1,679,871	-1,718,702	-1,757,532	-1,796,363

Source: HDH (June 2020)

Table 10.18b Residential Development, – Varied Affordable Housing

Minimum SC Requirements and Varied Affordable Housing. SOUTH HIGHER

		Affordable Housing	EUV	BLV	Residual Value						
					0%	5%	10%	15%	20%	25%	30%
Site 1	Green 250	South Higher	25,000	425,000	1,381,976	1,278,778	1,175,579	1,072,381	969,182	865,983	762,785
Site 2	Green 120	South Higher	25,000	425,000	1,408,324	1,303,240	1,198,156	1,093,072	987,988	882,904	777,820
Site 3	Green 80	South Higher	25,000	425,000	1,655,228	1,530,068	1,404,907	1,279,747	1,154,586	1,029,425	904,265
Site 4	Green 60	South Higher	25,000	425,000	1,681,707	1,554,315	1,426,922	1,299,529	1,172,137	1,044,744	917,352
Site 5	Green 30	South Higher	25,000	425,000	1,820,170	1,693,108	1,566,047	1,438,985	1,311,924	1,184,862	1,057,800
Site 6	Green 20	South Higher	25,000	425,000	1,875,453	1,742,686	1,609,919	1,477,152	1,344,386	1,211,619	1,078,852
Site 7	Green 12	South Higher	100,000	500,000	2,021,399	1,884,295	1,747,191	1,610,087	1,472,983	1,335,879	1,198,775
Site 8	Green 9	South Higher	100,000	500,000	2,034,167	1,906,523	1,778,879	1,651,235	1,523,591	1,395,947	1,268,303
Site 9	Green 6	South Higher	100,000	500,000	2,126,760	1,984,347	1,841,934	1,699,521	1,557,108	1,414,695	1,272,283
Site 10	Green 3	South Higher	100,000	500,000	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983
Site 11	Green Plot	South Higher	100,000	500,000	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715
Site 12	Urban 300	South Higher	500,000	600,000	1,875,522	1,722,831	1,570,141	1,417,450	1,264,759	1,112,068	959,080
Site 13	Urban 100	South Higher	500,000	600,000	1,860,684	1,691,659	1,522,633	1,353,608	1,184,582	1,015,557	846,531
Site 14	Urban 60	South Higher	500,000	600,000	2,128,213	1,932,839	1,737,466	1,542,092	1,346,719	1,151,345	955,971
Site 15	Urban 25 HD	South Higher	500,000	600,000	3,330,650	3,087,164	2,843,679	2,600,194	2,356,708	2,113,223	1,869,737
Site 16	Urban 25	South Higher	500,000	600,000	2,356,088	2,159,998	1,963,908	1,767,817	1,571,727	1,375,636	1,179,546
Site 17	Urban 16 HD	South Higher	500,000	600,000	3,093,632	2,864,327	2,635,021	2,405,716	2,176,410	1,947,105	1,717,799
Site 18	Urban 16	South Higher	500,000	600,000	2,866,783	2,666,560	2,466,338	2,266,116	2,065,893	1,865,671	1,665,448
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831
Site 20	Urban 8	South Higher	500,000	600,000	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293
Site 21	Urban 5	South Higher	500,000	600,000	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600
Site 22	Urban 3	South Higher	500,000	600,000	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661
Site 23	Urban Plot	South Higher	500,000	600,000	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920
Site 24	PRS 25	South Higher	500,000	600,000	-1,286,414	-1,320,286	-1,354,159	-1,388,031	-1,421,903	-1,455,776	-1,489,648
Site 25	PRS 60	South Higher	500,000	600,000	-1,563,378	-1,602,209	-1,641,040	-1,679,871	-1,718,702	-1,757,532	-1,796,363

Source: HDH (June 2020)

Table 10.18c Residential Development, – Varied Affordable Housing

Minimum SC Requirements. SHREWSBURY

		Affordable Housing	EUV	BLV	Residual Value						
					0%	5%	10%	15%	20%	25%	30%
Site 1	Green 250	Shrewsbury	25,000	425,000	606,509	535,290	464,071	392,852	321,633	250,414	179,195
Site 2	Green 120	Shrewsbury	25,000	425,000	613,412	541,314	469,216	397,119	325,021	252,923	180,825
Site 3	Green 80	Shrewsbury	25,000	425,000	711,081	625,101	539,120	453,139	367,159	281,178	195,198
Site 4	Green 60	Shrewsbury	25,000	425,000	717,307	630,037	542,767	455,497	368,228	280,958	193,688
Site 5	Green 30	Shrewsbury	25,000	425,000	860,066	773,050	686,033	599,016	512,000	424,983	337,966
Site 6	Green 20	Shrewsbury	25,000	425,000	872,708	781,671	690,634	599,597	508,559	417,522	325,289
Site 7	Green 12	Shrewsbury	100,000	500,000	953,991	862,274	770,557	678,841	586,508	492,145	397,783
Site 8	Green 9	Shrewsbury	100,000	500,000	2,034,167	1,906,523	1,778,879	1,651,235	1,523,591	1,395,947	1,268,303
Site 9	Green 6	Shrewsbury	100,000	500,000	2,126,760	1,984,347	1,841,934	1,699,521	1,557,108	1,414,695	1,272,283
Site 10	Green 3	Shrewsbury	100,000	500,000	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983
Site 11	Green Plot	Shrewsbury	100,000	500,000	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715
Site 12	Urban 300	Shrewsbury	500,000	600,000	637,960	534,034	429,791	322,663	215,535	108,406	-587
Site 13	Urban 100	Shrewsbury	500,000	600,000	472,826	360,956	249,086	137,216	22,470	-94,884	-212,238
Site 14	Urban 60	Shrewsbury	500,000	600,000	514,352	385,868	257,385	127,210	-7,283	-142,065	-276,847
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	476,586	345,013	211,154	77,296	-56,563	-190,422	-325,324
Site 16	Urban 25	Shrewsbury	500,000	600,000	748,945	619,477	490,008	357,958	223,868	88,052	-47,763
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	441,485	311,840	182,195	52,550	-77,095	-206,740	-338,439
Site 18	Urban 16	Shrewsbury	500,000	600,000	1,133,714	1,008,283	882,852	757,420	629,937	500,888	370,858
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	102,367	102,367	102,367	102,367	102,367	102,367	102,367
Site 20	Urban 8	Shrewsbury	500,000	600,000	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624
Site 21	Urban 5	Shrewsbury	500,000	600,000	595,964	595,964	595,964	595,964	595,964	595,964	595,964
Site 22	Urban 3	Shrewsbury	500,000	600,000	236,890	236,890	236,890	236,890	236,890	236,890	236,890
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,286,414	-1,320,286	-1,354,159	-1,388,031	-1,421,903	-1,455,776	-1,489,648
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,563,378	-1,602,209	-1,641,040	-1,679,871	-1,718,702	-1,757,532	-1,796,363

Source: HDH (June 2020)

Table 10.18d Residential Development, – Varied Affordable Housing

Minimum SC Requirements. NORTH

		Affordable Housing	EUV	BLV	Residual Value						
					0%	5%	10%	15%	20%	25%	30%
Site 1	Green 250	North	25,000	425,000	-39,289	-84,673	-130,057	-175,678	-222,743	-269,808	-316,873
Site 2	Green 120	North	25,000	425,000	-147,117	-187,856	-229,621	-271,385	-313,150	-354,914	-396,993
Site 3	Green 80	North	25,000	425,000	-178,881	-229,097	-280,231	-331,366	-382,500	-433,635	-484,936
Site 4	Green 60	North	25,000	425,000	-194,175	-245,860	-298,023	-350,185	-402,347	-454,510	-506,672
Site 5	Green 30	North	25,000	425,000	-55,879	-107,600	-159,321	-211,505	-265,009	-318,669	-372,329
Site 6	Green 20	North	25,000	425,000	-90,287	-144,561	-198,901	-254,845	-311,135	-367,424	-423,714
Site 7	Green 12	North	100,000	500,000	-78,804	-130,178	-181,553	-233,681	-287,003	-340,324	-393,645
Site 8	Green 9	North	100,000	500,000	1,138,005	1,048,930	959,855	870,780	781,704	691,886	600,241
Site 9	Green 6	North	100,000	500,000	1,104,515	1,002,924	901,334	799,744	697,137	593,554	489,972
Site 10	Green 3	North	100,000	500,000	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154
Site 11	Green Plot	North	100,000	500,000	623,378	623,378	623,378	623,378	623,378	623,378	623,378
Site 12	Urban 300	North	500,000	600,000	-278,585	-354,939	-434,650	-516,861	-608,221	-701,617	-795,013
Site 13	Urban 100	North	500,000	600,000	-471,113	-546,527	-621,941	-697,355	-774,118	-850,998	-927,896
Site 14	Urban 60	North	500,000	600,000	-603,185	-690,700	-778,215	-865,730	-954,402	-1,043,640	-1,132,877
Site 15	Urban 25 HD	North	500,000	600,000	-867,731	-950,535	-1,033,339	-1,116,143	-1,198,947	-1,281,751	-1,364,556
Site 16	Urban 25	North	500,000	600,000	-383,843	-475,270	-566,696	-658,122	-749,548	-840,975	-932,401
Site 17	Urban 16 HD	North	500,000	600,000	-803,710	-887,022	-970,335	-1,053,648	-1,136,960	-1,220,273	-1,303,586
Site 18	Urban 16	North	500,000	600,000	-79,226	-157,312	-235,397	-313,517	-394,004	-475,086	-556,168
Site 19	Urban 8 HD	North	500,000	600,000	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166
Site 20	Urban 8	North	500,000	600,000	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341
Site 21	Urban 5	North	500,000	600,000	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660
Site 22	Urban 3	North	500,000	600,000	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291
Site 23	Urban Plot	North	500,000	600,000	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244
Site 24	PRS 25	North	500,000	600,000	-1,286,414	-1,320,286	-1,354,159	-1,388,031	-1,421,903	-1,455,776	-1,489,648
Site 25	PRS 60	North	500,000	600,000	-1,563,378	-1,602,209	-1,641,040	-1,679,871	-1,718,702	-1,757,532	-1,796,363

Source: HDH (June 2020)

Table 10.18e Residential Development, – Varied Affordable Housing

Minimum SC Requirements. STRATEGIC SITES

			EUV	BLV	Residual Value					
	Affordable Housing				**0%**	**5%**	**10%**	**15%**	**20%**	**25%**	**30%**
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	761,509	703,464	645,419	587,374	529,329	471,284	413,239
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	682,317	629,712	577,107	524,502	471,896	419,291	366,545
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	619,974	560,316	500,657	440,999	381,341	321,682	262,024
Site 4	Between Mytton Oak Road at	Shrewsbury	25,000	325,000	522,588	471,961	421,004	369,386	317,769	266,152	214,336
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	630,032	570,365	510,698	451,031	390,500	329,460	268,420
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,200,140	1,114,062	1,027,984	941,906	855,828	769,750	683,672
Site 7	Clive Barracks	Tern Hill	100,000	400,000	406,059	352,719	299,379	246,039	192,700	139,046	83,901

Source: HDH (June 2020)

10.54 A further key variable, to be considered when considering the above is the level of the Benchmark Land Value. This is considered below.

Benchmark Land Value

10.55 As set out earlier in this report the PPG provides advice as to how to derive the BLV.

> *To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).*
>
> *10-013-20190509*

10.56 The BLV is not the average paid for land. It is the '*minimum return at which it is considered a reasonable landowner would be willing to sell their land*'

10.57 The level of the premium needs to be considered relative to the '*other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements'.* It is implicit from this that the BLV needs to be taken at a level to allow policy compliance. The Council should be cautious about allocating land for development that does not generate a value that is above the BLV.

10.58 The PPG then goes on to say (selective quotations).

> *Benchmark land value should ...*
>
> - *allow for a premium to landowners (including equity resulting from those building their own homes)*
> - *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees*
>
> *Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. ...*
>
> *In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.*
>
> *PPG: 10-014-20190509*

10.59 The BLV needs allow for CIL and other infrastructure costs and all policy requirements. In the case of the emerging Plan, the additional requirements, over and above the current Plan, are relativity limited – and to a large extent driven by national policy, rather than local wishes.

10.60 The following tables are based on the same requirements tested in the above tables[56], and, for illustrative purposes, 20% affordable housing in the South and South Higher areas, and 15% in Shrewsbury and the North areas.

10.61 The first column of results uses the BLV as set out towards the end of Chapter 6, the remaining columns compare the Residual Value with BLV assumptions from £200,000/ha to £1,200,000/ha.

[56] 70% Accessible and Adaptable Category 2, 5% Accessible and Adaptable Category 3, Water efficiency measures, Climate Change, Future Homes Standards – Option1, 10% Merton Rule, 10% Biodiversity Net Gain, s106 @ £5,000/unit on sites of 50 and larger (including Strategic Sites), CIL at prevailing rate).

Table 10.19a Residential Development, – Varied BLV

Minimum SC Requirements, 20% Varied Affordable Housing. SOUTH

		BLV / Gross ha		EUV	BLV	Residual Value												
						Base	£200,000	£300,000	£400,000	£500,000	£600,000	£700,000	£800,000	£900,000	£1,000,000	£1,100,000	£1,200,000
Site 1	Green 250	South	25,000	425,000		277,249	277,249	277,249	277,249	277,249	277,249	277,249	277,249	277,249	277,249	277,249	277,249
Site 2	Green 120	South	25,000	425,000		279,994	279,994	279,994	279,994	279,994	279,994	279,994	279,994	279,994	279,994	279,994	279,994
Site 3	Green 80	South	25,000	425,000		312,654	312,654	312,654	312,654	312,654	312,654	312,654	312,654	312,654	312,654	312,654	312,654
Site 4	Green 60	South	25,000	425,000		313,625	313,625	313,625	313,625	313,625	313,625	313,625	313,625	313,625	313,625	313,625	313,625
Site 5	Green 30	South	25,000	425,000		457,636	457,636	457,636	457,636	457,636	457,636	457,636	457,636	457,636	457,636	457,636	457,636
Site 6	Green 20	South	25,000	425,000		451,756	451,756	451,756	451,756	451,756	451,756	451,756	451,756	451,756	451,756	451,756	451,756
Site 7	Green 12	South	100,000	500,000		524,567	524,567	524,567	524,567	524,567	524,567	524,567	524,567	524,567	524,567	524,567	524,567
Site 8	Green 9	South	100,000	500,000		1,152,648	1,152,648	1,152,648	1,152,648	1,152,648	1,152,648	1,152,648	1,152,648	1,152,648	1,152,648	1,152,648	1,152,648
Site 9	Green 6	South	100,000	500,000		1,132,060	1,132,060	1,132,060	1,132,060	1,132,060	1,132,060	1,132,060	1,132,060	1,132,060	1,132,060	1,132,060	1,132,060
Site 10	Green 3	South	100,000	500,000		1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702
Site 11	Green Plot	South	100,000	500,000		1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047	1,330,047
Site 12	Urban 300	South	500,000	600,000		-70,849	-70,849	-70,849	-70,849	-70,849	-70,849	-70,849	-70,849	-70,849	-70,849	-70,849	-70,849
Site 13	Urban 100	South	500,000	600,000		-284,056	-284,056	-284,056	-284,056	-284,056	-284,056	-284,056	-284,056	-284,056	-284,056	-284,056	-284,056
Site 14	Urban 60	South	500,000	600,000		-366,191	-366,191	-366,191	-366,191	-366,191	-366,191	-366,191	-366,191	-366,191	-366,191	-366,191	-366,191
Site 15	Urban 25 HD	South	500,000	600,000		-584,346	-584,346	-584,346	-584,346	-584,346	-584,346	-584,346	-584,346	-584,346	-584,346	-584,346	-584,346
Site 16	Urban 25	South	500,000	600,000		-134,119	-134,119	-134,119	-134,119	-134,119	-134,119	-134,119	-134,119	-134,119	-134,119	-134,119	-134,119
Site 17	Urban 16 HD	South	500,000	600,000		-567,152	-567,152	-567,152	-567,152	-567,152	-567,152	-567,152	-567,152	-567,152	-567,152	-567,152	-567,152
Site 18	Urban 16	South	500,000	600,000		251,132	251,132	251,132	251,132	251,132	251,132	251,132	251,132	251,132	251,132	251,132	251,132
Site 19	Urban 8 HD	South	500,000	600,000		-481,613	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613	-481,613
Site 20	Urban 8	South	500,000	600,000		691,468	691,468	691,468	691,468	691,468	691,468	691,468	691,468	691,468	691,468	691,468	691,468
Site 21	Urban 5	South	500,000	600,000		220,120	220,120	220,120	220,120	220,120	220,120	220,120	220,120	220,120	220,120	220,120	220,120
Site 22	Urban 3	South	500,000	600,000		-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997
Site 23	Urban Plot	South	500,000	600,000		-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663
Site 24	PRS 25	South	500,000	600,000		-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903
Site 25	PRS 60	South	500,000	600,000		-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702

Source: HDH (June 2020)

Table 10.19b Residential Development, – Varied BLV

Minimum SC Requirements,20% Varied Affordable Housing. SOUTH HIGHER

		BLV / Gross ha	EUV	BLV	Residual Value											
					Base	£200,000	£300,000	£400,000	£500,000	£600,000	£700,000	£800,000	£900,000	£1,000,000	£1,100,000	£1,200,000
Site 1	Green 250	South Higher	25,000	425,000	969,182	969,182	969,182	969,182	969,182	969,182	969,182	969,182	969,182	969,182	969,182	969,182
Site 2	Green 120	South Higher	25,000	425,000	987,988	987,988	987,988	987,988	987,988	987,988	987,988	987,988	987,988	987,988	987,988	987,988
Site 3	Green 80	South Higher	25,000	425,000	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586	1,154,586
Site 4	Green 60	South Higher	25,000	425,000	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137	1,172,137
Site 5	Green 30	South Higher	25,000	425,000	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924	1,311,924
Site 6	Green 20	South Higher	25,000	425,000	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386	1,344,386
Site 7	Green 12	South Higher	100,000	500,000	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983	1,472,983
Site 8	Green 9	South Higher	100,000	500,000	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591	1,523,591
Site 9	Green 6	South Higher	100,000	500,000	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108	1,557,108
Site 10	Green 3	South Higher	100,000	500,000	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983
Site 11	Green Plot	South Higher	100,000	500,000	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715
Site 12	Urban 300	South Higher	500,000	600,000	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759	1,264,759
Site 13	Urban 100	South Higher	500,000	600,000	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582	1,184,582
Site 14	Urban 60	South Higher	500,000	600,000	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719	1,346,719
Site 15	Urban 25 HD	South Higher	500,000	600,000	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708	2,356,708
Site 16	Urban 25	South Higher	500,000	600,000	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727	1,571,727
Site 17	Urban 16 HD	South Higher	500,000	600,000	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410	2,176,410
Site 18	Urban 16	South Higher	500,000	600,000	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893	2,065,893
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831	2,833,831
Site 20	Urban 8	South Higher	500,000	600,000	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293	2,684,293
Site 21	Urban 5	South Higher	500,000	600,000	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600	2,058,600
Site 22	Urban 3	South Higher	500,000	600,000	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661	2,094,661
Site 23	Urban Plot	South Higher	500,000	600,000	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920	1,554,920
Site 24	PRS 25	South Higher	500,000	600,000	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903	-1,421,903
Site 25	PRS 60	South Higher	500,000	600,000	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702	-1,718,702

Source: HDH (June 2020)

Table 10.19c Residential Development, – Varied BLV

Minimum SC Requirements,15% Affordable Housing. SHREWSBURY

		BLV / Gross ha		EUV	BLV	Residual Value												
						Base	£200,000	£300,000	£400,000	£500,000	£600,000	£700,000	£800,000	£900,000	£1,000,000	£1,100,000	£1,200,000
Site 1	Green 250	Shrewsbury	25,000	425,000		392,852	392,852	392,852	392,852	392,852	392,852	392,852	392,852	392,852	392,852	392,852	392,852
Site 2	Green 120	Shrewsbury	25,000	425,000		397,119	397,119	397,119	397,119	397,119	397,119	397,119	397,119	397,119	397,119	397,119	397,119
Site 3	Green 80	Shrewsbury	25,000	425,000		453,139	453,139	453,139	453,139	453,139	453,139	453,139	453,139	453,139	453,139	453,139	453,139
Site 4	Green 60	Shrewsbury	25,000	425,000		455,497	455,497	455,497	455,497	455,497	455,497	455,497	455,497	455,497	455,497	455,497	455,497
Site 5	Green 30	Shrewsbury	25,000	425,000		599,016	599,016	599,016	599,016	599,016	599,016	599,016	599,016	599,016	599,016	599,016	599,016
Site 6	Green 20	Shrewsbury	25,000	425,000		599,597	599,597	599,597	599,597	599,597	599,597	599,597	599,597	599,597	599,597	599,597	599,597
Site 7	Green 12	Shrewsbury	100,000	500,000		678,841	678,841	678,841	678,841	678,841	678,841	678,841	678,841	678,841	678,841	678,841	678,841
Site 8	Green 9	Shrewsbury	100,000	500,000		1,651,235	1,651,235	1,651,235	1,651,235	1,651,235	1,651,235	1,651,235	1,651,235	1,651,235	1,651,235	1,651,235	1,651,235
Site 9	Green 6	Shrewsbury	100,000	500,000		1,699,521	1,699,521	1,699,521	1,699,521	1,699,521	1,699,521	1,699,521	1,699,521	1,699,521	1,699,521	1,699,521	1,699,521
Site 10	Green 3	Shrewsbury	100,000	500,000		2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983	2,307,983
Site 11	Green Plot	Shrewsbury	100,000	500,000		2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715	2,036,715
Site 12	Urban 300	Shrewsbury	500,000	600,000		322,663	322,663	322,663	322,663	322,663	322,663	322,663	322,663	322,663	322,663	322,663	322,663
Site 13	Urban 100	Shrewsbury	500,000	600,000		137,216	137,216	137,216	137,216	137,216	137,216	137,216	137,216	137,216	137,216	137,216	137,216
Site 14	Urban 60	Shrewsbury	500,000	600,000		127,210	127,210	127,210	127,210	127,210	127,210	127,210	127,210	127,210	127,210	127,210	127,210
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000		77,296	77,296	77,296	77,296	77,296	77,296	77,296	77,296	77,296	77,296	77,296	77,296
Site 16	Urban 25	Shrewsbury	500,000	600,000		357,958	357,958	357,958	357,958	357,958	357,958	357,958	357,958	357,958	357,958	357,958	357,958
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000		52,550	52,550	52,550	52,550	52,550	52,550	52,550	52,550	52,550	52,550	52,550	52,550
Site 18	Urban 16	Shrewsbury	500,000	600,000		757,420	757,420	757,420	757,420	757,420	757,420	757,420	757,420	757,420	757,420	757,420	757,420
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000		102,367	102,367	102,367	102,367	102,367	102,367	102,367	102,367	102,367	102,367	102,367	102,367
Site 20	Urban 8	Shrewsbury	500,000	600,000		1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624	1,105,624
Site 21	Urban 5	Shrewsbury	500,000	600,000		595,964	595,964	595,964	595,964	595,964	595,964	595,964	595,964	595,964	595,964	595,964	595,964
Site 22	Urban 3	Shrewsbury	500,000	600,000		236,890	236,890	236,890	236,890	236,890	236,890	236,890	236,890	236,890	236,890	236,890	236,890
Site 23	Urban Plot	Shrewsbury	500,000	600,000		-786,104	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104	-786,104
Site 24	PRS 25	Shrewsbury	500,000	600,000		-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031
Site 25	PRS 60	Shrewsbury	500,000	600,000		-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871

Source: HDH (June 2020)

Table 10.19d Residential Development, – Varied BLV

Minimum SC Requirements, 15% Affordable Housing. NORTH

		BLV / Gross ha		EUV	BLV	Residual Value												
						Base	£200,000	£300,000	£400,000	£500,000	£600,000	£700,000	£800,000	£900,000	£1,000,000	£1,100,000	£1,200,000
Site 1	Green 250	North	25,000	425,000	-175,678	-175,678	-175,678	-175,678	-175,678	-175,678	-175,678	-175,678	-175,678	-175,678	-175,678	-175,678
Site 2	Green 120	North	25,000	425,000	-271,385	-271,385	-271,385	-271,385	-271,385	-271,385	-271,385	-271,385	-271,385	-271,385	-271,385	-271,385
Site 3	Green 80	North	25,000	425,000	-331,366	-331,366	-331,366	-331,366	-331,366	-331,366	-331,366	-331,366	-331,366	-331,366	-331,366	-331,366
Site 4	Green 60	North	25,000	425,000	-350,185	-350,185	-350,185	-350,185	-350,185	-350,185	-350,185	-350,185	-350,185	-350,185	-350,185	-350,185
Site 5	Green 30	North	25,000	425,000	-211,505	-211,505	-211,505	-211,505	-211,505	-211,505	-211,505	-211,505	-211,505	-211,505	-211,505	-211,505
Site 6	Green 20	North	25,000	425,000	-254,845	-254,845	-254,845	-254,845	-254,845	-254,845	-254,845	-254,845	-254,845	-254,845	-254,845	-254,845
Site 7	Green 12	North	100,000	500,000	-233,681	-233,681	-233,681	-233,681	-233,681	-233,681	-233,681	-233,681	-233,681	-233,681	-233,681	-233,681
Site 8	Green 9	North	100,000	500,000	870,780	870,780	870,780	870,780	870,780	870,780	870,780	870,780	870,780	870,780	870,780	870,780
Site 9	Green 6	North	100,000	500,000	799,744	799,744	799,744	799,744	799,744	799,744	799,744	799,744	799,744	799,744	799,744	799,744
Site 10	Green 3	North	100,000	500,000	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154
Site 11	Green Plot	North	100,000	500,000	623,378	623,378	623,378	623,378	623,378	623,378	623,378	623,378	623,378	623,378	623,378	623,378
Site 12	Urban 300	North	500,000	600,000	-516,861	-516,861	-516,861	-516,861	-516,861	-516,861	-516,861	-516,861	-516,861	-516,861	-516,861	-516,861
Site 13	Urban 100	North	500,000	600,000	-697,355	-697,355	-697,355	-697,355	-697,355	-697,355	-697,355	-697,355	-697,355	-697,355	-697,355	-697,355
Site 14	Urban 60	North	500,000	600,000	-865,730	-865,730	-865,730	-865,730	-865,730	-865,730	-865,730	-865,730	-865,730	-865,730	-865,730	-865,730
Site 15	Urban 25 HD	North	500,000	600,000	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143	-1,116,143
Site 16	Urban 25	North	500,000	600,000	-658,122	-658,122	-658,122	-658,122	-658,122	-658,122	-658,122	-658,122	-658,122	-658,122	-658,122	-658,122
Site 17	Urban 16 HD	North	500,000	600,000	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648	-1,053,648
Site 18	Urban 16	North	500,000	600,000	-313,517	-313,517	-313,517	-313,517	-313,517	-313,517	-313,517	-313,517	-313,517	-313,517	-313,517	-313,517
Site 19	Urban 8 HD	North	500,000	600,000	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166	-1,167,166
Site 20	Urban 8	North	500,000	600,000	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341	-12,341
Site 21	Urban 5	North	500,000	600,000	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660	-414,660
Site 22	Urban 3	North	500,000	600,000	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291	-1,052,291
Site 23	Urban Plot	North	500,000	600,000	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244	-2,432,244
Site 24	PRS 25	North	500,000	600,000	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031	-1,388,031
Site 25	PRS 60	North	500,000	600,000	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871	-1,679,871

Source: HDH (June 2020)

Table 10.19e Residential Development, – BLV

Minimum SC Requirements, 15% / 20% Affordable Housing. STRATEGIC SITES

			EUV	BLV	Residual Value											
	BLV / Gross ha				Base	£200,000	£300,000	£400,000	£500,000	£600,000	£700,000	£800,000	£900,000	£1,000,000	£1,100,000	£1,200,000
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	529,329	529,329	529,329	529,329	529,329	529,329	529,329	529,329	529,329	529,329	529,329	529,329
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	471,896	471,896	471,896	471,896	471,896	471,896	471,896	471,896	471,896	471,896	471,896	471,896
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	440,999	440,999	440,999	440,999	440,999	440,999	440,999	440,999	440,999	440,999	440,999	440,999
Site 4	Between Mytton Oak Road a	Shrewsbury	25,000	325,000	369,386	369,386	369,386	369,386	369,386	369,386	369,386	369,386	369,386	369,386	369,386	369,386
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	451,031	451,031	451,031	451,031	451,031	451,031	451,031	451,031	451,031	451,031	451,031	451,031
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	855,828	855,828	855,828	855,828	855,828	855,828	855,828	855,828	855,828	855,828	855,828	855,828
Site 7	Clive Barracks	Tern Hill	100,000	400,000	246,039	246,039	246,039	246,039	246,039	246,039	246,039	246,039	246,039	246,039	246,039	246,039

Source: HDH (June 2020)

10.62 These results do suggest that a BLV that is less than the assumption used through this report[57] as development is coming forward and affordable housing is being delivered. A lower BLV would lead to results that are somewhat better than those presented.

10.63 The suggestion that a BLV that is notably higher than the assumption used (as suggested by some consultees) does not align with experience on the ground, if a figure close to £1,000,000/ha is used almost no development in the County would be viable. This is certainly not the case as we understand the Council is delivering over 1,000 new homes per year.

Planned Development

10.64 In considering the above it is necessary to consider the distribution of planned development in the new Plan. This is summarised in the following tables (copied from Chapter 9 above) that show how the typologies relate to the allocations in the draft plan and the unconsented allocations from the adopted Plan.

[57] Brownfield Sites: EUV Plus 20%. Greenfield Sites: EUV Plus £400,000/ha. Strategic Sites: EUV Plus £300,000

Table 10.20 Number of Schemes by Typology (excluding Strategic Sites)									
		South		**South Higher**		**Shrewsbury**		**North**	
Site 1	Green 250	3	2.9%			1	1.0%	2	1.9%
Site 2	Green 120	2	1.9%			1	1.0%	8	7.6%
Site 3	Green 80	5	4.8%				0.0%	5	4.8%
Site 4	Green 60	8	7.6%	1	1.0%	2	1.9%	9	8.6%
Site 5	Green 30	9	8.6%	1	1.0%			11	10.5%
Site 6	Green 20	9	8.6%					4	3.8%
Site 7	Green 12	5	4.8%	1	1.0%			2	1.9%
Site 8	Green 9	2	1.9%						
Site 9	Green 6	5	4.8%					4	3.8%
Site 10	Green 3	2	1.9%					1	1.0%
Site 11	Green Plot								
Site 12	Urban 300								
Site 13	Urban 100								
Site 14	Urban 60							1	1.0%
Site 15	Urban 25 HD								
Site 16	Urban 25								
Site 17	Urban 16 HD								
Site 18	Urban 16								
Site 19	Urban 8 HD								
Site 20	Urban 8								
Site 21	Urban 5								
Site 22	Urban 3	1	1.0%						
Site 23	Urban Plot								
Site 24	PRS 25								
Site 25	PRS 60								
		51	48.6%	3	2.9%	4	3.8%	47	44.8%

Source: HDH (June 2020)

Table 10.21 Number of Units by Typology (excluding Strategic Sites)									
		South		South Higher		Shrewsbury		North	
Site 1	Green 250	735	11.2%			450	6.8%	440	6.7%
Site 2	Green 120	300	4.6%			150	2.3%	1082	16.4%
Site 3	Green 80	475	7.2%					436	6.6%
Site 4	Green 60	477	7.2%	70	1.1%	108	1.6%	560	8.5%
Site 5	Green 30	328	5.0%	40	0.6%			386	5.9%
Site 6	Green 20	187	2.8%					97	1.5%
Site 7	Green 12	74	1.1%	10	0.2%			30	0.5%
Site 8	Green 9	16	0.2%						
Site 9	Green 6	31	0.5%					21	0.3%
Site 10	Green 3	6	0.1%					4	0.1%
Site 11	Green Plot								
Site 12	Urban 300								
Site 13	Urban 100								
Site 14	Urban 60							65	1.0%
Site 15	Urban 25 HD								
Site 16	Urban 25								
Site 17	Urban 16 HD								
Site 18	Urban 16								
Site 19	Urban 8 HD								
Site 20	Urban 8								
Site 21	Urban 5								
Site 22	Urban 3	4	0.1%						
Site 23	Urban Plot								
Site 24	PRS 25								
Site 25	PRS 60								
		2633	40.0%	120	1.8%	708	10.8%	3121	47.4%

Source: HDH (June 2020)

10.65 The smaller sites and brownfield sites may come forward as windfall development, but do not form part of the Council's planned development. Limited weight can be attributed on such typologies when formulating policy.

10.66 The following table just shows the results from typologies that relate to the planned development.

Table 10.22 Residential Development, – Varied Affordable Housing Minimum SC Requirements. Key Typologies and Strategic Sites

		Affordable Housing		EUV	BLV	Residual Value						
						0%	5%	10%	15%	20%	25%	30%
Site 1	Green 250	South	25,000	425,000	551,652	483,051	414,450	345,849	277,249	208,648	140,047
Site 2	Green 120	South	25,000	425,000	558,075	488,555	419,034	349,514	279,994	210,473	140,953
Site 3	Green 80	South	25,000	425,000	644,763	561,735	478,708	395,681	312,654	229,627	146,600
Site 4	Green 60	South	25,000	425,000	651,003	566,659	482,314	397,970	313,625	229,281	144,936
Site 5	Green 30	South	25,000	425,000	794,817	710,522	626,226	541,931	457,636	373,341	289,046
Site 6	Green 20	South	25,000	425,000	804,560	716,359	628,158	539,957	451,756	363,428	272,682
Site 7	Green 12	South	100,000	500,000	881,449	792,817	704,184	615,552	524,567	433,378	341,740
Site 8	Green 9	South	100,000	500,000	1,586,086	1,477,727	1,369,367	1,261,007	1,152,648	1,044,288	935,928
Site 9	Green 6	South	100,000	500,000	1,617,677	1,497,099	1,376,522	1,255,944	1,132,060	1,008,005	883,949
Site 10	Green 3	South	100,000	500,000	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702
Site 22	Urban 3	South	500,000	600,000	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997
Site 23	Urban Plot	South	500,000	600,000	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663
Site 4	Green 60	South Higher	25,000	425,000	1,681,707	1,554,315	1,426,922	1,299,529	1,172,137	1,044,744	917,352
Site 5	Green 30	South Higher	25,000	425,000	1,820,170	1,693,108	1,566,047	1,438,985	1,311,924	1,184,862	1,057,800
Site 7	Green 12	South Higher	100,000	500,000	2,021,399	1,884,295	1,747,191	1,610,087	1,472,983	1,335,879	1,198,775
Site 1	Green 250	Shrewsbury	25,000	425,000	606,509	535,290	464,071	392,852	321,633	250,414	179,195
Site 2	Green 120	Shrewsbury	25,000	425,000	613,412	541,314	469,216	397,119	325,021	252,923	180,825
Site 4	Green 60	Shrewsbury	25,000	425,000	717,307	630,037	542,767	455,497	368,228	280,958	193,688
Site 1	Green 250	North	25,000	425,000	-39,289	-84,673	-130,057	-175,678	-222,743	-269,808	-316,873
Site 2	Green 120	North	25,000	425,000	-147,117	-187,856	-229,621	-271,385	-313,150	-354,914	-396,993
Site 3	Green 80	North	25,000	425,000	-178,881	-229,097	-280,231	-331,366	-382,500	-433,635	-484,936
Site 4	Green 60	North	25,000	425,000	-194,175	-245,860	-298,023	-350,185	-402,347	-454,510	-506,672
Site 5	Green 30	North	25,000	425,000	-55,879	-107,600	-159,321	-211,505	-265,009	-318,669	-372,329
Site 6	Green 20	North	25,000	425,000	-90,287	-144,561	-198,901	-254,845	-311,135	-367,424	-423,714
Site 7	Green 12	North	100,000	500,000	-78,804	-130,178	-181,553	-233,681	-287,003	-340,324	-393,645
Site 9	Green 6	North	100,000	500,000	1,104,515	1,002,924	901,334	799,744	697,137	593,554	489,972
Site 10	Green 3	North	100,000	500,000	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154
Site 14	Urban 60	North	500,000	600,000	-603,185	-690,700	-778,215	-865,730	-954,402	-1,043,640	-1,132,877
Site 1	Stanmore Garden Developme	Bridgnorth	25,000	325,000	761,509	703,464	645,419	587,374	529,329	471,284	413,239
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	682,317	629,712	577,107	524,502	471,896	419,291	366,545
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	619,974	560,316	500,657	440,999	381,341	321,682	262,024
Site 4	Between Mytton Oak Road at	Shrewsbury	25,000	325,000	522,588	471,961	421,004	369,386	317,769	266,152	214,336
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	630,032	570,365	510,698	451,031	390,500	329,460	268,420
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	1,200,140	1,114,062	1,027,984	941,906	855,828	769,750	683,672
Site 7	Clive Barracks	Tern Hill	100,000	400,000	406,059	352,719	299,379	246,039	192,700	139,046	83,901

Source: HDH (June 2020)

10.67 The following conclusions are drawn in the context of the minimum policy requirements confirmed by the Council and the priority not to reduce the already modest affordable housing targets.

Table 10.23 SC Minimum Policy Requirements	
Design	70% Accessible and Adaptable Category 2 5% Accessible and Adaptable Category 3 Water efficiency measures
Climate Change	Future Homes Standards – Option1 10% Merton Rule 10% Biodiversity Net Gain.
Developer Contributions	s106 - £5,000/unit on sites of 50 and larger (including Strategic Sites). CIL at prevailing rate (Stanmore Garden Development and Tasley Gardens Development lie across the CIL Zone boundary so an estimate of the blended CIL Rate is made)

Source: SC: June 2020

10.68 Based on the 'on the ground' experience there is a strong case to have a minimum requirement of 10% affordable housing. Further, different landowners will take a different view to landowner's premium. Development is coming forward in areas and delivering policy benefits that are substantially above those suggested by the output of these appraisals in this report.

10.69 Typologies 24 (PRS 25) and 25 (PRS 60) which are both modelled as Build to Rent schemes are shown as unviable in all areas. The Council has not seen such development coming forward and is not anticipating the delivery of housing in this sector. The Council should be cautious about relying on such development to deliver housing. These results are anticipated in the PPG which suggests[58] that that Build to Rent development may be subject to viability testing at the development management stage.

South Area

10.70 The majority of the area is currently subject to 20% affordable housing, although the north of this area is in the 15% affordable housing area. The South area is anticipated to deliver about 40% of future planned development.

[58] Paragraph 10-007-20190509 of the PPG sets the circumstances when viability may be considered at the development management stage.

> *Such circumstances could include, for example where development is proposed on unallocated sites of a wholly different type to those used in viability assessment that informed the plan; where further information on infrastructure or site costs is required; where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or where a recession or similar significant economic changes have occurred since the plan was brought into force.*

10.71 About 25% of the anticipated development is on sites of less than 50 units (Typologies 5 to 10). These are not subject to the £5,000/unit s106 assumption in addition to CIL. At 20% affordable housing the Residual Value exceeds the BLV so can be seen as viable.

10.72 The remaining development is on the larger sites, with about 40% of the anticipated development in this area to be on sites that are similar to Typology 1 (Green 250) and Typology 2 (Green 120). The results suggest that a 20% affordable housing requirement is more challenging. There are only 5 sites of this type so it is recommended that the Council only includes these in the Plan if there is a confirmation from the landowners or site promoters that these sites are actually deliverable with this requirement.

10.73 The medium sized sites that are similar to Typologies 3 (Green 80) and 4 (Green 60) make up about 36% of the anticipated development in the area. On these the Residual Value exceeds the BLV with 10% affordable housing but not 20% affordable housing. It is recommended that the Council only includes these types of site in the Plan if there is a confirmation from the landowner or site promoter that they sites are actually deliverable. Alternatively, the Council could seek more smaller sites (below 50 units) and substitute these for the larger sites.

10.74 There are just 4 units planned in the area that will be on brownfield sites. In spite of being shown as unviable, it is not considered proportionate to set a separate affordable housing target for this type of development.

10.75 If there is a confirmation from the landowners and / or site promoters of the proposed allocations in the south area are actually deliverable, a 20% affordable housing requirement would then be appropriate.

South Higher Area

10.76 Less than 2% of the anticipated development is in this area that includes the towns of Bishop's Castle, Church Stretton and Ludlow.

10.77 All the typologies in this area produce a Residual Value that will very comfortably support 20% affordable housing, or higher (30%). Consideration could be given to a higher affordable housing target – although, bearing in mind the wider economic uncertainty, we would recommend that the Council cautious about making such a change. Further, bearing in mind that this area represents a very small proportion of the planned development, this may not be considered proportionate.

10.78 The Council can have confidence that residential development is generally deliverable in this area.

Shrewsbury Area

10.79 Much of the development in Shrewsbury will be on 'strategic sites'. Relatively few other residential development allocations are planned here, with just 4 sites (with a capacity of just over 10% of the planned development). Three sites are similar to Typology 1 (Green 250)

and Typology 2 (Green 120). It is recommended that the Council only includes these in the Plan if there is a confirmation from the landowner or site promoters that these sites are actually deliverable.

North Area

10.80 Just under half of the planned development is in the lower value northern area. Very little development is shown as viable, even without affordable housing. In spite of these results, based on this 'on the ground' experience there is a strong case to have a minimum requirement of 10% affordable housing.

10.81 Just under half of the development planned for the area is on sites that are similar to Typology 1 (Green 250) and Typology 2 (Green 120). There are only 10 sites of this type, so it is recommended that the Council only includes these in the Plan if there is a confirmation from the landowner or site promoters that these sites are actually deliverable.

10.82 The Council should be cautious about relying on development from this area to deliver the housing requirement.

Strategic Sites

10.83 The seven potential Strategic Sites have been identified and tested. In considering these it is important to note that the Council is still working up the assessment of the strategic infrastructure and mitigation requirements for these sites. The current best estimate is as follows

- Stanmore Garden Development £9,985,000
- Tasley Garden Development £13,940,000
- North of Mytton Oak Road £4,960,000
- Between Mytton Oak Road and Hanwood Road £17,380,000
- West of Ellesmere Road £6,200,000
- Ironbridge Power Station £24,660,000
- Clive Barracks £9,000,000

10.84 These sites are currently subject to CIL at the prevailing rates[59]. This has been discussed with the Council, who has acknowledged that it would expect the s106 requirements to take

[59] North of Mytton Oak Road, Between Mytton Oak Road and Hanwood Road, and West of Ellesmere Road are subject to the urban rate. This is just under £60/m^2 so equates to about £6,000 per market unit.

Ironbridge Power Station and, Clive Barracks are subject to the rural rate. This is just under £120/m^2 so equates to about £11,000 per market unit.

Stanmore Garden Development and Tasley Gardens Development lie across the CIL Zone boundary so an estimate of the blended CIL Rate is made (Stanmore £110.35/m^2 on the basis that 15% of the development it likely

into account that some of the infrastructure in the area of the specific sites could be delivered through CIL so it is unlikely that the requirement would be for the full levels of s106 contributions and CIL.

10.85 It is clear that these sites have capacity to bear both affordable housing and developer contributions. There is no doubt that the delivery of any large site is challenging so, rather than draw firm conclusions at this stage, it is recommended that that the Council engages with the owners in line with the advice set out in the Harman Guidance (page 23):

> *Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.*

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

> *... It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan....*
>
> *PPG 10-006-20180724*

Summary of Recommendations

10.87 The results clearly show a challenging viability context in Shropshire. Bearing in mind the Council's wish to maintain affordable housing targets that align with the current requirements, and its experience of delivery on the ground, it is suggested that the following are adopted.

a. In these recommendations the following areas are assumed:

- Shrewsbury is the built-up area of Shrewsbury including the areas within the town's partial-ring road (A5, A49, A5124).
- The South Area is the area that includes Shrewsbury (see above) and to the west of the Shrewsbury, it is the area to the south of the A458 and to the east of Shrewsbury, it is the area to the south of the A5.
- The North Area is the area north of Shrewsbury (excluding Shrewsbury) and to the west of the Shrewsbury, it is the area to the north of the A458 and to the east of Shrewsbury, it is the area to the north of the A5.

b. Sites that are similar to Typology 1 (Green 250) and Typology 2 (Green (120) are only included where there is a firm commitment and confirmation from the site promoter that a policy compliant scheme can be delivered on the site.

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to be at the urban rate and 85% at the rural rate, and Tasley £99.38/m^2 on the basis that 1/3 of the development it likely to be at the urban rate and 2/3 at the rural rate. In the absence of any master planning these are high level estimates).

c. Less reliance is put on sites that are similar to Typologies 3 (Green 80) and 4 (Green 60) and more smaller sites are sought as an alternative. Alternatively, confirmation is obtained from relevant site promoters, that sites are viable, given emerging policy requirements.

d. In terms of viability, the best results in terms of capacity to bear policy requirements is in the highest value South Higher area. The Council could consider allocating more land for development in this area (although there may be other constraints to be overcome).

e. To consider a future review of the CIL Charging Schedule. CIL is a significant cost to development and whilst the overarching and simple approach, by where it is applied to all chargeable development has many advantages, an approach using s106 payments may be effective. Having said this, in the absence of CIL, we understand that the Council may have to consider a different approach to developer contributions as funding is required for necessary supporting infrastructure to enable development and to make it acceptable in planning terms.

f. That the Council continues to engage with the promoters of the Strategic Sites.

Review of CIL

10.88 Having discussed this with the Council, in the analysis it is assumed that CIL continues at the current rates. At this stage this is the Council's preference, so this is not explored further.

Impact of Change in Values and Costs

10.89 Whatever policies are adopted, the Plan should not be unduly sensitive to future changes in prices and costs. In this report, the analysis is based on the build costs produced by BCIS. As well as producing estimates of build costs, BCIS also produce various indices and forecasts to track and predict how build costs may change over time. The BCIS forecasts an increase in prices of 10.08% over the next 3 years[60]. We have tested a range of scenarios with varied increases in build costs.

10.90 As set out in Chapter 4, we are in a current period of uncertainty in the property market. It is not the purpose of this report to predict the future of the market. We have tested several price change scenarios. In this analysis, we have assumed all other matters in the base appraisals remain unchanged. It is important to note that, in the tables (that are set out in **Appendix 17**), only the costs of construction and the value of the market housing are altered.

10.91 The analysis demonstrates that a relatively small increase in build costs will adversely impact on viability, although this is unlikely to be sufficient to impact on the deliverability of the Plan. Conversely a modest increase in value could have a significant impact in improving viability.

[60] See Table 1.1 (Page 7) of in *Quarterly Review of Building Prices*

Review

10.92 The direction of the market, as set out in Chapter 4 above, is improving, and there is an improved sentiment that the economy and property markets are improving. There is however some level of uncertainty. Bearing in mind Shropshire Council's wish to develop housing, and the requirements to fund infrastructure, it is recommended that the Council keeps viability under review; should the economics of development change significantly it should consider undertaking a limited review of the Plan to adjust the affordable housing requirements or levels of developer contribution.

10.93 In this regard it is timely to highlight paragraph 10-009-20180724 of the PPG.

> *How should viability be reviewed during the lifetime of a project?*
>
> *Plans should set out circumstances where review mechanisms may be appropriate, as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development to ensure policy compliance and optimal public benefits through economic cycles.*
>
> *Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, there should be a clear agreement of how policy compliance can be achieved over time. As the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project.*
>
> *PPG 10-009-20180724*

10.94 It is recommended that, in sites where the policy requirements are flexed, the Council includes review mechanisms.

11. Non-Residential Appraisals

11.1 Based on the assumptions set out previously, we have run a set of development financial appraisals for the non-residential development types.

11.2 As with the residential appraisals, we have used the Residual Valuation approach. We have run appraisals to assess the value of a site after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the value from an alternative use. To assess viability, we have used the same methodology with regard to the Benchmark Land Value (EUV 'plus').

11.3 It is important to note that a report of this type applies relatively simple assumptions that are broadly reflective of an area to assess viability. The fact that a site is shown as viable does not necessarily mean that it will come forward and vice versa. An important part of any final consideration of viability will be relating the results of this study to what is actually happening on the ground in terms of development, and what planning applications are being determined – and on what basis.

11.4 The full appraisals are set in **Appendix 18** below.

Employment uses

11.5 Firstly, the main employment uses are considered.

Table 11.1 Employment

Greenfield					
		Offices - Central	Offices - Park	Larger Industrial	Smaller Industrial
CIL	£/m2	**0**	**0**	**0**	**0**
RESIDUAL VALUE	**Site**	**-552,900**	**-601,253**	**-64,501**	**-133,804**
Existing Use Value	£/ha	100,000	100,000	25,000	100,000
Viability Threshold	£/ha	600,000	600,000	525,000	600,000
Residual Value	£/ha	-8,846,396	-1,503,134	-64,501	-1,338,041
Brownfield					
		Offices - Central	Offices - Park	Larger Industrial	Smaller Industrial
CIL	£/m2	**0**	**0**	**0**	**0**
RESIDUAL VALUE	**Site**	**-857,885**	**-908,954**	**-339,222**	**-170,938**
Existing Use Value	£/ha	500,000	500,000	500,000	500,000
Viability Threshold	£/ha	600,000	600,000	600,000	600,000
Residual Value	£/ha	-13,726,155	-2,272,386	-339,222	-1,709,378

Source: HDH (May 2020)

11.6 To a large extent the above results are reflective of the current market. Office development and industrial are both shown as being unviable, however this is not just an issue here, a finding supported by the fact that such development is only being brought forward to a limited extent on a speculative basis by the development industry. Where development is coming forward (and it is coming forward), it tends to be from existing businesses for operational reasons, rather than purely for property investment reasons.

11.7 It is important to note that the analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. It assumes that development takes place for its own sake and is a goal in its own right. It assumes that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. As set out in Chapters 2 and 3 above, the Guidance does not reflect the broad range of business models under which developers and landowners operate. Some developers have owned land for many years and are building a broad income stream over multiple properties over the long term. Such developers are able to release land for development at less than the arms-length value at which it may be released to third parties and take a long term view as to the direction of the market based on the prospects of an area and wider economic factors. The limited development that is coming forward in the area is largely user-led, being brought forward by businesses that will use the eventual space for operational uses, rather than for investment purposes.

11.8 It is clear that the delivery of the employment uses is limited. We would urge caution in relation to setting policy requirements for employment uses that would impact on viability.

Retail and Hotel Development

11.9 Similar appraisals have been prepared for the retail and hotel uses.

Table 11.2 Retail and Hotels

Greenfield					
		Prime Retail	Secondary Retail	Supermarket	Smaller Supermarket
CIL	£/m2	**0**	**0**	**0**	**0**
RESIDUAL VALUE	**Site**	**379,590**	**-91,258**	**6,739,980**	**1,813,874**
Existing Use Value	£/ha	100,000	100,000	25,000	100,000
Viability Threshold	£/ha	600,000	600,000	525,000	600,000
Residual Value	£/ha	20,244,792	-4,867,108	5,054,985	6,046,247
		Retail Warehouse	Hotel		
CIL	£/m2	**0**	**0**		
RESIDUAL VALUE	**Site**	**4,467,463**	**4,468,782**		
Existing Use Value	£/ha	25,000	100,000		
Viability Threshold	£/ha	525,000	600,000		
Residual Value	£/ha	5,584,329	10,185,258		

Brownfield					
		Prime Retail	Secondary Retail	Supermarket	Smaller Supermarket
CIL	£/m2	**0**	**0**	**0**	**0**
RESIDUAL VALUE	**Site**	**355,244**	**-106,638**	**6,222,875**	**1,660,450**
Existing Use Value	£/ha	7,500,000	500,000	500,000	500,000
Viability Threshold	£/ha	9,000,000	600,000	600,000	600,000
Residual Value	£/ha	18,946,344	-5,687,386	4,667,156	5,534,835
		Retail Warehouse	Hotel		
CIL	£/m2	**0**	**0**		
RESIDUAL VALUE	**Site**	**4,167,988**	**4,258,701**		
Existing Use Value	£/ha	500,000	500,000		
Viability Threshold	£/ha	600,000	600,000		
Residual Value	£/ha	5,209,984	9,706,440		

Source: HDH (May 2020)

11.10 The larger format retail development is shown as viable with the Residual Value exceeding the Benchmark Land Value by a substantial margin, however, as would be expected, the smaller format retail uses in the areas outside main high streets are more challenging.

11.11 Hotel development is shown as viable.

12. Findings and Recommendations

12.1 This chapter provides a non-technical summary of the overall assessment that can be read on a standalone basis. Having said this, a viability study of this type is, by its very nature, a technical document that is prepared to address the very specific requirements of national planning policy. As this is a summary chapter, some of the content of earlier chapters is repeated.

12.2 This Viability Study sets out the methodology used, the key assumptions adopted, and the results. It has been prepared to assist the Council with the assessment of the viability of the emerging Local Plan. The 2019 National Planning Policy Framework (2019 NPPF), the updated Planning Practice Guidance (PPG) and the Harman Viability Guidance require stakeholder engagement – particularly with members of the development industry. Consultation has taken place and, whilst there was not universal agreement, a broad consensus was achieved.

12.3 Shropshire Council (SC / the Council) is undertaking a Local Plan Review that will set out the future spatial strategy for the County and will include sites for allocation. This Viability Study has been commissioned to inform the further development of the Plan. HDH Planning & Development Ltd has been appointed to advise Shropshire Council in connection with several matters:

a. Review of affordable housing policy (including tenure split).

b. Whole plan viability to consider all other standards and policy requirements.

c. To consider a review of the Community Infrastructure Levy (CIL).

Compliance

12.4 HDH Planning & Development Ltd is a firm regulated by the Royal Institution of Chartered Surveyors (RICS). As such it is necessary to have regard to RICS Professional Standards and Guidance. It is confirmed that this study has been carried out in line with *Financial viability in planning: conduct and reporting RICS professional statement, England (1st Edition, May 2019)*.

12.5 In December 2019 the RICS published draft technical guidance in the form of RICS draft guidance note - Assessing financial viability in planning under the National Planning Policy Framework for England, 1st edition for consultation. Whilst this is a draft document, we confirm that this report is generally in accordance with this further draft guidance (in as far as it relates to plan-wide viability assessments).

COVID 19

12.6 This update is being carried out during the coronavirus pandemic. There are real material uncertainties around the values of property and the costs of construction that are a direct result of the Covid 19 pandemic. It is not the purpose of this assessment to predict what the impact

may be and how long the effect will be. We expect there to be a pause in activity due to uncertainty in the wider economy, evidence of this is being reported by estate agents and developers. It is likely that, at the very least, the development markets will be checked, and house prices may fall. This may well have an adverse impact on viability. In terms of timing there is a likelihood that the direct impact of the virus will continue until a vaccine or similar prophylactic / cure is widely available and this may not be until next year (2021).

12.7 This assessment is conducted at April 2020 costs and values.

Viability Testing under the 2019 NPPF and Updated PPG

12.8 The effectiveness of plans was important under the 2012 NPPF, but a greater emphasis is put on deliverability in the 2019 NPPF. The overall requirement is that *'policy requirements should be informed by evidence of infrastructure and Affordable Housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106 .*'

12.9 This study is based on typologies that are representative of the sites to be allocated in the new Local Plan. The seven potential Strategic Sites are also tested.

12.10 The updated PPG sets out that viability should be tested using the Existing Use Value Plus (EUV+) approach:

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

12.11 The Benchmark Land Value (BLV) is the amount the Residual Value must exceed for the development to be considered viable.

Viability Guidance

12.12 There is no specific technical guidance on how to test viability in the 2019 NPPF or the updated PPG, although the updated PPG includes guidance in a number of specific areas. There are several sources of guidance and appeal decisions that support the methodology HDH has developed. This study follows the Harman Guidance. In line with the updated PPG, this study follows the EUV Plus (EUV+) methodology, that is to compare the Residual Value generated by the viability appraisals, with the EUV plus an appropriate uplift to incentivise a landowner to sell. The amount of the uplift over and above the EUV is central to the assessment of viability. It must be set at a level to provide a return to the landowner. To inform the judgement as to whether the uplift is set at the appropriate level, reference is made to the market value of the land both with and without the benefit of planning.

12.13 The availability and cost of land are matters at the core of viability for any property development. The format of the typical valuation is:

Gross Development Value
(The combined value of the complete development)
LESS
Cost of creating the asset, including a profit margin
(Construction + fees + finance charges)
=
RESIDUAL VALUE

12.14 The result of the calculation indicates a land value, the Residual Value. The Residual Value is the top limit of what a developer could offer for a site and still make a satisfactory return (i.e. profit).

12.15 The 2019 NPPF, the PPG, the CIL Regulations and CIL Guidance are clear that the assessment of viability should, wherever possible, be based on existing available evidence rather than new evidence. The evidence that is available from Shropshire Council has been reviewed. This includes that which has been prepared earlier in the plan-making process, and that which the Council holds, in the form of development appraisals that have been submitted by developers in connection with specific developments – most often to support negotiations around the provision of affordable housing or s106 contributions.

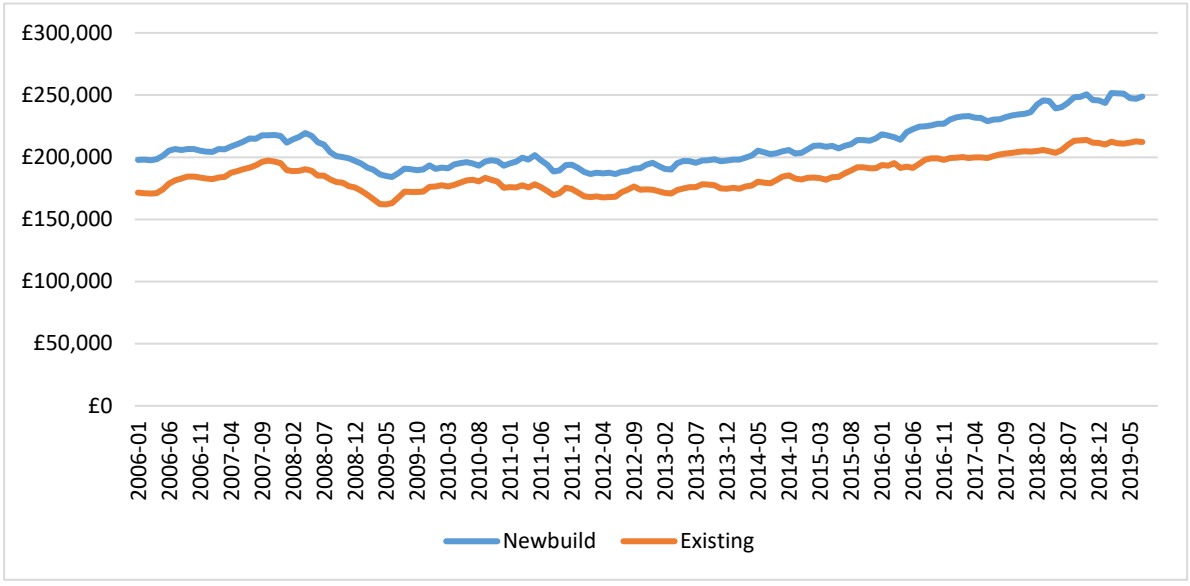
12.16 Consultation formed part of the preparation of this study. An event was held on the 19th February 2020. Residential and non-residential developers (including housing associations), landowners and planning professionals were invited.

Residential Market

12.17 An assessment of the housing market was undertaken. The study is concerned not just with the prices but the differences across different areas.

12.18 When ranked across England and Wales, the average house price for Shropshire is 193rd (out of 348) at about £248,000. To set this in context, the Council at the middle of the rank (174 – Ryedale), has an average price of £265,000. The Shropshire median price is a lower than the mean at £215,000. Prices in the Shropshire area have seen a significant recovery since the bottom of the market in mid-2009. A characteristic of the data is that the values of newbuild homes have increased faster than that for existing homes. The Land Registry shows that the average price paid for newbuild homes in Shropshire (£248,837) is £36,725, or 17.3% higher than the average price paid for existing homes (£212,112).

Figure 12.1 Change in House Prices. Existing v Newbuild – Shropshire



Source: Land Registry (December 2019)

12.19 This report is being completed after the United Kingdom left the European Union. It is not possible to predict the impact of leaving the EU, beyond the fact that the UK and the UK economy is in a period of uncertainty. Negotiations around the details of the exit are underway but not concluded, so the future of trade with the EU and wider world are not yet known.

12.20 A further uncertainty is around the coronavirus pandemic. The coronavirus (COVID-19) virus was first reported in China, in December 2019 and was declared a pandemic in March 2020. It is too early to predict what the impact on the economy, and therefore house prices, may be. There are real material uncertainties around the values of property that are a direct result of the Covid 19 pandemic. It is not the purpose of this assessment to predict what the impact may be and how long the effect will be. There is mixed feedback about the property market. There is anecdotal evidence of an increased demand for larger units (with space for working from home) and with private outdoor space. Conversely, employees in some sectors that have been particularly affected by the coronavirus and the Government's restrictions, have found their ability to secure a loan restricted.

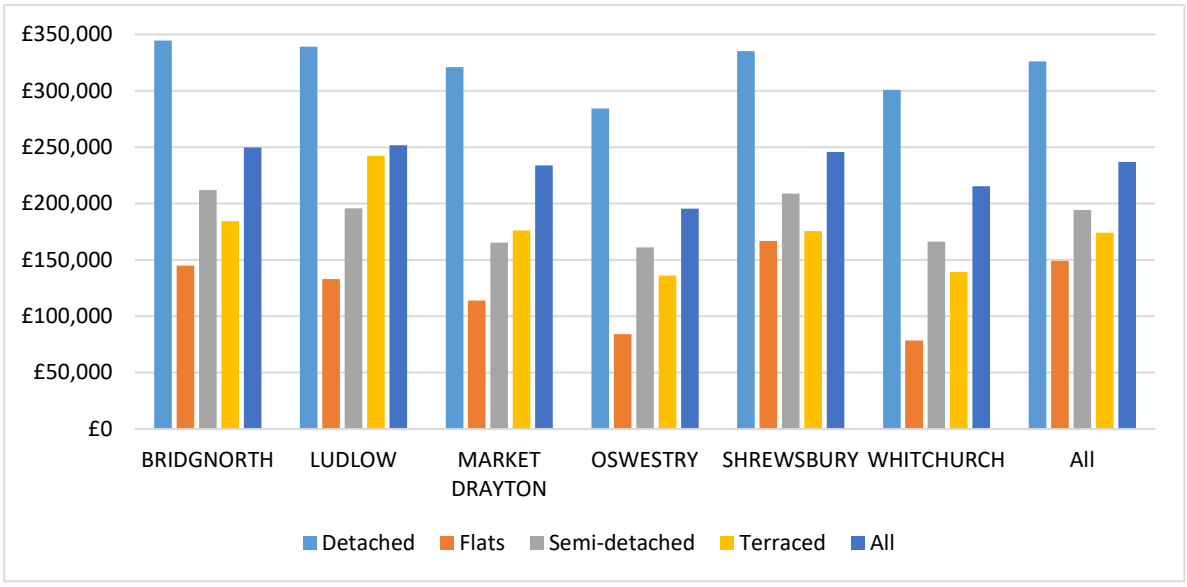
12.21 At the time of this update there is no statistical evidence of a fall in house prices. We expect there to be a pause in activity due to uncertainty in the wider economy. It is likely that, at the very least, the development markets will be checked. The economy is in a period of uncertainly and, whilst it is not the purpose of this assessment to forecast of how house prices and values may change in the future, it is necessary to set the report in the wider context and provide sensitivity testing.

The Local Market

12.22 A survey of asking prices across the Shropshire Council area was carried out in December 2019. Through using online tools such as rightmove.co.uk and zoopla.co.uk, median asking prices were estimated. The Land Registry publishes data of all homes sold. Across the

Shropshire Council area 4,495 home sales are recorded since the start of 2018. Of these 1,566 relate to newbuild homes. These transactions (as recorded by the Land Registry) are summarised as follows.

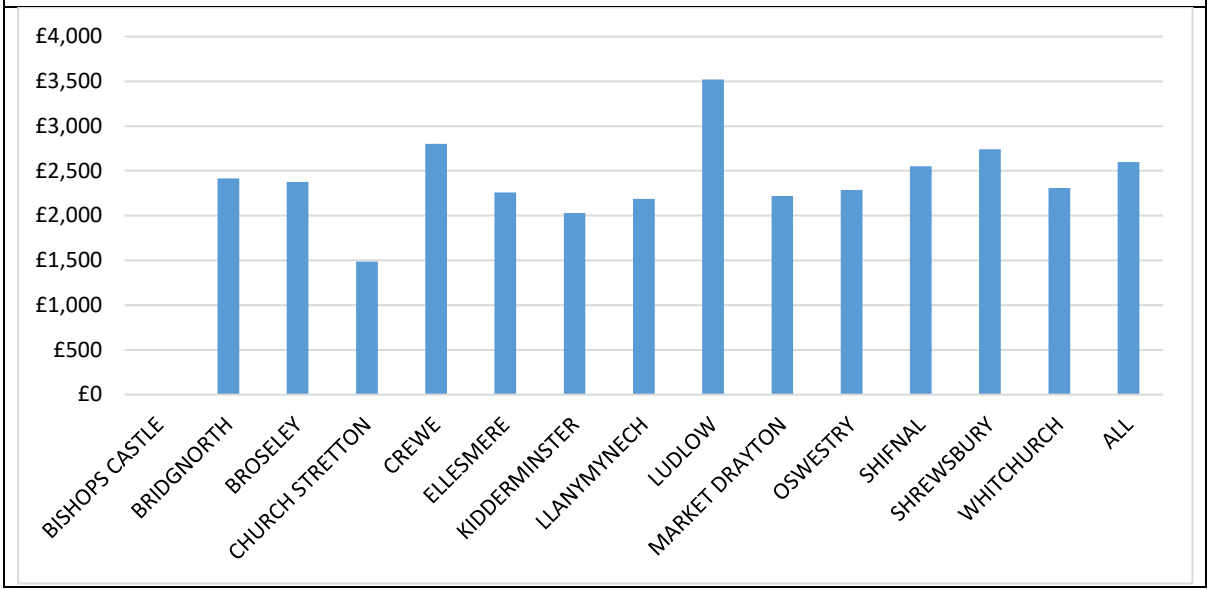
Figure 12.2 Land Registry Price Paid Data



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

12.23 The 1,566 newbuild home sales have been further analysed. Each dwelling sold requires an Energy Performance Certificate (EPC). The EPC contains the floor area (the Gross Internal Area – GIA) as well as a wide range of other information. The price paid data from the Land Registry has been married with the floor area from the EPC Register.

Figure 12.3 Average Newbuild Price Paid



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

12.24 Bringing together the evidence, the following price assumptions are used:

Table 12.1 Post-consultation Residential Price Assumptions (£/m²)

	South	South Higher	North	Shrewsbury
Brownfield	£2,560	£3,250	£2,375	£2,700
Flatted Schemes	£2,600	£4,000	£2,375	£2,840
Large Greenfield Sites	£2,700	£3,250	£2,375	£2,735
Medium Greenfield Sites	£2,700	£3,250	£2,375	£2,735
Small Greenfield Sites	£3,250	£3,500	£3,000	£3,500

Source: HDH (May 2020)

Table 12.2 Strategic Site Price Assumptions (£/m²)

		Pre-Consultation	Post Consultation
Stanmore Garden Development	Bridgnorth	£3,200	£3,000
Tasley Garden Development	Bridgnorth	£3,200	£3,000
North of Mytton Oak Road	Shrewsbury	£3,200	£2,735
Between Mytton Oak Road and Hanwood Road	Shrewsbury	£3,200	£2,735
West of Ellesmere Road	Shrewsbury	£3,200	£2,735
Ironbridge Power Station	Ironbridge	£3,500	£3,500
Clive Barracks	Tern Hill	£2,750	£2,750

Source: HDH (May 2020)

Build to Rent

12.25 Build to Rent schemes are a growing development format. The value of housing that is restricted to being Private Rented Sector (PRS) housing is different to that of unrestricted market housing. The value of the units in the PRS (where their use is restricted to PRS and they cannot be used in other tenures) is, in large part, the worth of the income that the completed let unit will produce.

12.26 We have undertaken a survey of market rents across Shropshire and having considered a range of sources a gross yield of 6% has been assumed. It is also assumed that such development will be flatted and in or close to the City / town centres. We have assumed a value for private rent, across Shropshire, of £2,200/m².

Affordable Housing

12.27 In this study, it is assumed that affordable housing is constructed by the site developer and then sold to a Registered Provider (RP). The following values are used across the EEBC area:

a. Social Rent £1,180/m².

b. Affordable Rent £1,450/m^2.

c. Intermediate Products for Sale 70% of Open Market Value.

Non-Residential Market

12.28 The following assumptions have been used:

Table 12.3 Non-Residential £/m^2

	Rent £/m^2	Yield	Rent free period		Assumption
Offices	£172	6.25%	1.0	£2,590	£2,500
Industrial	£70	5.00%	1.0	£1,333	£1,200
Retail - City Centre	£430	7.00%	1.0	£5,741	£5,000
Retail (elsewhere)	£130	10.00%	1.0	£1,182	£1,200
Large Supermarket	£250	5.50%	1.0	£4,308	£4,300
Small Supermarket	£215	5.00%	1.0	£4,095	£4,100
Retail warehouse	£180	6.00%	2.0	£2,670	£2,670
Hotel (per room)	£6,500	5.00%	0.0	£5,263	£5,250

Source: HDH (December 2019)

Land Values

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

Table 12.4 Existing Use Value Land Prices £/ha

PDL	Generally	£500,000
	Central Shrewsbury, Retail	£7,500,000
Agricultural		£25,000
Paddock / Amenity Land		£100,000

Source: HDH (December 2019)

12.30 The updated PPG makes specific reference to Benchmark Land Values (BLV) so it is necessary to address this. The following Benchmark Land Value assumptions are used:

a. Brownfield Sites: EUV Plus 20%.

b. Greenfield Sites: EUV Plus £400,000/ha.

12.31 This allows an uplift of 17 times the EUV for landowners. For the Strategic Sites, the lower BLV of EUV Plus £300,000 (as put to the initial consultation) is carried forward and used.

Development Costs

12.32 These are the costs and other assumptions required to produce the financial appraisals.

Construction costs: baseline costs

12.33 The cost assumptions are derived from the Building Cost Information Service (BCIS) data – using the figures re-based for Shropshire. The cost figure for 'Estate Housing – Generally' is £1,164/m^2 at the time of this study. The appropriate cost is used for the relevant building type, so the figure for flatted development (of the appropriate height) is used for flatted development, the figure used for terraced development is that for terraced housing and so on. Likewise, the appropriate figures are used for non-residential development types.

Other normal development costs

12.34 In addition to the BCIS £/m^2 build cost figures described above, allowance needs to be made for a range of site costs (roads, drainage and services within the site, parking, footpaths, landscaping and other external costs). A scale of allowances has been developed for the residential sites, ranging from 5% of build costs for flatted schemes, to 15% for the larger greenfield schemes.

12.35 The Stanmore Garden Development and the Tasley Garden Development Strategic Sites are to be developed under Garden Town principles. Appropriate costs are applied.

Abnormal development costs and brownfield sites

12.36 An additional allowance is made for abnormal costs associated with brownfield sites of 5% of the BCIS costs. Abnormal costs will be reflected in land value. Those sites that are less expensive to develop will command a premium price over and above those that have exceptional or abnormal costs.

Fees

12.37 For residential development we have assumed professional fees amount to 8% of build costs, for non-residential development we have assumed professional fees amount to 8% of build costs.

Contingencies

12.38 For previously undeveloped and otherwise straightforward (greenfield) sites, a contingency of 2.5% has been allowed for, with a higher figure of 5% on more risky types of development, previously developed land. So, the 5% figure was used on the brownfield sites and the 2.5% figure on the remainder.

S106 Contributions and the costs of infrastructure

12.39 The Council has adopted CIL which is assumed to apply at the current rates.

12.40 Based on discussions with the Council an assumption of £5,000/unit assumption (excluding non-Strategic Sites) has been used on sites of 50 units and larger. A range of higher costs have also been tested.

12.41 On the Strategic Sites the following assumptions are used. These are high-level and subject to change. They are based on the Council's current estimate of the infrastructure requirements (at May 2020).

Table 12.5 Strategic Sites. Strategic Infrastructure and Mitigation Costs

Settlement	*Site Name*	*Preferred Site Allocation Reference*	*Gross site size (ha)*	*Number of Dwellings Proposed*	*Employment Site Area (Ha) Proposed*	*S106 Site*	*S106 £/unit*
Bridgnorth	Stanmore Garden Development, Bridgnorth	P54	86	850	16	£9,985,000	£11,747
		P56					
		P58a					
		STC002					
		STC004					
		STC005					
		STC006					
	Tasley Garden Development, Bridgnorth	BRD030	128.1	1,050	16	£13,940,000	£13,276
Shifnal	East of Shifnal Industrial Estate, Shifnal	SHF018b	40	0	15	£10,940,000	N/A
		SHF018d					
Shrewsbury	Land North of Mytton Oak Road, Shrewsbury	SHR057	25	400	0	£4,960,000	£12,400
		SHR177					
	Land between Mytton Oak Road and Hanwood Road, Shrewsbury	SHR060	105	1,400	20	£17,380,000	£12,414
		SHR158					
		SHR161					
	Land to the west of the A49, Shrewsbury	SHR166	45	0	18	£2,000,000	N/A
	Land west of Ellesmere Road, Shrewsbury	**SHR173**	23.3	500	0	£6,200,000	£12,400
Former Ironbridge Power Station	Former Ironbridge Power Station	IRN001	140	1,000	6	£24,660,000	£24,660
Ciive Barracks Tern Hill	Ciive Barracks Tern Hill	BNT002	72	750	5.75	£9,000,000	£12,000

Source: SC (May 2020)

Financial and Other Appraisal Assumptions

12.42 Our appraisals assume interest of 7% p.a. for total debit balances, we have made no allowance for any equity provided by the developer.

Developers' return

12.43 This is a high-level study where it is necessary and proportionate to take a relatively simplistic approach, so, rather than apply a differential return (i.e. site-by-site or split), it is appropriate to make some broad assumptions. The updated PPG says '*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies*'. An assumption of 17.5% is used across market and affordable housing.

Site Acquisition and Disposal Costs

12.44 An allowance 1.5% for acquisition agents' and legal fees. Stamp duty is calculated at the prevailing rates. For market and for affordable housing, sales and promotion and legal fees are assumed to amount to 3.5% of receipts.

Local Plan Policy Requirements

12.45 The specific purpose of this study is to consider the cumulative impact of the policies in the emerging Local Plan.

12.46 The new Local Plan will replace the current Local Plan and various Supplementary Planning Documents. Currently, the expectation is that the new Local Plan will carry most of the existing policy requirements forward (subject to appropriate updating) rather than follow a radical new direction. The emerging policy areas that add to the costs of development (over and above the normal costs of development) have been reviewed and tested.

Modelling

12.47 The approach is to model a set of development sites (typologies) that are broadly representative of the type of development that is likely to come forward under the new Local Plan.

12.48 The emerging Plan also includes seven potential Strategic Sites. These are modelled individually.

Residential Development

12.49 The appraisals use the residual valuation approach – they assess the value of a site after taking into account the costs of development, the likely income from sales and/or rents and a developers' return. The Residual Value represents the maximum bid for the site where the payment is made in a single tranche on the acquisition of a site. In order for the proposed development to be viable, it is necessary for this Residual Value to exceed the EUV by a satisfactory margin, being the Benchmark Land Value (BLV).

12.50 Several sets of appraisals have been run, including with varied levels of affordable housing and developer contributions.

12.51 The initial appraisals are based on the following assumptions and are presented for the four price areas. These appraisals are based on the following assumptions and have been based on 20% affordable housing (across all areas).

a.	Affordable Housing	20% on sites of 10 units and larger (6 units and larger in rural areas) as 70% Affordable Rent, 30% Intermediate.		
b.	Design	NDSS. 100% Accessible and Adaptable Category 2, 10% Accessible and Adaptable Category 3.		
		Water efficiency / Car Charging Points.		
		Future Homes Standards – Option1, 10% Biodiversity Net Gain.		
c.	Developer Contributions	s106	Typologies	£5,000/unit.
			Stanmore Garden Development	£9,985,000
			Tasley Garden Development	£13,940,000
			North of Mytton Oak Road	£4,960,000

	Between Mytton Oak Road and Hanwood Road	£17,380,000
	West of Ellesmere Road	£6,200,000
	Ironbridge Power Station	£24,660,000
	Clive Barracks	£9,000,000
CIL	At prevailing rate (Stanmore Garden Development and Tasley Gardens Development lie across the CIL Zone boundary so an estimate of the blended CIL rate is used)	

12.52 The results vary across the modelled sites, although this is largely due to the different assumptions around the nature of each typology. The additional costs associated with brownfield sites result in lower Residual Values. The Residual Value is not an indication of viability by itself, simply being the maximum price a developer may bid for a parcel of land, and still make an adequate return.

12.53 In the following tables the Residual Value is compared with the BLV. The Benchmark Land Value being an amount over and above the Existing Use Value that is sufficient to provide the willing landowner with a premium and induce them to sell the land for development as set out in Chapter 6 above.

Table 12.6a Residential Development, – Residual Value v BLV Full Range of Policy Options. SOUTH					
			EUV	BLV	Residual Value
Site 1	Green 250	South	25,000	425,000	223,651
Site 2	Green 120	South	25,000	425,000	225,158
Site 3	Green 80	South	25,000	425,000	247,071
Site 4	Green 60	South	25,000	425,000	246,691
Site 5	Green 30	South	25,000	425,000	260,688
Site 6	Green 20	South	25,000	425,000	240,166
Site 7	Green 12	South	100,000	500,000	306,155
Site 8	Green 9	South	100,000	500,000	967,914
Site 9	Green 6	South	100,000	500,000	913,170
Site 10	Green 3	South	100,000	500,000	1,484,106
Site 11	Green Plot	South	100,000	500,000	1,069,409
Site 12	Urban 300	South	500,000	600,000	-167,530
Site 13	Urban 100	South	500,000	600,000	-388,874
Site 14	Urban 60	South	500,000	600,000	-488,641
Site 15	Urban 25 HD	South	500,000	600,000	-1,004,911
Site 16	Urban 25	South	500,000	600,000	-476,904
Site 17	Urban 16 HD	South	500,000	600,000	-980,570
Site 18	Urban 16	South	500,000	600,000	-93,688
Site 19	Urban 8 HD	South	500,000	600,000	-899,914
Site 20	Urban 8	South	500,000	600,000	348,183
Site 21	Urban 5	South	500,000	600,000	-108,616
Site 22	Urban 3	South	500,000	600,000	-601,920
Site 23	Urban Plot	South	500,000	600,000	-1,817,307
Site 24	PRS 25	South	500,000	600,000	-1,841,163
Site 25	PRS 60	South	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 12.6b Residential Development, – Residual Value v BLV Full Range of Policy Options. SOUTH HIGHER					
			EUV	BLV	Residual Value
Site 1	Green 250	South Higher	25,000	425,000	915,584
Site 2	Green 120	South Higher	25,000	425,000	933,153
Site 3	Green 80	South Higher	25,000	425,000	1,089,003
Site 4	Green 60	South Higher	25,000	425,000	1,105,203
Site 5	Green 30	South Higher	25,000	425,000	1,114,976
Site 6	Green 20	South Higher	25,000	425,000	1,136,379
Site 7	Green 12	South Higher	100,000	500,000	1,261,797
Site 8	Green 9	South Higher	100,000	500,000	1,338,857
Site 9	Green 6	South Higher	100,000	500,000	1,344,355
Site 10	Green 3	South Higher	100,000	500,000	2,073,693
Site 11	Green Plot	South Higher	100,000	500,000	1,776,077
Site 12	Urban 300	South Higher	500,000	600,000	1,181,812
Site 13	Urban 100	South Higher	500,000	600,000	1,087,702
Site 14	Urban 60	South Higher	500,000	600,000	1,233,814
Site 15	Urban 25 HD	South Higher	500,000	600,000	1,968,949
Site 16	Urban 25	South Higher	500,000	600,000	1,249,500
Site 17	Urban 16 HD	South Higher	500,000	600,000	1,795,241
Site 18	Urban 16	South Higher	500,000	600,000	1,737,186
Site 19	Urban 8 HD	South Higher	500,000	600,000	2,448,163
Site 20	Urban 8	South Higher	500,000	600,000	2,357,049
Site 21	Urban 5	South Higher	500,000	600,000	1,736,186
Site 22	Urban 3	South Higher	500,000	600,000	1,735,414
Site 23	Urban Plot	South Higher	500,000	600,000	1,151,950
Site 24	PRS 25	South Higher	500,000	600,000	-1,841,163
Site 25	PRS 60	South Higher	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 12.6c Residential Development, – Residual Value v BLV Full Range of Policy Options. SHREWSBURY					
			EUV	BLV	Residual Value
Site 1	Green 250	Shrewsbury	25,000	425,000	267,698
Site 2	Green 120	Shrewsbury	25,000	425,000	269,919
Site 3	Green 80	Shrewsbury	25,000	425,000	301,372
Site 4	Green 60	Shrewsbury	25,000	425,000	301,137
Site 5	Green 30	Shrewsbury	25,000	425,000	315,052
Site 6	Green 20	Shrewsbury	25,000	425,000	298,609
Site 7	Green 12	Shrewsbury	100,000	500,000	369,229
Site 8	Green 9	Shrewsbury	100,000	500,000	1,338,857
Site 9	Green 6	Shrewsbury	100,000	500,000	1,344,355
Site 10	Green 3	Shrewsbury	100,000	500,000	2,073,693
Site 11	Green Plot	Shrewsbury	100,000	500,000	1,776,077
Site 12	Urban 300	Shrewsbury	500,000	600,000	127,163
Site 13	Urban 100	Shrewsbury	500,000	600,000	-79,567
Site 14	Urban 60	Shrewsbury	500,000	600,000	-126,000
Site 15	Urban 25 HD	Shrewsbury	500,000	600,000	-468,532
Site 16	Urban 25	Shrewsbury	500,000	600,000	-114,155
Site 17	Urban 16 HD	Shrewsbury	500,000	600,000	-483,283
Site 18	Urban 16	Shrewsbury	500,000	600,000	289,197
Site 19	Urban 8 HD	Shrewsbury	500,000	600,000	-302,206
Site 20	Urban 8	Shrewsbury	500,000	600,000	767,474
Site 21	Urban 5	Shrewsbury	500,000	600,000	267,228
Site 22	Urban 3	Shrewsbury	500,000	600,000	-122,357
Site 23	Urban Plot	Shrewsbury	500,000	600,000	-1,202,748
Site 24	PRS 25	Shrewsbury	500,000	600,000	-1,841,163
Site 25	PRS 60	Shrewsbury	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 12.6d Residential Development, – Residual Value v BLV Full Range of Policy Options. NORTH					
			EUV	BLV	Residual Value
Site 1	Green 250	North	25,000	425,000	-279,396
Site 2	Green 120	North	25,000	425,000	-370,052
Site 3	Green 80	North	25,000	425,000	-451,236
Site 4	Green 60	North	25,000	425,000	-473,097
Site 5	Green 30	North	25,000	425,000	-478,613
Site 6	Green 20	North	25,000	425,000	-536,735
Site 7	Green 12	North	100,000	500,000	-516,054
Site 8	Green 9	North	100,000	500,000	593,468
Site 9	Green 6	North	100,000	500,000	473,954
Site 10	Green 3	North	100,000	500,000	883,270
Site 11	Green Plot	North	100,000	500,000	362,741
Site 12	Urban 300	North	500,000	600,000	-723,231
Site 13	Urban 100	North	500,000	600,000	-876,413
Site 14	Urban 60	North	500,000	600,000	-1,075,593
Site 15	Urban 25 HD	North	500,000	600,000	-1,619,513
Site 16	Urban 25	North	500,000	600,000	-1,099,026
Site 17	Urban 16 HD	North	500,000	600,000	-1,550,378
Site 18	Urban 16	North	500,000	600,000	-750,513
Site 19	Urban 8 HD	North	500,000	600,000	-1,585,467
Site 20	Urban 8	North	500,000	600,000	-356,693
Site 21	Urban 5	North	500,000	600,000	-754,542
Site 22	Urban 3	North	500,000	600,000	-1,423,720
Site 23	Urban Plot	North	500,000	600,000	-2,848,888
Site 24	PRS 25	North	500,000	600,000	-1,841,163
Site 25	PRS 60	North	500,000	600,000	-1,826,480

Source: HDH (June 2020)

Table 12.6e Residential Development, – Residual Value v BLV Full Range of Policy Options. STRATEGIC SITES					
			EUV	BLV	Residual Value
Site 1	Stanmore Garden Development	Bridgnorth	25,000	325,000	399,573
Site 2	Tasley Garden Development	Bridgnorth	25,000	325,000	333,928
Site 3	North of Mytton Oak Road	Shrewsbury	25,000	325,000	213,753
Site 4	Between Mytton Oak Road and Hanwood Road	Shrewsbury	25,000	325,000	170,305
Site 5	West of Ellesmere Road	Shrewsbury	25,000	325,000	221,122
Site 6	Ironbridge Power Station	Ironbridge	500,000	600,000	506,083
Site 7	Clive Barracks	Tern Hill	100,000	400,000	28,938

Source: HDH (June 2020)

12.54 It is important to note that the above appraisals are based on all the policy options that the Council is considering, including the highest environmental standards, the current rates of CIL and affordable housing at 20% in all areas. These requirements are more than the Council's adopted policies.

12.55 These initial results highlight the importance of the Council revisiting the policy requirements if development is to be facilitated. In order to consider the results, it is necessary to consider the distribution of the planned development sites is considered.

Table 12.7 Number of Units by Typology (excluding Strategic Sites)									
		South		South Higher		Shrewsbury		North	
Site 1	Green 250	735	11.2%			450	6.8%	440	6.7%
Site 2	Green 120	300	4.6%			150	2.3%	1082	16.4%
Site 3	Green 80	475	7.2%					436	6.6%
Site 4	Green 60	477	7.2%	70	1.1%	108	1.6%	560	8.5%
Site 5	Green 30	328	5.0%	40	0.6%			386	5.9%
Site 6	Green 20	187	2.8%					97	1.5%
Site 7	Green 12	74	1.1%	10	0.2%			30	0.5%
Site 8	Green 9	16	0.2%						
Site 9	Green 6	31	0.5%					21	0.3%
Site 10	Green 3	6	0.1%					4	0.1%
Site 11	Green Plot								
Site 12	Urban 300								
Site 13	Urban 100								
Site 14	Urban 60							65	1.0%
Site 15	Urban 25 HD								
Site 16	Urban 25								
Site 17	Urban 16 HD								
Site 18	Urban 16								
Site 19	Urban 8 HD								
Site 20	Urban 8								
Site 21	Urban 5								
Site 22	Urban 3	4	0.1%						
Site 23	Urban Plot								
Site 24	PRS 25								
Site 25	PRS 60								
		2633	40.0%	120	1.8%	708	10.8%	3121	47.4%

Source: HDH (June 2020)

Affordable Housing – Overall Requirement

12.56 Different levels of affordable housing were considered (without other policy requirements). A 5% increase in the amount of affordable housing leads to a fall in the Residual Value of about £100,000/ha on greenfield sites and £140,000/ha on the brownfield sites. The consequence of this is that the maximum price a developer can pay for land falls by about £100,000/ha for each 5% increase in affordable housing sought.

12.57 In the absence of other requirements, there is considerable scope to provide affordable housing in the higher value areas, but limited scope on the brownfield sites and in the North area.

Affordable Tenure Mix

12.58 The analysis in the base appraisals assumes that the affordable housing is provided as 70% Affordable Rent and 30% Intermediate Housing. The 2019 NPPF sets out a requirement for affordable home ownership as part of the affordable housing mix. The Council's current position is that the priority need for affordable housing is for Affordable Rent and that its preferred mix, to meet the local housing need for affordable housing, is 70% Affordable Rent and 30% Intermediate Housing.

12.59 Where the affordable housing for rent is provided as Affordable Rent rather than Social Rent the Residual Value is significantly higher.

12.60 In the situation where the affordable housing for rent is provided as 70% Affordable Rent, the Residual Value is about £80,000/ha greater than where the affordable housing for rent is provided as 70% Social Rent The consequence of this is that if the Council were to prefer Social Rent over Affordable Rent, this would have an adverse impact on viability.

12.61 Where the first 10% of housing on the site is provided as Affordable Home Ownership (as per paragraph 64 of the 2019 NPPF), and the remaining 10% as Affordable Rent (i.e. a 50:50 Affordable Rent, Intermediate Housing), the Residual Value is about £40,000/ha greater than where the affordable housing is provided as 70% Affordable Rent and 30% Intermediate Housing. Whilst the Council's position is that a 50:50 mix would not meet their housing need, if it was to pursue such a policy, in terms of viability, the consequence of this is an improvement in viability of about £42,000/ha.

12.62 The Government recently undertook a consultation with regard to First Homes. In this update the value of intermediate housing is taken to be 70% of market value, subject to a 30% discount, so at a value that is equivalent to First Homes. On this basis a requirement to introduce up to 10% First Homes (rather than other intermediate tenures) is likely to be cost neutral. A requirement for more First Homes (rather than other affordable tenures) would improve viability.

Other Policy Requirements

12.63 The impact of higher building standards on development viability has been tested. The costs per/ha of the individual policy requirements is as follows:

a.	Water Saving Measures	£365/ha
b.	10% Biodiversity Net Gain	£31,000/ha
c.	Car Charging Points	£36,500/ha
d.	100% Category 2 – Dwellings which provide enhanced accessibility and adaptability (Part M4-2)	£22,000/ha

e. 10% Category 3 – Dwellings which are accessible and adaptable for occupants who use a wheelchair (Part M4-3) £65,500/ha

f. Future Homes Standard – Option 1 (20% reduction in CO_2) £120,000/ha

g. Future Homes Standard – Option 2 (31% reduction in CO_2) £146,500/ha

h. Future Homes Standard – Option 2 (31% reduction in CO_2) with 10% 'Merton Rule' £182,000/ha

12.64 The cumulative impact is also assessed.

Table 12.8 Cumulative Impact Of Policies. Cost as £/ha

Only	FHS - Option 1	£117,973
Plus	FHS - Option 2	£146,312
Plus	FHS - Option 3 Plus 10% Merton	£181,734
Plus	Car Charging & Water	£218,489
Plus	10% Biodiversity Net Gain	£249,689
Plus	100% (Part M4-2).	£271,552
Plus	10% (Part M4-3)	£315,355
Plus	CIL	£554,093

Source: HDH (June 2020)

12.65 The costs of providing the different layers of policy, increases cumulatively as shown. The full policy aspiration (without CIL) results in a fall in the Residual Value of about £315,000/ha. Very approximately this is broadly equivalent in impact to a 15% affordable housing requirement. When the current rates of CIL are also added in the full cost is about £555,000/ha which is broadly equivalent in impact of a 25% to 30% affordable housing requirement.

Developer Contributions

12.66 Developer contributions are frequently required to make development acceptable through providing the necessary supporting infrastructure and to mitigate the impact of the development. The Council was an early adopter of CIL (in 2011) and has assessed the site-specific requirements of the proposed Strategic Sites.

12.67 Further analysis has considered the impact of affordable housing and individual policies on development viability. The consideration of viability in the plan-making process is an iterative process, with the results of the viability testing informing the development of policy. In considering the appraisal results it is important to have regard to the wider context. When the current affordable housing targets were set (which was after the adoption of CIL), affordable housing was a high priority for the Council. The rates were set as high as they reasonably could be. The *Shropshire Viability Study* (SC, May 2013) provided the viability evidence for the affordable housing targets. Since the report was completed in 2013, build costs (as per the BCIS) have gone up by 49% and residential values have gone up by 23%. Build costs have increased more than values, so the expectation is that, all other things being equal,

viability will have got worse. Having said this, all things are not equal as the approach to viability testing in planning has been formalised through the 2014 and 2018 iterations of the PPG.

12.68 Since 2013, the Council's priorities have broadened (for example a Climate Change Emergency has been declared) and the Council now wants to extend the policy requirements, so the impact of development on the world's climate is mitigated. In addition, CIL has been indexed (in line with the CIL Regulations) further increasing the costs to developers.

12.69 The analysis highlights the challenges of deliverability in the County, but it is important to note that significant amounts of policy compliant development is coming forward, particularly in the north of the County. Based on this 'on the ground' experience there is a strong case for have a minimum requirement of 10% affordable housing to be applied in all areas.

12.70 Having considered the results of the various appraisals reporting the impact of the range of policy aspirations and requirements set out above, the Council recognise the challenging situation and has provided the following minimum policy requirements. A further set of appraisals has been run, based on these requirements and with varied levels of affordable housing. It is the Council's preference to maintain CIL as a simple and transparent mechanism for collecting developer contributions.

a.	Design	70% Accessible and Adaptable Category 2, 5% Accessible and Adaptable Category 3
		Water efficiency measures
b.	Climate Change	Future Homes Standards – Option1
		10% Merton Rule
		10% Biodiversity Net Gain
c.	Developer Contributions	s106, Typologies at £5,000/unit on sites of 50 and larger (including Strategic Sites)
		CIL at prevailing rate (Stanmore Garden Development and Tasley Gardens Development lie across the CIL Zone boundary so an estimate of the blended CIL Rate is made)

12.71 In relation to car charging it is assumed that a fused spur will be required to be provided to a convenient point. The householder can then install a car charging point, that is suitable for their particular vehicle, as and when required and to a specification that matches the occupant's needs.

12.72 The following table just shows the results from typologies that relate to the planned development.

Table 12.9 Residential Development, – Varied Affordable Housing Minimum SC Requirements. Key Typologies and Strategic Sites

		Affordable Housing		EUV	BLV	Residual Value						
						0%	5%	10%	15%	20%	25%	30%
Site 1	Green 250	South		25,000	425,000	551,652	483,051	414,450	345,849	277,249	208,648	140,047
Site 2	Green 120	South		25,000	425,000	558,075	488,555	419,034	349,514	279,994	210,473	140,953
Site 3	Green 80	South		25,000	425,000	644,763	561,735	478,708	395,681	312,654	229,627	146,600
Site 4	Green 60	South		25,000	425,000	651,003	566,659	482,314	397,970	313,625	229,281	144,936
Site 5	Green 30	South		25,000	425,000	794,817	710,522	626,226	541,931	457,636	373,341	289,046
Site 6	Green 20	South		25,000	425,000	804,560	716,359	628,158	539,957	451,756	363,428	272,682
Site 7	Green 12	South		100,000	500,000	881,449	792,817	704,184	615,552	524,567	433,378	341,740
Site 8	Green 9	South		100,000	500,000	1,586,086	1,477,727	1,369,367	1,261,007	1,152,648	1,044,288	935,928
Site 9	Green 6	South		100,000	500,000	1,617,677	1,497,099	1,376,522	1,255,944	1,132,060	1,008,005	883,949
Site 10	Green 3	South		100,000	500,000	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702	1,718,702
Site 22	Urban 3	South		500,000	600,000	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997	-235,997
Site 23	Urban Plot	South		500,000	600,000	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663	-1,400,663
Site 4	Green 60	South Higher		25,000	425,000	1,681,707	1,554,315	1,426,922	1,299,529	1,172,137	1,044,744	917,352
Site 5	Green 30	South Higher		25,000	425,000	1,820,170	1,693,108	1,566,047	1,438,985	1,311,924	1,184,862	1,057,800
Site 7	Green 12	South Higher		100,000	500,000	2,021,399	1,884,295	1,747,191	1,610,087	1,472,983	1,335,879	1,198,775
Site 1	Green 250	Shrewsbury		25,000	425,000	606,509	535,290	464,071	392,852	321,633	250,414	179,195
Site 2	Green 120	Shrewsbury		25,000	425,000	613,412	541,314	469,216	397,119	325,021	252,923	180,825
Site 4	Green 60	Shrewsbury		25,000	425,000	717,307	630,037	542,767	455,497	368,228	280,958	193,688
Site 1	Green 250	North		25,000	425,000	-39,289	-84,673	-130,057	-175,678	-222,743	-269,808	-316,873
Site 2	Green 120	North		25,000	425,000	-147,117	-187,856	-229,621	-271,385	-313,150	-354,914	-396,993
Site 3	Green 80	North		25,000	425,000	-178,881	-229,097	-280,231	-331,366	-382,500	-433,635	-484,936
Site 4	Green 60	North		25,000	425,000	-194,175	-245,860	-298,023	-350,185	-402,347	-454,510	-506,672
Site 5	Green 30	North		25,000	425,000	-55,879	-107,600	-159,321	-211,505	-265,009	-318,669	-372,329
Site 6	Green 20	North		25,000	425,000	-90,287	-144,561	-198,901	-254,845	-311,135	-367,424	-423,714
Site 7	Green 12	North		100,000	500,000	-78,804	-130,178	-181,553	-233,681	-287,003	-340,324	-393,645
Site 9	Green 6	North		100,000	500,000	1,104,515	1,002,924	901,334	799,744	697,137	593,554	489,972
Site 10	Green 3	North		100,000	500,000	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154	1,122,154
Site 14	Urban 60	North		500,000	600,000	-603,185	-690,700	-778,215	-865,730	-954,402	-1,043,640	-1,132,877
Site 1	Stanmore Garden Developme	Bridgnorth		25,000	325,000	761,509	703,464	645,419	587,374	529,329	471,284	413,239
Site 2	Tasley Garden Development	Bridgnorth		25,000	325,000	682,317	629,712	577,107	524,502	471,896	419,291	366,545
Site 3	North of Mytton Oak Road	Shrewsbury		25,000	325,000	619,974	560,316	500,657	440,999	381,341	321,682	262,024
Site 4	Between Mytton Oak Road at	Shrewsbury		25,000	325,000	522,588	471,961	421,004	369,386	317,769	266,152	214,336
Site 5	West of Ellesmere Road	Shrewsbury		25,000	325,000	630,032	570,365	510,698	451,031	390,500	329,460	268,420
Site 6	Ironbridge Power Station	Ironbridge		500,000	600,000	1,200,140	1,114,062	1,027,984	941,906	855,828	769,750	683,672
Site 7	Clive Barracks	Tern Hill		100,000	400,000	406,059	352,719	299,379	246,039	192,700	139,046	83,901

Source: HDH (June 2020)

12.73 When it comes to considering the analysis it is necessary to do this in the context of the PPG. As set out at the start of this report this says:

> *Plans should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards including the cost implications of the Community Infrastructure Levy (CIL) and planning obligations. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and the total cumulative cost of all relevant policies will not undermine deliverability of the plan.*
>
> *PPG 23b-005-20190315*

12.74 The following conclusions are drawn in the context of the minimum policy requirements confirmed by the Council and the priority not to reduce the already modest affordable housing targets.

12.75 Based on the 'on the ground' experience there is a strong case to have a minimum requirement of 10% affordable housing. Further, different landowners will take a different view to landowner's premium. Development is coming forward in areas and delivering policy benefits that are substantially above those suggested by the output of these appraisals in this report.

12.76 Typologies 24 (PRS 25) and 25 (PRS 60) which are both modelled as Build to Rent schemes are shown as unviable in all areas. The Council has not seen such development coming forward and is not anticipating the delivery of housing in this sector. The Council should be cautious about relying on such development to deliver housing. These results are anticipated in the PPG which suggests that that such development may be subject to viability testing at the development management stage.

Residential Recommendations

12.77 The results clearly show a challenging viability context in Shropshire. Bearing in mind the Council's wish to maintain affordable housing targets that align with the current requirements, and its experience of delivery on the ground, it is suggested that the following are adopted.

a. In these recommendations the following areas are assumed:
    i. Shrewsbury is the built-up area of Shrewsbury including the areas within the town's partial-ring road (A5, A49, A5124).
    ii. The South Area is the area that includes Shrewsbury (see above) and to the west of the Shrewsbury, it is the area to the south of the A458 and to the east of Shrewsbury, it is the area to the south of the A5.
    iii. The North Area is the area north of Shrewsbury (excluding Shrewsbury) and to the west of the Shrewsbury, it is the area to the north of the A458 and to the east of Shrewsbury, it is the area to the north of the A5.

b. Sites that are similar to Typology 1 (Green 250) and Typology 2 (Green (120) are only included where there is a firm commitment and confirmation from the site promoter that a policy compliant scheme can be delivered on the site.

c. Less reliance is put on sites that are similar to Typologies 3 (Green 80) and 4 (Green 60) and more smaller sites are sought as an alternative. Alternatively, confirmation is obtained from the relevant site promoters, that the sites are viable, given emerging policy requirements.

d. In terms of viability, the best results in terms of capacity to bear policy requirements is in the highest value South Higher area. The Council could consider allocating more land for development in this area (although there may be other constraints to be overcome).

e. To consider a future review of the CIL Charging Schedule. CIL is a significant cost to development and whilst the overarching and simple approach, by where it is applied to all chargeable development has many advantages, an approach using s106 payments may be effective. Having said this, in the absence of CIL, we understand that the Council may have to consider a different approach to developer contributions as funding is required for necessary supporting infrastructure to enable development and to make it acceptable in planning terms.

f. That the Council continues to engage with the promoters of the Strategic Sites.

12.78 The seven Strategic Sites have been identified and tested. In considering these it is important to note that the Council is still working up the assessment of the strategic infrastructure and mitigation requirements for these sites.

12.79 These sites are currently subject to CIL at the prevailing rates. This has been discussed with the Council, who has acknowledged that it would expect the s106 requirements to take into account that some of the infrastructure in the area of the specific sites could be delivered through CIL so it is unlikely that the requirement would be for the full levels of s106 contributions and CIL.

12.80 It is clear that these sites have capacity to bear both affordable housing and developer contributions. There is no doubt that the delivery of any large site is challenging so, rather than draw firm conclusions at this stage, it is recommended that that the Council engages with the owners in line with the advice set out in the Harman Guidance (page 23):

> *Landowners and site promoters should be prepared to provide sufficient and good quality information at an early stage, rather than waiting until the development management stage. This will allow an informed judgement by the planning authority regarding the inclusion or otherwise of sites based on their potential viability.*

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

> *... It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan....*
>
> *PPG 10-006-20180724*

Non-Residential Development

12.82 As with the residential appraisals, we have used the Residual Valuation approach. We have run appraisals to assess the value of a site after taking into account the costs of development, the likely income from sales and/or rents, and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In

order for the proposed development to be described as viable, it is necessary for this value to exceed the value from an alternative use. To assess viability, we have used the same methodology with regard to the Benchmark Land Value (EUV 'plus').

12.83 It is important to note that a report of this type applies relatively simple assumptions that are broadly reflective of an area to assess viability. The fact that a site is shown as viable does not necessarily mean that it will come forward and vice versa. An important part of any final consideration of viability will be relating the results of this study to what is actually happening on the ground in terms of development, and what planning applications are being determined – and on what basis.

Employment uses

12.84 To a large extent the results are reflective of the current market. Office development and industrial are both shown as being unviable, however this is not just an issue here, a finding supported by the fact that such development is only being brought forward to a limited extent on a speculative basis by the development industry. Where development is coming forward (and it is coming forward), it tends to be from existing businesses for operational reasons, rather than purely for property investment reasons.

12.85 It is important to note that the analysis in this report is carried out in line with the Harman Guidance and in the context of the NPPF and PPG. It assumes that development takes place for its own sake and is a goal in its own right. It assumes that a developer buys land, develops it and then disposes of it, in a series of steps with the sole aim of making a profit from the development. As set out in Chapters 2 and 3 above, the Guidance does not reflect the broad range of business models under which developers and landowners operate. Some developers have owned land for many years and are building a broad income stream over multiple properties over the long term. Such developers are able to release land for development at less than the arms-length value at which it may be released to third parties and take a long term view as to the direction of the market based on the prospects of an area and wider economic factors. The limited development that is coming forward in the area is largely user-led, being brought forward by businesses that will use the eventual space for operational uses, rather than for investment purposes.

12.86 It is clear that the delivery of the employment uses is limited. We would urge caution in relation to setting policy requirements for employment uses that would impact on viability.

Retail and Hotel Development

12.87 The larger format retail development is shown as viable with the Residual Value exceeding the Benchmark Land Value by a substantial margin, however, as would be expected, the smaller format retail uses in the secondary situations is not.

12.88 Hotel development is shown as viable.

Review of CIL

12.89 Having discussed this with the Council, in the analysis it is assumed that CIL continues at the current rates. At this stage this is the Council's preference, so this is not explored further.

Conclusions

12.90 The Shropshire Council area has a vibrant and active property market, although some areas do have challenges. All types of residential and non-residential development are coming forward and only in a few cases they are not delivering the full policy requirements for affordable housing. Viability testing is a quantitative and a qualitative process, and one that involves professional judgment. It is our recommendation that the Council revisits its housing policy and moves to the following total policy requirement.

12.91 It is suggested that the following approach is adopted.

a. In these recommendations the following areas are assumed:

   i. Shrewsbury is the built-up area of Shrewsbury including the areas within the town's partial-ring road (A5, A49, A5124).

   ii. The South Area is the area that includes Shrewsbury (see above) and to the west of the Shrewsbury, it is the area to the south of the A458 and to the east of Shrewsbury, it is the area to the south of the A5.

   iii. The North Area is the area north of Shrewsbury (excluding Shrewsbury) and to the west of the Shrewsbury, it is the area to the north of the A458 and to the east of Shrewsbury, it is the area to the north of the A5.

b. Sites that are similar to Typology 1 (Green 250) and Typology 2 (Green (120) are only included where there is a firm commitment and confirmation from the site promoter that a policy compliant scheme can be delivered on the site.

c. Less reliance is put on sites that are similar to Typologies 3 (Green 80) and 4 (Green 60) and more smaller sites are sought as an alternative. Alternatively, confirmation is obtained from relevant site promoters, that sites are viable, given emerging policy requirements.

d. In terms of viability, the best results in terms of capacity to bear policy requirements is in the highest value South Higher area. The Council could consider allocating more land for development in this area (although there may be other constraints to be overcome).

e. To consider a future review of the CIL Charging Schedule. CIL is a significant cost to development and whilst the overarching and simple approach, by where it is applied to all chargeable development has many advantages, an approach using s106 payments may be effective. Having said this, in the absence of CIL, we understand that the Council may have to consider a different approach to developer contributions as funding is required for necessary supporting infrastructure to enable development and to make it acceptable in planning terms.

f. That the Council continues to engage with the promoters of the Strategic Sites.

12.92 Within the South area about 40% of the anticipated development in this area is to be on larger greenfield sites. The results suggest that such sites are unlikely to bear 20% affordable housing. There are only 5 sites of this type, so it is recommended that the Council only includes these in the Plan if there is a confirmation from the landowner or site promoters that these sites are actually deliverable with this requirement.

12.93 The medium sized sites in the South area make up about 36% of the anticipated development in the area. On these the Residual Value exceeds the BLV with 10% affordable housing but not higher levels. These results do not align with the Council's experience of such sites coming forward and delivering affordable housing. If the Council is to include such sites in the Plan consideration will need to be given to a lower affordable housing target. Alternatively, the Council could seek more smaller sites (below 50 units) and substitute these for the larger sites.

12.94 Less than 2% of the anticipated development is in the South Higher area that only incudes the towns of Bishop's Castle, Church Stretton and Ludlow.

12.95 All the typologies in this area produce a Residual Value that exceeds the BLV at 30% affordable housing. Consideration could be given to a higher affordable housing target – although, bearing in mind the economic uncertainty at the time of this report, a cautious approach is recommended.

12.96 Much of the development in Shrewsbury will be on 'strategic sites'. Relatively few other residential development allocations are planned here, with just 4 sites (with a capacity of just over 10% of the planned development). Three sites are similar to Typology 1 (Green 250) and Typology 2 (Green 120). It is recommended that the Council only includes these in the Plan if there is a confirmation from the landowner or site promoters that these sites are actually deliverable.

12.97 Just under half of the planned development is in the lower value North area. Very little development is shown as viable, even without affordable housing. In spite of these results, based on this 'on the ground' experience there is a strong case to have a minimum requirement of 10% affordable housing. The Council should be cautious about relying on development from this area to deliver the housing requirement.

12.98 Whilst the non-residential uses are not viable, they are not rendered unviable by the cumulative impact of the Council's policies, rather by the general market conditions. The employment uses (office and industrial) are coming forward.

12.99 There is uncertainty around the impact of Covid 19 and Brexit on the economy. It is important that the Council monitors these changes as they occur and if necessary, makes any required changes.

HDH Planning and Development Ltd is a specialist planning consultancy providing evidence to support planning authorities, land owners and developers. The firm is regulated by the RICS.
The main areas of expertise are:

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

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