For: Havant Borough Council Havant BOROUGH COUNCIL

Local Plan Viability Assessment: Initial Viability Analysis for Affordable Housing Options – Stage 1

Appendix 1 – Residential Assumptions Summary (Tables 1a – 1c)

October 2024 DSP24873

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Havant BC - Appendix 1: Stage 1 Local Plan Viability Assessment - Initial Viability Analysis for Affordable Housing Options: Residential Assumptions

- Table 1a: High-Level Site Typologies and Value Levels / Revenue Assumptions

High-Level Sample Typology Tests

Scheme Size Appraised	Туре	Site Type	AH Proportion (variable tenure testing - see below)	Density (dph)	Net Land area (ha)	Gross Land Area (ha)*	Main Build Period (Months)
10	Houses	PDL	10% 20% 30%	35	0.29	0.33	12
15	Houses	PDL	10% 20% 30%	40	0.38	0.43	12
15	Flats	PDL	10% 20% 30%	100	0.15	0.17	12
20	Houses	GF	20% 30% 40%	40	0.50	0.58	12
50	Mixed (Houses/Flats)	GF	20% 30% 40%	40	1.25	1.44	18
50	Mixed (Houses/Flats)	PDL	10% 20% 30%	55	0.91	1.05	18
50	Flats	PDL - Town Centre	10% 20% 30%	150	0.33	0.38	18
100	Flats	PDL - Town Centre	10% 20% 30%	150	0.67	0.77	18
100	Mixed (Houses/Flats)	GF	20% 30% 40%	40	2.50	2.88	18

* assumes additional land area adjustment - 15% added

Affordable Housing Tenure - Sensitivity Testing Scope

The above sample residential typologies have been tested at a range of affordable housing proportions from 10% - 40% depending on the assumed scheme type/characteristics. Each typology has been tested at the range of selected tenure position tested across a wider typology set. Further DSP analysis and interpolation has been carried out obteveen the range of scenario seas carried out on the 50 unit typologies with the final selected tenure position tested across a wider typology set. Further DSP analysis and interpolation has been carried out obteveen the range of scenario results and reflected in the main report discussion. Note: Following the initial sensitivity testing assessment stage, the selected tenure scenario taken forward for the final testing phase assumes 20% Affordable Rent, 42.5% Social Rent and 37.5% Affordable Home Ownership (highlighted below). Indexed CIL Rates have been applied per scenario. First Homes have been modelled at an initial baseline position of 30% discount with further analysis and commentary within the main report on the impact of a variable or

ncreasing level of discount. This testing approach presents an extensive results matrix as shown in Appendix 2.

AH Tenure Scenario (1)	75% Social Rent 25% First Homes (30% baseline discount)
AH Tenure Scenario (2)	75% Affordable Rent 25% First Homes (30% baseline discount)
AH Tenure Scenario (3)	75% Social Rent 25% Shared Ownership
AH Tenure Scenario (4)	75% Affordable Rent 25% Shared Ownership
AH Tenure Scenario (5)	50% Social Rent 25% First Homes (30% baseline discount) 25% Shared Ownership
AH Tenure Scenario (6)	50% Affordable Rent 25% First Homes (30% baseline discount) 25% Shared Ownership

Additional AH Tenure Option 1	31.25% Affordable rent 31.25% Social Rent 37.5% Affordable Home Ownership (assuming Shared Ownership)
(Key scenario selected as base position for final	20% Affordable rent 42.5% Social Rent 37.5% Affordable Home Ownership (assuming Shared Ownership)

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes*	Dwelling Mix (%)**
1-bed	50	8.0%
2-bed	61 - 79	25.0%
3-bed	93	46.0%
4-bed	130	21.0%

*Based on Nationally Described Space Standard October 2015

*rounded, based on the Housing Needs Analysis (October 2023)

Affordable Housing Revenue Assumptions

Unit Type	Social Rent	Affordable Rent	First Homes	Shared Ownership % Market Value	
	(% MV)	(% MV)	% Market Value		
1-Bed Flat					
2-Beds Flat					
2-Bed House	45%	55%	50% - 70%	65%	
3-Bed House					
4-Bed House					

Note: % MV based on VL3 £4,500 (below).

Residential Sales Value Level (VL) Assumptions - Indicative relevance by area within Borough

Market Values (MV)	VL1	VL2	VL3	VL4	VL5	VL6
		Ту	pical New Build Values Rar	nge		
1-bed flat	£200,000	£212,500	£225,000	£237,500	£250,000	£262,500
2-bed flat	£244,000	£259,250	£274,500	£289,750	£305,000	£320,250
2-bed house	£316,000	£335,750	£355,500	£375,250	£395,000	£414,750
3-bed house	£372,000	£395,250	£418,500	£441,750	£465,000	£488,250
4-bed house	£520,000	£552,500	£585,000	£617,500	£650,000	£682,500
MV (£ / sq. m.)	£4,000	£4,250	£4,500	£4,750	£5,000	£5,250

Value Levels - Locations by ward area

Ward Area	Value Level Range
Bedhampton	VL1 - VL3
Cowplain	VL1 - VL3
Emsworth	VL4 - VL6
Hart Plain	VL1 - VL3
Havant St Faith's	VL1 - VL3
Hayling East	VL3 - VL6
Hayling West	VL3 - VL6
Leigh Park Central & West Leigh	VL1 - VL3
Leigh Park Hermitage	VL1 - VL3
Purbrook	VL1 - VL3
Stakes	VL1 - VL3
Waterloo	VL1 - VL3

DSP (2024)

Havant BC - Appendix 1: Stage 1 Local Plan Viability Assessment - Initial Viability Analysis for Affordable Housing Options: Residential Assumptions - Table 1b: Development Cost Assumptions & Key Sensitivity Testing Parameters

(% of build cost) 5.00% schemes (houses and flats), weighted by dwelling mix proportions. Electric Vehicle Charging Points (£/unit) ¹ £865/unit (houses) Houses only typologies - assumes 1x EVCP per dwelling Water efficiency standards 110 litres per person per day Houses only typologies - assumes 1x EVCP per dwelling mix assumes 1x EVCP per dwelling Biodiversity Net Gain (BNG) (% of build cost) 2.4% (Greenfield) Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis. Nitrates (nutrient neutrality) £2.4% (Greenfield) Assuming 10%, variable by site type. Costs based on Impact Assessment (Scenario C) ² plus uplift for latest normation from the 10% minimum baseline. M4(2) Accessible and adaptable dwellings compliance £15.5/sq. m. 30% provision on all dwellings for M4(2) 2% provision or M4(3) on all dwellings on schemes of 50+ dwelling accessibility standards in new homes' M4(3-a) Wheelchair user dwellings compliance £115/sq. m. 2750 Paveloper's Return for Risk & Profit DSP assumed testing at mid-point of range at 17.5%. First Homes at 12%. Market Housing Profit (% of GDV) 6% DSP assumed testing at mid-point of range at 17.5%. First Homes at 12%. Finance & Acquisition Costs Agents Fies (V) of Site V) 6% MIRC Scale			
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Finance Rate - Land (%) 6.50%	Agents Fees (% of site value) Legal Fees (% of site value) Stamp Duty Land Tax (% of site value) Finance Rate - Build (%)	0.75% 0% to 5% 6.50%	HMRC Scale

¹Costs adopted from the DfT Residential Charging Infrastructure Provision Impact Assessment (September 2021)

² Biodiversity Net Gain Impact Assessment - Natural England (Table 19-20)

³ https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#raising-accessibility-standards-of-new-homes

DSP (2024)



Havant BC - Appendix 1: Stage 1 Local Plan Viability Assessment - Initial Viability Analysis for Affordable Housing Options: Residential Assumptions - Table 1c: Older Persons accommodation

Scheme Size Appraised	Туре	Site type	Density (based on residential net developable area)	Net Land Area (ha)	Gross Land Area (ha)	Build Period (Months) (6-month lead-in)	Sales Rate ¹	AH % Requirement <i>(on-site)</i>
30	Flats (Sheltered)	PDL	150	0.20	0.23	18	1.5 unit / month 20 month (total)	10% 20% 30%
60	Flats (Extra Care)	PDL	150	0.40	0.46	18	1.5 unit / month 40 month (total)	10% 20% 30%

¹Sales rate based on average across the sales period and is considered a cautious assumption. In practice sales will be weighted towards the earlier months and may include some off-plan sales

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes	Non-Saleable Floor Area Allowance (net to gross ratio)	Dwelling Mix (%)	
1-bed flat (Sheltered)	55	75%	60%	
2-bed flat (Sheltered)	75	7378	40%	
1-bed flat (Extra Care)	58.5	65%	60%	
2-bed flat (Extra Care)	76	8378	40%	

Note: We see a range of different levels of communal facilities and the above assumptions represent the upper end of communal areas seen at application stage viability assessment.

Value Levels - Havant Borough

Market Value (MV) -	VL5 £5,000	VL6 £5,250	VL7 £5,500	VL8 £5,750	VL9 £6,000	VL10 £6,250
Private units	Lower VL Sensitivity Tests	Typical N	ew Build "Sheltered" Valu	ies Range	Upper VL Ser	nsitivity Tests
1-bed flat (Sheltered)	£275,000	£288,750	£302,500	£316,250	£330,000	£343,750
2-bed flat (Sheltered)	£375,000	£393,750	£412,500	£431,250	£450,000	£468,750
MV (£/sq. m.)	£5,000	£5,250	£5,500	£5,750	£6,000	£6,250
<u></u>	20,000	20,200	20,000	20,100	20,000	20,200
Market Value (M/V)	VL5	VL6	VL7	VL8	VL9	VL10

Market value (MV) -	£5,000	£3,230	£5,500	£3,750	£6,000	26,230	
Private units	Lower VL Sensitivity Tests			Typical New Build "Extra Care" Values Range			
1-bed flat (Extra Care)	£292,500	£307,125	£321,750	£336,375	£351,000	£365,625	
2-bed flat (Extra Care)	£380,000	£399,000	£418,000	£437,000	£456,000	£475,000	
MV (£/sq. m.)	£5,000	£5,250	£5,500	£5,750	£6,000	£6,250	

Bespoke Cost Assumptions Note: Base cost assumptions set out in Table 1b		
Base Build Cost - Supported Housing	£2,103	Based on BCIS - Median rebased to the Havant location factor (5yr data sample), excludes external works.
External Works	7.50%	
Legal Fees	£750/unit	
Empty Property Costs - Sheltered	£2,000/unit	
Empty Property Costs - Extra Care	£5,000/unit	
Open Market Housing Profit (% of GDV)	17.5% and 20%	17.5% represents base position with sensitivity test at 20%.

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