

For: Sevenoaks District Council

**Regulation 18 Stage - Local Plan Viability
& CIL Viability Assessment**



**Appendix I – Development appraisal and
assumptions build up and overview
(Tables 1a – 1c)**

October 2023

DSP22785

Sevenoaks District Council - Appendix I: Regulation 18 Stage Local Plan & CL Viability Assessment
Table 1a: Residential Assumptions - Site Typologies and Value Levels / Revenue Assumptions

Scheme Size Appraised	Type	Site type	Density (based on residential net developable area)	Net Land Area (ha)	Gross Land Area (ha)	Build Period (Months) (6-month lead-in)
6	Houses	Greenfield	40	0.15	0.17	12
50	Flats	PDL	150	0.33	0.38	18
50	Mixed	PDL	50-150 (variable)	1.00	1.15	18
50	Mixed	Greenfield	50	1.00	1.15	18
100	Mixed	Greenfield	50	2.00	2.60	24
500	Mixed	Greenfield	40	12.50	16.25	48**
2500	Mixed	Greenfield	40	62.50	81.25	150**

**assumes multiple outlets

Notes:

The above scenarios tested at 20% AH Financial Contributions on sites of 6-9 units and 20%, 30% and 40% on-site AH on sites of 10+ units. The appraisals have been completed in each case to the point at which a negative results is returned - we consider there to be no merit in extending testing beyond the points where there is a negative residual land value. Affordable Housing tenure split assumed at 25% First Homes with the remaining 65% Rented (split 58% Social Rent and 7% Affordable Rent), 25% First Homes and 10% Shared Ownership, 10% Low Cost / Affordable Home Ownership (AHO) of total overall requirements. The above assumes fully applied policy position - actual percentage will necessarily vary due to policy requirement.

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes*			Dwelling Mix (%)**	
	Affordable	Market	Market Units	Affordable Units - Rented	Affordable Units - Affordable Home Ownership
1-bed flat	50	50	5%	30%	5%
2-bed flat	61	61	10%	10%	10%
2-bed house	79	79	15%	35%	30%
3-bed house	93	93	35%	15%	40%
4-bed house	106	130	35%	10%	15%

*based on Nationally Described Space Standard (NDSS)

**based on Targeted Review of Local Housing Needs by Arc4 (2022) and further DSP analysis

Note: Retirement/sheltered units assumed at 55sq.m (1-Bed Flats) and 75 sq.m. (2-Bed Flats) with 75% net to gross ratio, extra-care units

Value Levels - Sevenoaks

Market Value (MV) - Private units	VL1 £4,000	VL2 £4,250	VL3 £4,500	VL4 £4,750	VL5 £5,000	VL6 £5,250	VL7 £5,500	VL8 £5,750	VL9 £6,000	VL10 £6,500	VL11 £7,000
1-bed flat	£200,000	£212,500	£225,000	£237,500	£250,000	£262,500	£275,000	£287,500	£300,000	£325,000	£350,000
2-bed flat	£244,000	£259,250	£274,500	£289,750	£305,000	£320,250	£335,500	£350,750	£366,000	£396,500	£427,000
2-bed house	£316,000	£335,750	£355,500	£375,250	£395,000	£414,750	£434,500	£454,250	£474,000	£513,500	£553,000
3-bed house	£372,000	£395,250	£418,500	£441,750	£465,000	£488,250	£511,500	£534,750	£558,000	£604,500	£651,000
4-bed house	£520,000	£552,500	£585,000	£617,500	£650,000	£682,500	£715,000	£747,500	£780,000	£845,000	£910,000
MV (£/sq. m.)	£4,000	£4,250	£4,500	£4,750	£5,000	£5,250	£5,500	£5,750	£6,000	£6,500	£7,000

Note: Bespoke assumptions for Sheltered Housing set out in Table 1c

Value Levels - Locations by Ward areas

Ward Area	Indicative Value Level Range
District-wide - overall new build range	VL4 - VL8
District-wide - new build range flats	VL5 - VL9
District-wide - new build range houses	VL6 - VL10
Ash and New Ash Green	VL5 - VL8
Brasted, Chevening and Sundridge	VL6 - VL10
Cowen and Hever	VL8 - VL11
Crockenhill and Well Hill	VL5 - VL10
Dunton Green and Riverhead	VL7 - VL10
Edenbridge North and East	VL4 - VL8
Edenbridge South and West	VL3 - VL7
Eynsford	VL4 - VL9
Farningham, Horton Kirby and South	VL3 - VL7
Fawkham and West Kingsdown	VL7 - VL10
Halstead, Knockholt and Badgers Mount	VL8 - VL11
Hartley and Hodsock Street	VL4 - VL9
Heathfield	VL7 - VL11
Kemsing	VL7 - VL10
Leigh and Chiddingstone Causeway	VL5 - VL9
Otford and Shoreham	VL8 - VL11
Penshurst, Fordcombe and Chiddingstone	VL8 - VL11
Seal and Weald	VL6 - VL11
Sevenoaks Eastern	VL5 - VL10
Sevenoaks Kippington	VL8 - VL11
Sevenoaks Northern	VL5 - VL9
Sevenoaks Town and St John's	VL7 - VL11
Swanley Christchurch and Swanley Village	VL4 - VL8
Swanley St Mary's	VL6 - VL10
Swanley White Oak	VL7 - VL10
Westerham and Crockham Hill	VL6 - VL9

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Affordable Housing Revenue Assumptions

Unit	Market Size	Social Rent	Affordable Rent	Shared Ownership
		% of Market Value	% of Market Value	% of Market Value
1BF	50	45%	55%	65%
2BF	70			
2BH	79			
3BH	100			
4BH	130			

Note: Social Rent and Affordable Rent % MV based on assumed Value Level 4 @ £4,750/sq. m.

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Table 1b: Residential Assumptions - Development Cost Assumptions & Key Sensitivity Testing Parameters

Appraisal Cost Description	Cost Assumption	Notes
Build cost - Mixed Developments (generally - houses/flats)	£1,747/sq. m.	<i>Based on BCIS 'median' rebased to the Sevenoaks location factor (5yr data sample), excludes external works.</i>
Build cost - Houses only (generally)	£1,706/sq. m.	
Build cost - Flats only (generally)	£1,928/sq. m.	
Build cost - Supported Housing (generally)	£2,366/sq. m.	
External Works	10% (Flats) 15% (Houses)	<i>Applied to base build costs</i>
Site Works (on gross land area)	£500,000/ha	<i>Non-strategic scale typology test. Bespoke assumptions assumed for 500 and 2500 unit typologies.</i>
Contingency (% of build cost)	5%	<i>variable depending on scale of development</i>
Professional Fees (% of build cost)	8-10%	
Adopted CIL Rates/ CIL Testing Scope	Tested at current indexed rates £/m ² (2023)	CIL indexed rates (2023) assumed for appraisal modelling: Residential Area A - £185.62 Residential Area B - £111.37 Adopted rates (2014) : Residential Area A = £125, Residential Area B = £75
Residual s.106 contributions	Tested at £3,000/unit	<i>Based on analysis of s106 monitoring information representing the current level of s106 contributions in the district.</i>
Sustainable design/climate change/carbon reduction (% of build cost)	5.5% (Flats) 7% (Houses) 6.75% (Houses/Flats - mixed)	<i>Representing requirement set out in Policy CC2/CC3 to achieve enhanced sustainability standards. Given policy wording, a mid-point between FHS 2025 and Passivhaus has been adopted pending further testing at next phase of assessment. Cost uplift based on a range of evidence. Includes uplift for current Part L.</i> <i>Note: blended rate for mixed schemes (houses and flats), weighted by dwelling mix proportions.</i>
Electric Vehicle Charging Points (£/unit) ¹	£865/unit (houses) £1,961 (flats)	<i>Houses only typologies - assumes 1x EVCP per dwelling</i> <i>Flats typologies - assumes 1x EVCP per dwelling</i> <i>Mixed (Houses/Flats) typologies - cost weighted by dwelling mix, assumes 1x EVCP per dwelling</i>
Water efficiency standards	110lpppd	<i>Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis.</i>
Biodiversity Net Gain (BNG) (% of build cost) ²	2.86% (Greenfield) 0.60% (PDL)	Assuming 20% requirement , variable by site type. Costs based on Impact Assessment (Scenario C).
Housing Standards - M4(2) Accessible and adaptable dwellings compliance	£15.5/sq. m.	100% provision on all units = M4(2) on major development (10+ units) High-level costs based on the analysis as described in the 'Raising accessibility standards in new homes' consultation document ³
Housing Standards - M4(3) Wheelchair user dwellings compliance	£155/sq. m.	5% provision on all dwellings = M4(3) on major development (10+ units)
Marketing & Sales Costs (% of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
Developer's Return for Risk & Profit		
Open Market Housing Profit (% of GDV)	Range of 15-20%	<i>DSP assumed testing at mid-point of range at 17.5%. First Homes at 12%</i>
Affordable Housing Profit (% of GDV)	6%	
Finance & Acquisition Costs		
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	<i>HMRC Scale</i>
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

¹ Costs adopted from the DfT Residential Charging Infrastructure Provision Impact Assessment (September 2021) based on mid-point in range of costs identified.

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>

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Table 1c: Residential Assumptions - Older Persons accommodation

Scheme Size Appraised	Type	Site type	Density <i>(based on residential net developable area)</i>	Net Land Area (ha)	Gross Land Area (ha)	Build Period (Months) <i>(6-month lead-in)</i>	Sales Rate ²	AH % Testing Scope
30	Flats (Sheltered)	PDL	150	0.20	0.23	18	1.5 unit / month 20 month (total)	Range tested 0% - 40%*
60	Flats (IRC - Extra Care)	PDL	150	0.40	0.46	18	1.5 unit / month 40 month (total)	
150	IRC ¹ (Luxury) / Retirement Village	GF	60	2.50	3.75	36	2 unit / month 75 months (total)	
150	IRC (Luxury) / Retirement Village	PDL	100	1.50	2.25	36		

¹IRC = Integrated Retirement Community. Typically between 100-300 units including a high level of facilities and services / luxury specification - see report detail for further information.

²Sales 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 <i>(net to gross ratio)</i>	Dwelling Mix (%)
1-bed flat (Sheltered)	55	75%	60%
2-bed flat (Sheltered)	75		40%
1-bed flat (Extra Care)	58.5	70%	60%
2-bed flat (Extra Care)	76		40%
1-bed flat (IRC)	65	70%*	15%
2-bed flat (IRC)	90		60%
3-bed flat (IRC)	110		20%
4-bed flat (IRC)	160		5%

*This is based on 30% of a number of larger units and reflects communal facilities being provided mainly in one central location

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 - Sevenoaks

Market Value (MV) - Private units	VL9 £6,000	VL10 £6,500	VL11 £7,000	VL12 £7,500	VL13 £8,000	VL14 £8,500
1-bed flat (Sheltered)	£330,000	£357,500	£385,000	£412,500	£440,000	£467,500
2-bed flat (Sheltered)	£450,000	£487,500	£525,000	£562,500	£600,000	£637,500
1-bed flat (Extra Care)	£351,000	£380,250	£409,500	£438,750	£468,000	£497,250
2-bed flat (Extra Care)	£456,000	£494,000	£532,000	£570,000	£608,000	£646,000
1-bed flat (IRC)	£390,000	£422,500	£455,000	£487,500	£520,000	£552,500
2-bed flat (IRC)	£540,000	£585,000	£630,000	£675,000	£720,000	£765,000
3-bed flat (IRC)	£660,000	£715,000	£770,000	£825,000	£880,000	£935,000
4-bed flat (IRC)	£960,000	£1,040,000	£1,120,000	£1,200,000	£1,280,000	£1,360,000
MV (£/sq. m.)	£6,000	£6,500	£7,000	£7,500	£8,000	£8,500

Bespoke Cost Assumptions

Note: Base cost assumptions set out in Table 1b

Base Build Cost - Supported Housing	£2,366	Based on BCIS - Median rebased to the Sevenoaks location factor (5yr data sample), excludes external works.
Base Build Cost - Supported Housing IRC Only	£2,785	Upper quartile applied to reflect a high specification plus 7.5% of this higher figure for external works.
External Works	7.50%	
Marketing & Sales Costs (% GDV)	3.50%	
Legal Fees	£750/unit	
Empty Property Costs - Sheltered	£2,000/unit	
Empty Property Costs - IRC Extra Care	£5,000/unit	
Empty Property Costs - IRC Luxury Retirement Village	£TBC/unit	TBC - pending next assessment stage

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