

Local Plan Viability  
Assessment Report

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Sandwell Local Plan Viability  
Assessment

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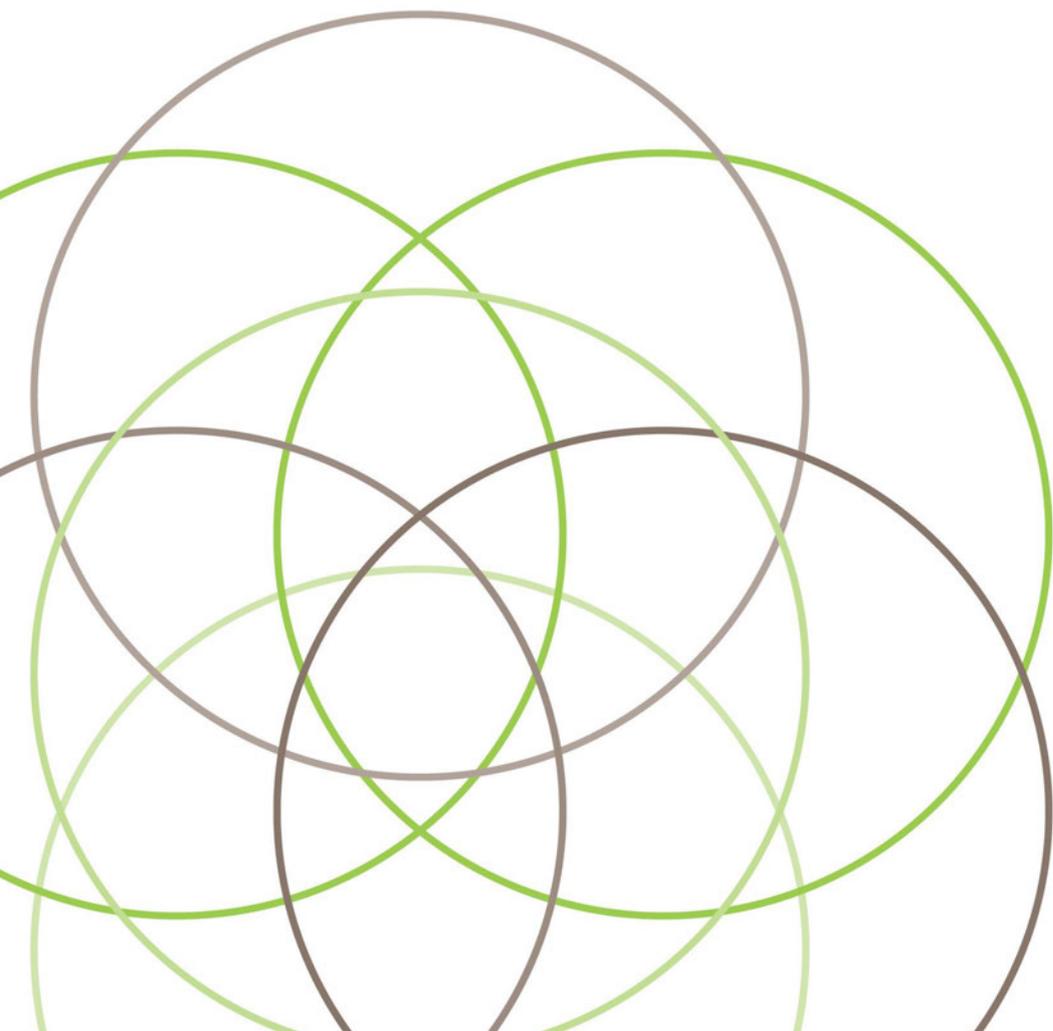


Sandwell Metropolitan Borough  
Council

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November 2023

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## Quality Assurance

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## Non-Technical Summary

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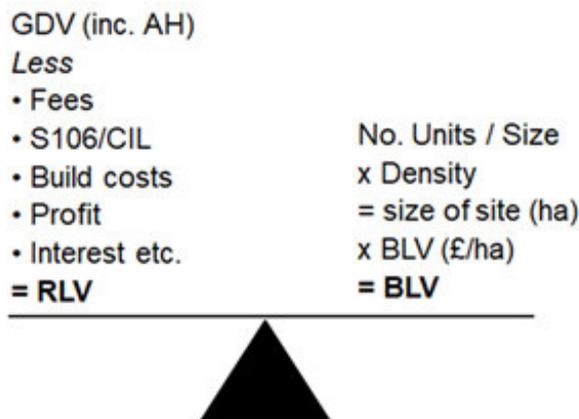
- ES 1 AspinallVerdi were appointed to undertake a viability assessment of the Sandwell Local Plan. The study is an important part of the evidence base for the Sandwell Local Plan. It assesses whether the sites being considered as strategic sites / potential allocations are financially viable and deliverable, and whether the requirements for developer contributions in the emerging Draft Plan policies are not set at such a level that they would undermine the deliverability of the plan as a whole.
- ES 2 The primary aim of the commission is to produce an up-to-date viability assessment, which will form a robust and sound evidence base for the Local Plan Review. The current plan covers the period 2006 to 2026 and was adopted in 2011. This plan had allocated enough housing and employment land to meet the Black Country needs up to 2026. The new Sandwell Local Plan seeks to allocate the maximum amount of land to meet Sandwell's needs up to 2041.
- ES 3 The overarching objective of the study is to provide a robust evidence base upon which Sandwell Metropolitan Borough Council (SMBC) can make informed decisions regarding site allocations. This is particularly relevant in the context of the large amount of previously developed land (brownfield land) across the borough.
- ES 4 This is a full viability assessment of the draft policies and proposed preferred sites in the emerging Sandwell Local Plan (which will replace the Black Country Core Strategy (BCCS)).
- ES 5 The key context for the Local Plan Viability Assessment is that the Plan needs to be informed by a consideration of viability. The PPG states that:
- “The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.”* (Paragraph: 002 Reference ID: 10-002-20190509)
- ES 6 We understand that the viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land.

## Viability Assessment Method

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- ES 7 Our general approach is illustrated on the diagram below (Figure ES.1). This is explained in more detail in section 4 – Viability Assessment Method.

**Figure ES.1 - Balance between Residual Land Value and Benchmark Land Value**



Source: AspinallVerdi © Copyright

- ES 8 We have carried out residual appraisals to establish the Residual Land Value (RLV). This is a traditional model having regard to: the gross development value (GDV) of the scheme; including affordable housing; and deducting all costs; including CIL; to arrive at the RLV. A scheme is viable if the RLV is positive for a given level of profit. We describe this situation herein as being ‘fundamentally’ viable.
- ES 9 We have had regard to the cumulative impact of the emerging Sandwell Local Plan policies. The impact of each of the policies, either direct or indirect, is set out on the policies matrix (Appendix 1).
- ES 10 This is then compared to the Benchmark Land Value (BLV). The BLV is the price at which a landowner will be willing to sell their land for development and is derived from benchmark Existing Use Values (EUUV) plus a premium (having regard to benchmark policy compliant Market Values), the size of the hypothetical scheme and the development density assumption.
- ES 11 For reporting purposes, if the balance is positive, then the policy is assumed to be ‘viable’. If the balance is negative, then the policy is assumed to be ‘not viable’ and the policy obligations / affordable housing and/or CIL rates should be reviewed. Where the RLV is positive but below the BLV we describe this as being ‘marginal’ in terms of viability. That said, it is not ‘black and white’, this is an iterative process requiring judgement and interpretation of the viability results.
- ES 12 Land value is one of the key variables, along with profit, which determines the viability and deliverability or otherwise of a scheme.
- ES 13 In a functioning market, all the costs of site clearance, remediation, and abnormal costs should come off the value of the land. However, this only ‘works’ where the GDV of the scheme is

sufficient to absorb these costs and provide incentivisation (for both landowner and developer) for the scheme to be delivered.

- ES 14 In addition to the RLV appraisals and BLV analysis, we have also prepared a series of sensitivity scenarios for each of the typologies. This is to assist in the analysis of viability and to appreciate the sensitivity of the appraisals to key variables such as: affordable housing %; infrastructure costs; density; BLV and profit; and, to consider the impact of rising construction costs. This is to de-emphasise the BLV in each typology and help consider viability 'in-the-round' i.e., in the context of sales values, development costs, contingency and developer's profit, which make up the appraisal inputs.
- ES 15 It is important to note that the BLV's contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications. Where sites have obvious abnormal costs (e.g., sloping topography or limited access etc.) these costs should be deducted from the value of the land. The land value for site specific viability appraisals should be thoroughly evidenced having regard to the existing use value of the site in accordance with the PPG. This report is for plan-making purposes and is 'without prejudice' to future site-specific planning applications.
- ES 16 Our detailed assumptions and results are set out in sections 7 and 8 of this report together with our detailed appraisals which are appended. In summary we make the following recommendations:

## Residential

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- ES 17 Based on our residential market research, we recommend that the policy should be differentiated by housing market zone and greenfield/brownfield land. This reflects the range of values across Sandwell and the different risks/costs associated with greenfield and brownfield development. This approach optimises the ability of SMBC to deliver affordable housing and fund infrastructure (through land value capture) with-out undermining delivery.
- ES 18 The table below sets out our recommendations for the affordable housing targets, derived from the viability analysis herein. These targets assume no grant. These are in line with Sandwell's affordable housing policy.

## Recommended Affordable Housing Targets

New Value Zones	Greenfield	Brownfield
	Affordable Housing (baseline 25%)	Affordable Housing (baseline 25%)
High Value Zone	25%	25%
Medium Value Zone	15%	10%
Lower Value Zone	10%	0%

Source: Aspinall Verdi, 2023

ES 19 In the Lower Value zones where the affordable housing threshold for viability is below 10% the Council could rely on the NPPF paragraph 64 (February 2019) which requires that, '*planning policies... should expect at least 10% of the homes to be available for affordable home ownership*' (subject to exemptions for: a) Build to Rent homes (see below); b) specialist accommodation for specific needs (such as purpose-built accommodation for the elderly or students); c) custom self-build; or d) is exclusively for affordable housing, an entry-level exception site or a rural exception site).

ES 20 We suggest SMBC *could* therefore keep the affordable housing target at **10%** in-line with national policy and consider other proactive interventions in the market to deliver the housing. SMBC will need to be more proactive to deliver housing and regeneration in these areas. In this respect consideration could be given to, inter alia:

- facilitating development on Authority owned land e.g., with deferred land payments and/or overage;
- direct development of housing by SMBC (for lower profit margins);
- partnering with Registered Providers;
- establishing an Urban Development Company to act as master-developer and de-risk sites;
- delivery of brownfield/regeneration sites (e.g., in the strategic centres) through partnership and delivery funding schemes;
- use of grant funding for remediation of Brownfield land and soft-loans etc.

ES 21 We also propose a nuanced adjustment in SMBC's M4(3) accessibility policy, emphasising a tailored approach that considers the unique characteristics of different value zones, thereby addressing cost mitigation. Specifically, we recommend that 15% of units situated in medium and higher value zones adhere to M4(3) accessibility standards, while no such obligation is imposed

on units located in the lower value zones. This approach not only ensures the equitable allocation of resources but also aligns with the distinct requirements and priorities within each value zone.

- ES 22 It is important to mention that fundamentally the policies and the proposals create an unviable plan and housing delivery will be difficult during the plan period unless Sandwell benefits from two key factors: a reduction in construction costs or a c.10% increase in property market values across different zones to make the proposed maximum affordable housing viable for Sandwell. Sandwell's regeneration strategy is a step in the right direction to initiate this process. However, SMBC must diligently track market trends and property values to ensure the viability of their affordable housing initiatives, particularly if they intend to maintain the 25% affordable housing target throughout the entire borough during the plan period.
- ES 23 Reiterating Sandwell's regeneration strategy, along with their well-established track record in securing funding, underscores the imminent transformation of the area during the plan period. This evolution not only benefits local residents but is also likely to enhance property values, positioning Sandwell Council favourably to drive growth and prosperity in the region through its multifaceted regeneration initiatives and strategic approach.

## Best Practice

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- ES 24 We recommend that, in accordance with best practice, the plan viability is reviewed on a regular basis by SMBC to ensure it remains relevant as the property market cycle(s) change. We recommend the Plan viability is reviewed simultaneously and that steps are made towards aligning the Sandwell Plan and the various CIL charging schedules.
- ES 25 Furthermore, to facilitate the process of review, we recommend that SMBC monitor the development appraisal parameters herein, but particularly data on land values/ value zones, delivery rates and grant funding within their areas.

# 1 Introduction

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- 1.1 AspinallVerdi have been instructed by Sandwell Metropolitan Borough Council (SMBC) to provide an evidence base to assist in identifying the viability impacts of emerging planning policies in its draft Local Plan. The study is an important part of the evidence base for the SMBC.
- 1.2 The primary aim of the commission is to produce an up-to-date viability assessment, which will form a robust and sound evidence base for the Local Plan Review. The current plan covers the period 2006 to 2026 and was adopted in 2011. This plan had allocated enough housing and employment land to meet Sandwell's need up until 2041. The new Sandwell Local Plan seeks to allocate the maximum amount of land to meet Sandwell's needs up to 2041.
- 1.3 The overarching objective of the study is to provide a robust evidence base upon which SMBC can make informed decisions regarding their policies and site allocations. This is particularly relevant in the context of the large amount of previously developed land (brownfield land) across Sandwell.
- 1.4 This is a full viability assessment of the draft policies and proposed site allocations in the emerging Sandwell Local Plan (SLP) (which will replace the Black Country Core Strategy (BCCS)). The viability assessment is also sufficiently robust to be able to be used as the basis for a review of the Community Infrastructure Levy (CIL) within Sandwell.
- 1.2 In carrying out our review of the Local Plan we have had regard to the cumulative impact on development of the Local Plan policies.

## Local Plan Viability Context

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- 1.3 The key context for the Local Plan Viability Assessment is that the Plan needs to be informed by a consideration of viability. The PPG states that:  
  
*"The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan."* (Paragraph: 002 Reference ID: 10-002-20190509)
- 1.4 The viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land.
- 1.5 The Plan must be positively prepared to contribute towards the achievement of sustainable development in a way that is aspirational but deliverable. According to the NPPF sites or broad locations for growth in the NPPF should be developable in years 6 plus of the plan period. To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point

envisaged (see NPPG Glossary). This is a lower test than the deliverability test for sites in years 0-5 of the plan period. The evidence does not need to provide a detailed assessment of everything and all sites – recognising that conditions will fluctuate over the course of the Plan period.

## RICS Practice Statement

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- 1.6 Our viability assessment has been carried out in accordance with the RICS<sup>1</sup> Financial Viability in Planning: Conduct and Reporting Practice Statement (1<sup>st</sup> Edition, May 2019).
- 1.7 Our FVA has also been carried out in accordance with the RICS Assessing Viability in Planning under the National Planning Policy Framework 2019 for England Guidance Note (1st edition, March 2021) having regard to the latest revisions to the National Planning Policy Framework (NPPF, last updated September 2023) and the Planning Practice Guidance (PPG).

## Objectivity, Impartiality and Reasonableness

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- 1.8 We have carried out our review in collaboration with the Councils as LPA and in consultation with industry (Registered Providers, developers and landowners). At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment and review.
- 1.9 At all stages of the viability process, we have advocated reasonable, transparent and appropriate engagement between the parties.

## Conflicts of Interest

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- 1.10 We confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially. We previously acted for the Black Country Authorities in the viability assessment of the draft Black Country Plan until this was abandoned in November 2022.
- 1.11 The remainder of this report is structured as follows:

Section:	Contents:
Section 2 – National Policy Context	This section sets out the statutory requirements for the Local Plan and CIL viability including the NPPF, CIL Regulations and PPG website.
Section 3 – Local Plan Context	This section sets out the details of the existing evidence base and the Local Plan policies which will have a direct impact on viability.

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<sup>1</sup> Royal Institution of Chartered Surveyors

Section 4 – Viability Assessment Method	This section describes our generic methodology for appraising the viability of development which is based on the residual approach as required by guidance and best practice. Please note the Benchmark Land Value (BLV) caveats for future site-specific appraisals.
Section 5 – Residential Typologies	This chapter summarise the evidence base, property market context, development monitoring and viability for the residential sector.
Section 6 – Stakeholder Consultation	Sets out the various consultation and industry engagement that has taken place as part of this study.
Section 7 – Site-Specific Appraisals	This section reviews the strategic sites and sets out the appraisal outputs as well as an analysis of the delivery of each site.
Section 8 – Residential Summary and Policy Recommendations	Finally, we make our recommendations in respect of the Local Plan Review. Section 8 discusses the implications of this for the overall Plan viability and delivery.

## 2 National Policy Context

- 2.1 Our financial viability assessment has been carried out having regard to the various statutory requirements comprising primary legislation, planning policy, statutory regulations and guidance.
- 2.2 We identify below the key cross-references in the NPPF and PPG and our comments in respect of viability and deliverability. This is not meant to be exhaustive and reference should be directly made to the relevant sections of the NPPF and PPG.

### National Planning Policy Framework

- 2.3 The NPPF confirms the Government’s planning policies for England and how these should be applied and provides a framework within which locally-prepared plans for housing and other development can be produced<sup>2</sup>.
- 2.4 It confirms the primacy of the development plan in determining planning applications. It confirms that the NPPF must be taken into account in preparing the development plan, and is a material consideration in planning decisions<sup>3</sup>.
- 2.5 It is important to note that within the new NPPF, paragraph 173 of the original 2012 NPPF has been deleted. The old paragraph 173 referred to viability and required ‘*competitive returns to a willing land owner and willing developer to enable the development to be deliverable*’.
- 2.6 The new NPPF refers increasingly to *deliverability* as well as *viability*.
- 2.7 We draw your attention to the following key paragraphs (Table 2.1).

**Table 2.1 NPPF Key Cross-References**

Paragraph Number - Item	Quote / Comments
Para 34 - Development contributions	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). <i>Such policies should not undermine the deliverability of the plan.</i> (Our emphasis)

<sup>2</sup> National Planning Policy Framework, September 2023, para 1

<sup>3</sup> National Planning Policy Framework, September 2023, para 2

**Paragraph Number - Item      Quote / Comments**

Para 57 – Planning obligations [tests]

Planning obligations must only be sought where they meet all of the following tests<sup>4</sup>:

- 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.

Notwithstanding the latest changes to the CIL Regulations (2015) which do away with the requirements for a Regulation 123 list of infrastructure, these tests ensure that Local Authorities cannot charge S106 or CIL twice for the same infrastructure (as this would not be fair and reasonable).

Para 58 – Presumption of viability

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. (Our emphasis)

We understand that the Government’s objective is to reduce the delays to delivery of new housing due to the site-specific viability process that was created as a result of the previous paragraph 173. Once a new Local Plan is adopted no site-specific viability assessment should be required (except in exceptional circumstances) and developers should factor into their land

<sup>4</sup> Set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010.

Paragraph Number - Item	Quote / Comments
	buying decisions the cost of planning obligations (including affordable housing).
Para 64 – 10 Unit Threshold	Provision of affordable housing should not be sought for residential developments that are not major <sup>5</sup> developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer).
Para 64 – Vacant Building Credit (VBC)	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. The VBC provides another layer of contingency on brownfield site typologies.
Para 65 – 10% affordable home ownership	<p>Where major development involving the provision of housing is proposed, planning policies ... should expect at least 10% of the total number of 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.</p> <p>Exemptions to this 10% requirement should also be made where the site or proposed development:</p> <ul style="list-style-type: none"> <li>a) provides solely for Build to Rent homes;</li> <li>b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);</li> <li>c) is proposed to be developed by people who wish to build or commission their own homes; or</li> <li>d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.</li> </ul>

Source: NPPF (last updated September 2023) and AspinallVerdi

<sup>5</sup> 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 1,000m<sup>2</sup> 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.

## Planning Practice Guidance for Viability

2.8 The Planning Practice Guidance for Viability was first published in March 2014 and substantially updated in line with the NPPF. This has subsequently been updated on numerous<sup>6</sup> occasions and latterly 1 September 2019.

2.9 Below we summarise some key aspects of the PPG for this study (Table 2.2).

**Table 2.2 PPG Viability Key Cross-References**

Paragraph Number - Item	Quote / Comments
Para 001 – Setting Policy requirements	<p>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).</p> <p>These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a <i>proportionate assessment</i> 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. <i>Policy requirements should be clear</i> so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development. (Our emphasis)</p> <p>This confirms that Local Authorities can set different levels of CIL and/or affordable housing by greenfield or brownfield typologies (see below also).</p>
Para 002 - Deliverability	<p>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,</p>

<sup>6</sup> PPG Viability has been updated in February 2019, May 2019 and 1 September 2019

**Paragraph Number - Item      Quote / Comments**

landowners, and infrastructure and affordable housing providers.

And, 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.

Also, 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. (Our emphasis).

In this respect we have carried out a stakeholder workshop to consult with industry (Registered Providers, developers and landowners) in respect of the cost, value and BLV assumptions of the site allocations (July 2023).

Para 003/4 - Typologies

Plan makers can use site typologies to determine viability at the plan making stage.

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.

Plan makers can 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.

Para 005 – Strategic Sites testing

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

**Paragraph Number - Item      Quote / Comments**

enable or unlock other development sites or sites within priority regeneration areas.

In this respect we have specifically tested the following sites:

- H9.3 (1004) Land between Addington Way and River Tame; Temple Way (Rattlechain)
- HOC8 (16) STW/SMBC Land Friar Park Road Wednesbury (Friar Park) FConiston, Derwent, Rydal, Ullswater & Windermere Houses Badsey Road & Lion Farm Shops And Flats Hartlebury Road Oldbury (Lion Farm)

Para 010 - Principles for carrying out a viability assessment (strike a balance)

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 – i.e., a residual land value approach.

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. (Our emphasis).

Para 011 – Gross Development Value

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. (Our emphasis)

**Paragraph Number - Item      Quote / Comments**

Para 012 – Development costs

Assessment of costs should be based on evidence which is reflective of local market conditions. Costs include:

- build costs - e.g., Building Cost Information Service (BCIS)
- abnormal costs\*
- site-specific infrastructure costs\*
- the total cost of all relevant policy requirements\*
- general finance
- professional\*, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site
- 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

\*PPG suggests that these costs should be taken into account when defining benchmark land value.

Para 013 – Benchmark Land Value (BLV)

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. (Our emphasis)

Para 014 - What factors should be considered to establish BLV?

Benchmark land value should:

- be based upon existing use value (EUV)
- allow for a premium to landowners
- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.

Para 014 – Market evidence in BLV

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

**Paragraph Number - Item      Quote / Comments**

and methodologies used by individual developers, site promoters and landowners. (Our emphasis)

Para 014 – Circularity of land values

[Market] 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*. (Our emphasis)

Para 015 – Existing Use Value (EUV)

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).

Para 016 – Premium

[The premium] 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 fully 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.

**Paragraph Number - Item      Quote / Comments**

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.

Para 016 – Price paid evidence

Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

The PPG emphasises throughout (para 2, 3, 6, 11, 14, 18) that the price paid for land is not a relevant justification for failing to accord with relevant policies in the plan.

However, data on actual price paid (or the price expected to be paid through an option or promotion agreement) is particularly relevant for strategic sites to ensure that they are deliverable over-time.

Para 017 – Alternative Use Value (AUV)

This is more at the decision-making stage as our site typologies herein are all for broadly defined uses.

Para 018 – Profit (return to developers)

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*

**Paragraph Number - Item      Quote / Comments**

*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. (Our emphasis)

In this respect we have provided sensitivities on the profit margin.

Para 019 – Build to rent (BTR)

The *economics of build to rent schemes differ* from build for sale as they depend on a long-term income stream. For build to rent, it is expected that *the normal form of affordable housing provision will be affordable private rent*. Where plan makers wish to set affordable private rent proportions or discount levels at a level differing from national planning policy and guidance, this can be justified through a viability assessment at the plan making stage. (Our emphasis)

Source: PPG Viability (last updated 1 September 2019) and AspinallVerdi

**Planning Practice Guidance for CIL**

- 2.10 There is a separate section of the PPG for CIL (Community Infrastructure Levy).
- 2.11 The CIL PPG guidance was first published in June 2014 and last updated in January 2023. The PPG is intended to provide clarity on the CIL Statutory Regulations which were first introduced in April 2010 and amended in February 2011, November 2012, April 2013, February 2014, March 2015, September 2019<sup>7</sup>, April 2022 and most recently January 2023. The Regulations have never been consolidated.
- 2.12 We draw your attention to the following key paragraphs (Table 2.3).

**Table 2.3 PPG CIL Key Cross-References**

**Paragraph Number - Item      Quote / Comments**

Para 010 – Appropriate balance

When deciding the levy rates, an authority *must strike an appropriate balance* between additional investment to support development and the potential effect on the viability of developments. (Our emphasis)

<sup>7</sup> <https://www.local.gov.uk/pas/pas-topics/infrastructure/cil-regulations-and-dclg-documents>

Paragraph Number - Item	Quote / Comments
Para 017 – Infrastructure Funding Statement	The infrastructure funding statement should identify infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.
Para 019 – Proportionate evidence to support a levy charge	<p>Viability assessments should be <i>proportionate, simple, transparent</i> and publicly available in accordance with the viability guidance. (Our emphasis)</p> <p>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 authority’s area.</p> <p>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.</p>
Para 020 - How should development be valued for the purposes of the levy?	Charging authorities should use evidence in accordance with planning practice guidance on viability (see <b>Table 2.2</b> ).
Para 020 - ‘Appropriate available evidence’	A charging authority must use ‘ <i>appropriate available evidence</i> ’ (as defined in the section 211(7A) of the Planning Act 2008) to inform the preparation of their draft charging schedule. It is recognised that the available data is <i>unlikely to be fully comprehensive</i> . Charging authorities need to demonstrate that their proposed levy rate or rates are informed by ‘appropriate available’ evidence and <i>consistent</i> with that evidence across their area as a whole. (Our emphasis)

**Paragraph Number - Item      Quote / Comments**

Para 020 – Sampling  
 [typologies]

A charging authority should directly sample an appropriate range of types of sites across its area.

Charging authorities that decide to set differential rates may need to undertake more fine-grained sampling.

The sampling exercise should provide a robust evidence base about the potential effects of the rates proposed, *balanced against the need to avoid excessive detail*. (Our emphasis)

Para 020 – Viability buffer

A charging authority's proposed rate or rates should be *reasonable*, given the available evidence, but there is *no requirement for a proposed rate to exactly mirror the evidence*. For example, this might *not be appropriate if the evidence pointed to setting a charge right at the margins of viability*. There is room for some pragmatism. It would be appropriate to *ensure that a 'buffer' or margin is included*, so that the levy rate is able to support development when economic circumstances adjust. (Our emphasis)

Note that the PPG does not specify what the appropriate buffer should be.

Para 022 – Differential rates

Charging authorities should consider how they could use differential rates to optimise the funding they can receive through the levy.

Differences in rates need to be justified by reference to the viability of development.

Differential rates should *not* be used as a means to deliver policy objectives. (Our emphasis)

Differential rates may be appropriate in relation to:

- geographical zones;
- types of development; and/or;
- scales of development.

A charging authority that plans to set differential rates should seek to *avoid undue complexity*. Charging schedules with

**Paragraph Number - Item      Quote / Comments**

differential rates should *not have a disproportionate impact on particular sectors* or specialist forms of development. (Our emphasis)

In all cases, differential rates must not be set in such a way that they constitute a notifiable State aid [now referred to a subsidy control since leaving the EU].

Para 023 – Differential rates by use

Charging authorities may also set differential rates by reference to different intended uses of development. The definition of “use” for this purpose is not tied to the classes of the Use Classes Order although that Order does provide a useful reference point. (Para 201 describes how changes to the Use Classes Order affect charging schedules that set differential rates according to use classes that no longer exist).

Para 024 – Differential rates by scale

Rates can be set by reference to either floor area or the number of units or dwellings in a development.

Para 025 – Differential rates by land value uplift [greenfield / brownfield]

The uplift in land value that development creates is affected by the existing use of land and proposed use. For example, *viability may be different if high value uses [e.g., residential] are created on land in an existing low value area [e.g., agricultural-greenfield area] compared to the creation of lower value uses or development on land already in a higher value area [e.g., urban brownfield area].*

Charging authorities can take these factors into account in the evidence used to set differential levy rates, in order to optimise the funding received through the levy.

Given the increasing emphasis in the NPPF and PPG on certainty in respect of policy obligations; innovation in respect of best practice; and the wisdom of bringing Local Plan and CIL viability reviews into synchronisation, we have long advocated differentiating CIL (and affordable housing targets) by greenfield and brownfield (previously developed land) typologies based on the evidence.

Paragraph Number - Item	Quote / Comments
	<p>This, together with PPG Viability paragraph 001, therefore confirms that CIL and affordable housing can be differentiated by greenfield and brownfield existing site typologies. This should make the process of planning and development (land value capture) much simpler and more efficient.</p>
<p>Para 026 – Differential rates for zones</p>	<p>Differential rates for geographic zones can be used across a charging authority’s area. Authorities may wish to align zonal rates for strategic development sites.</p>
<p>Para 026 – Differential rates for Strategic Sites</p>	<p>Charging authorities may want to consider how zonal rates can ensure that the levy compliments plan policies for Strategic Sites. This may include setting <i>specific rates for strategic sites</i> that reflect the land value uplift their development creates. <i>Low or zero rates may be appropriate</i> where plan policies require significant contributions towards housing or infrastructure through planning obligations. (Our emphasis)</p> <p>See also the comments above in respect of the S106 tests and double-dipping. (NPPF Para 57 – Planning obligations)</p>
<p>Para 065 – Social Housing relief [inc. First Homes]</p>	<p>Social housing relief is a mandatory discount that can be applied to most <i>social rent, affordable rent, and intermediate rent dwellings, provided by a local authority or private registered provider, and shared ownership dwellings.</i></p> <p>Subject to meeting specific conditions, social housing relief can also apply to <i>discounted rental properties</i> provided by bodies which are neither a local authority nor a private registered provider.</p> <p>Mandatory social housing relief can also apply to dwellings where the first and subsequent sales are for no more than 70% of their market value (“<i>First Homes</i>”). (Our emphasis)</p>
<p>Para 128 - Can payment be made in instalments?</p>	<p>‘Yes’ - Where a charging authority wishes to allow payment by instalments, they must have published an instalment policy on their website. An instalment policy can assist the viability and delivery of development by taking account of financial</p>

**Paragraph Number - Item      Quote / Comments**

restrictions, for example in areas such as development of homes within the buy to let sector. For the purposes of our appraisals herein, we have assumed that the payment of CIL is phased.

Source: PPG CIL (last updated 4 January 2023) and AspinallVerdi, 2023

**PPG for First Homes**

2.13      On 24 May 2021 MHCLG (now DLUHC) issued guidance on First Homes and was updated on 23 December 2021. This is as follows (Table 2.5).

**Table 2.4 PPG for First Homes Key Cross-References**

**Paragraph Number - Item      Quote / Comments**

Para 001 - What is a First Home?

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be *discounted by a minimum of 30%* against the market value;
- b) are sold to a person or persons meeting the First Homes eligibility criteria [Para 002];
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
- d) after the discount has been applied, the first sale must be at a price *no higher than £250,000 (or £420,000 in Greater London)*.

First Homes are the government’s preferred discounted market tenure and *should account for at least 25% of all affordable housing units* delivered by developers through planning obligations. (our emphasis)

**Paragraph Number - Item      Quote / Comments**

Para 004 – Minimum discount

In order to qualify as a First Home, a property must be sold *at least 30% below the open market value*. Therefore, the required minimum discount cannot be below 30%.

However, local authorities [have] the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes).

Para 013 – 25% tenure mix

Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required.

Policies for First Homes should reflect the requirement that a *minimum of 25% of all affordable housing units secured through developer contributions should be First Homes*. (Our emphasis)

Para 016 – First Homes and CIL

The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) make provisions for charging authorities to give relief or grant exemptions from the levy. These regulations *allow developers of First Homes to obtain an exemption* from the requirement to pay CIL.

This is the same for all affordable housing tenures.

Para 023 - 10% of affordable homes should be available for affordable home ownership

The 25% expected First Homes contribution for any affordable product can make up or contribute to the 10% of the overall number of homes expected to be an affordable home ownership product on major developments as set out in the NPPF.

Source: PPG First Homes (Published 24 May 2021) and AspinallVerdi

**Levelling Up and Regeneration Bill**

2.14 The Planning for the Future White Paper included proposals to reform CIL and the current system of planning obligations as a nationally set, value-based flat rate charge (the 'Infrastructure Levy').

- 2.15 The aim is for the new Levy to raise more revenue than under the current system of developer contributions, and deliver at least as much, if not more, on-site affordable housing as at present. The reform is to capture a greater share of the uplift in land value that comes with development.
- 2.16 DLUHC has now published the Levelling Up and Regeneration Bill which includes proposals for the Infrastructure Levy (11 May 2022).
- 2.17 The Bill sets out the framework for the new Levy and the detailed design will be delivered through Regulations<sup>8</sup> (to follow).
- 2.18 The Levy will be charged on the value of property when it is sold and applied above a minimum threshold. Levy rates and minimum thresholds will be set and collected locally, and local authorities will be able to set different rates within their area. The rates will be set as a percentage of gross development value rather than based on floorspace.
- 2.19 The detail of different elements of the new Infrastructure Levy will need to be set in Regulations, following consultation which is still to take place. The aim is to introduce the Levy through a ‘test and learn’ approach. This means it will be rolled out nationally over several years, allowing for careful monitoring and evaluation, in order to design the most effective system possible.
- 2.20 Sites permitted before the introduction of the new Levy will continue to be subject to their CIL and Section 106 requirements.
- 2.21 For the purposes of our viability assessment, we have ignored the proposed reforms as it is too early to take them into account but they will need to be kept under review.
- 2.22 The next section of the report sets out the local planning policies which impact viability.

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<sup>8</sup> Policy paper, Levelling Up and Regeneration: further information, Published 11 May 2022 - <https://www.gov.uk/government/publications/levelling-up-and-regeneration-further-information/levelling-up-and-regeneration-further-information>

### 3 Local Policy Context

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- 3.1 In order to appraise the emerging Sandwell Local Plan, we have reviewed the cumulative impact of Sandwell's draft Local Plan strategic policies, alongside any current policies which are proposed to retain. We have analysed each of the policies contained within the plan to determine which policies have a direct or indirect impact on development viability. The policies with a direct impact on viability have been factored into our economic assessment below. Note that all policies have an indirect impact on viability and these have been incorporated into the viability study indirectly through the property market cost and value assumptions adopted.
- 3.2 The adopted 2006 - 2026 Local Plan [the BCCS was adopted in 2011 but some of the policies cover the 2006-2026 period] set the current 'framework' for the property market to operate within and the new Local Plan (together with retained Local Plan documents) will form the new framework. All the policies have an indirect impact on viability through the operation of the property market and via site allocations which shape supply over time (the price mechanism). The real estate market will also have to adjust to changes to the emerging planning policy through the new Sandwell Local Plan.
- 3.3 Before reviewing the Draft Sandwell Local Plan, we set out the current affordable housing policy under the 2011 adopted BCCS.

#### Black Country Core Strategy, Adopted February 2011

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- 3.4 The Black Country Core Strategy (BCCS) includes Affordable Housing policy HOU3<sup>9</sup>. This requires a range of housing types, tenures, densities and affordability to create sustainable communities and to ensure the delivery of [the] Strategic Objectives.
- 3.5 The policy requires that:

*Local Planning Authorities will seek to secure **25% affordable housing** on all sites of **15 dwellings** or more **where this is financially viable** (our emphasis). The tenure and type of affordable units sought will be determined on a site-by-site basis, based on best available information regarding housing need, site surroundings and viability considerations.*

*On sites where 25% affordable housing is proven not to be viable, the maximum proportion of affordable housing will be sought which will not undermine the development's viability, subject to achieving optimum tenure mix and securing other planning obligations necessary for the development to gain planning permission. Financial viability assessments conforming to an agreed methodology will be required and, where necessary, independently appraised by the local planning authority at the cost of the applicant. Claw back and other flexible arrangements will be*

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<sup>9</sup> Black Country Core Strategy, Adopted February 2011, page 71

sought through planning agreements, wherever possible, to allow for changing market conditions in future years.

## Sandwell CIL Charging Schedule

3.6 Sandwell’s CIL charging schedule was adopted 1<sup>st</sup> April 2015. Though CIL zones were not defined, it did outline the CIL rate payable for certain development typologies. See Table 3.1.

**Table 3.1 Sandwell CIL Charging Schedule (2015)**

Development Typology	CIL Rate - £ per sq. m
Retail <sup>1,4</sup> Units (West Bromwich Strategic Centre only)	£50
Supermarkets/superstores <sup>2</sup> and retail warehouses <sup>3</sup> - over 280 sq. m Borough wide	£60
Residential <sup>5</sup> (1-14 units)	£30
Residential <sup>5</sup> (15 or more units)	£15
All other uses	Nil

Source: Sandwell MBC CIL Charging Schedule, 2015.

3.7 Within our appraisals we have adopted the 2023 indexed rates which are £20.64 for typologies under 15 units and £41.28 for typologies over 15 units.

## Sandwell Local Plan 2041

3.8 We have reviewed the Sandwell Local Plan 2041 (Reg 18 Draft). A detailed matrix of all the planning policies is appended (see Appendix 1 – Policies Matrix), and this outlines how the directly influential policies have both shaped the typologies and the assumptions adopted within the appraisals. We highlight the directly influential policies below.

3.9 The policies considered to have a direct impact on viability are set out on the following table:

**Table 3.2 Sandwell Local Plan Policies with a Direct Impact on Viability**

Policy	Implications for Local Plan and CIL Viability Assessment
Policy SDS4 – Achieving well-designed places	We have assumed that the relevant cost of professional designers etc to achieve high quality design is included in the professional fee budget.

Policy	Implications for Local Plan and CIL Viability Assessment
	<p>It is in developer's own interests to achieve high-quality, well-placed design as this adds value (as is demonstrated by the Building Better, Building Beautiful Commission report (Jan 2020)). Well-designed places should therefore add to value and make development more viable.</p> <p>This policy sets out design principles that new development should follow to ensure that Sandwell's different characteristics and qualities are maintained and enhanced. There is a direct impact on construction cost.</p> <p>Notwithstanding this, the minimum design standard is the Building Regulations and therefore the cost of compliance is reflected in the BCIS cost that we have used within our appraisals. Note also that good design leads to high quality environments which are reflected in the value of real estate. We have used current values (and costs) in our appraisals.</p>
<p>Policy SDS7 – Green and Blue Infrastructure in Sandwell</p>	<p>This policy identifies the importance of major developments to incorporate green infrastructure. This has a direct impact on viability, as green infrastructure has an additional cost to development. For the purpose of this study, we believe that this should be assessed at a site-specific level to meet the needs of the existing network and assess any loss in existing green infrastructure.</p> <p>However, this policy also relates to the implementation of Public Open Space and Biodiversity Net Gain, in which we have applied a cost of £1,372 per flat and £2,468 per house and POS and Recreation and the DEFRA (2019) metric for BNG at £268 per unit on brownfield sites and £1,003 per unit on greenfield sites.</p>
<p>Policy SNE1 – Nature Conservation</p>	<p>For the purposes of our viability assessment, we have assumed that the relevant cost of professional reports (e.g., Biodiversity Action Plans (BAPs) and / or Geodiversity Action Plans (GAPs) and mitigation strategies etc) is included in the professional fee budget.</p> <p>We have assumed that the cost of relevant mitigation is included in:</p> <ul style="list-style-type: none"> <li>- The net-to-gross site area assumption in terms of land take;</li> <li>- The external works cost and the net-biodiversity gain costs etc.</li> </ul> <p>Where there are particular nature conservation issues that arise from particularly sensitive development sites, where this is known to a developer as part of their due diligence, the costs of mitigation should be factored into the price paid for the land.</p>
<p>Policy SNE2 – Protection and Enhancement of Wildlife Habitats</p>	<p>Costs associated with these requirements are included within our use of appropriate local construction cost benchmarks and external works cost benchmarks which developers will take into consideration, biodiversity requirements (which developers will be delivering).</p> <p>Note that in the future, the government is committed to mandating BNG on sites.</p> <p>For the purposes of our plan viability assessment, the BNG/ habitats charge has been explicitly included in our appraisals. We have included a net gain delivery cost of £1,003 per housing unit for greenfield development and £268 per housing unit for brownfield development. This is based upon the West Midlands regional cost (central estimate) in the net gain delivery cost tables (no. 16 &amp; 17) from the DEFRA BNG and local nature recovery strategies impact assessment (15/10/2019).</p>
<p>Policy SNE3 – Provision, Retention and Protection</p>	<p>For the purposes of our viability assessment, we have assumed that the relevant cost of professional (accredited arboriculturist) is included in the professional fee budget.</p>

Policy	Implications for Local Plan and CIL Viability Assessment
of Trees, Woodlands and Hedgerows	<p>We have assumed the cost of relevant tree and hedgerow planting etc is included in:</p> <ul style="list-style-type: none"> <li>- The net-to-gross site area assumption in terms of land take;</li> <li>- The external works cost and the net-BNG costs include the relevant landscaping and tree planting etc</li> </ul> <p>Where there are particularly mature trees (TPOs etc) and hedgerow to be protected, this is known to the developer as part of their due diligence and the costs of mitigation is factored into the price paid for the land. I.e., one cannot pay the same price for the land which is cleared as a developer platform, compared to land which is constrained by mature trees and hedgerows.</p>
Policy SNE6 - Canals	<p>This policy has a direct impact; however, it would need to be assessed at a site-specific level, we have therefore not applied a cost to this policy.</p>
Policy SHE1 – Listed Buildings and Conservation Areas	<p>Through Planning and development decision, Sandwell will work with partners to proactively preserve, protect and enhance the character, appearance, archaeological and historic value and significance of Sandwell’s designated and undesignated heritage assets and their settings. This is to be achieved by various mechanisms listed in the policy.</p> <p>This policy has a direct impact on our viability assessment given that there is a cost associated with these policy requirements from developments in conservation areas and other historic assets.</p> <p>We have used current costs based on BCIS and rebased them to the West Midlands which take into consideration costs of ‘typical’ development across Sandwell. We acknowledge that construction costs are likely to be higher within designated heritage environments, but values are also likely to be higher. Furthermore, developments involving heritage assets are likely to require a bespoke approach to viability, e.g., enabling development and/ or grants.</p> <p>The policy on safeguarding and enhancing conservation areas can have a direct impact on local plan viability assessments by potentially increasing development costs. The requirement to use building materials appropriate to the conservation area in new development and alterations, as well as respecting the historical or vernacular building character and relationship between buildings and their setting, may result in higher construction costs. Additionally, the need to ensure an appropriate level of archaeological buildings recording prior to demolition of structures of historic interest can also add to development costs. However, the policy can also indirectly impact viability assessments by potentially increasing the value of properties within conservation areas due to their protected status, resulting in higher sales or rental values.</p>
Policy SHE2 – Development in the Historic Environment	<p>This policy has a direct impact on our viability assessment, given that there is a cost associated with these policy requirements from development in historic environments. See comments above in respect of higher costs and values in historic environments.</p>
Policy SHE3 – Locally Listed Buildings	<p>The policy entails additional costs for developers as they are expected to provide adequate information for assessing the impact on archaeological remains through desk-based appraisals, site evaluations, and building recording. If a development proposal is deemed to have a damaging impact on significant archaeological remains, the developer must undertake mitigation measures to preserve the remains in situ.</p> <p>These requirements and costs directly affect the viability of development proposals by introducing additional considerations, obligations, and</p>

Policy	Implications for Local Plan and CIL Viability Assessment
	potential expenses related to archaeological preservation and impact mitigation.
Policy SHE4 - Archaeology	The policy entails additional costs for developers as they are expected to provide adequate information for assessing the impact on archaeological remains through desk-based appraisals, site evaluations, and building recording. If a development proposal is deemed to have a damaging impact on significant archaeological remains, the developer must undertake mitigation measures to preserve the remains in situ. These requirements and costs directly affect the viability of development proposals by introducing additional considerations, obligations, and potential expenses related to archaeological preservation and impact mitigation. However, these are site specific costs and should be deducted from the price of the land.
Policy SCC1 – Increasing Efficiency and Resilience	This is an overarching policy and costs have been associated with the relevant policies listed within.
Policy SCC2 – Energy Infrastructure	<p>There are currently no policy requirements in the plan.</p> <p>The policy only requires decentralised energy where it is suitable, feasible or viable.</p> <p>Where this is not the case and where developers can demonstrate to the satisfaction of SMBC that a link to a decentralised energy source is not viable, the local authority will support the provision of alternative carbon reduction measures that can be incorporated into the scheme.</p> <p>In this respect, we have incorporated the interim uplift to the Future Homes Standard 2019 Consultation on changes to Part L (conservation of fuel and power) of the building regulations, which have been implemented from June 2022, Regulations for new dwellings: according to major housebuilders and MHCLG estimates of additional costs required to implement the uplift to part L standards ranges from £3,000 to £5,000 per unit, as all new homes will be required to produce 31% fewer carbon emissions, representing the upper end of the proposed range in the consultation. In 2025 all new homes will be required to produce 75-80% fewer carbon emissions than those delivered under older regulations. We have adopted a cost of £6,500 to incorporate the 2025 standard.</p>
Policy SCC3 – Managing Heat Risk	It is important for all developers to address managing heat risk for their buildings to be marketable. We assume that the heat mitigation can be built into the design at no additional cost.
Policy SCC4 – Flood Risk	<p>For the purposes of our viability assessment, we have assumed that the cost of professional fees for the relevant Flood Risk Assessments and Drainage Strategy reports etc are included within our overall professional fee budget.</p> <p>This policy is to ensure the appropriate management and treatment of surface and foul water disposal to reduce the flood risk in Sandwell. It states that development proposals should include the use of sustainable drainage systems. There are associated costs with this policy and therefore it has a direct impact on viability.</p> <p>It is important to stress that developers should consider drainage solutions at the outset of their scheme design and factor in the costs when acquiring sites. There are no new and unknown costs.</p>
Policy SCC5 – Sustainable drainage and	The cost of SUDs is factored into our viability appraisals through:

Policy	Implications for Local Plan and CIL Viability Assessment
surface water management.	<ul style="list-style-type: none"> <li>- The net-to-gross site area assumptions, particularly for larger sites which have more landscaping areas and buffer;</li> <li>- External works costs.</li> </ul>
Policy SCC6 – Renewable and low carbon energy and BREEAM standards	<p>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: Impact Assessment sets out the costs to reduce carbon emissions from new homes towards meeting the Government’s net zero emissions target. We have adopted a cost of £6,500 to account for the 2025 future homes Part L standard. We have assumed that the 2021 FHS is incorporated into BCIS costs.</p>
Policy SHW1 – Heath Impact assessments	<p>This policy has a direct impact on the development costs. We have explicitly factored into the appraisals all the relevant healthcare infrastructure costs for the various Typologies. The explicit costs can be seen in the Typologies Matrix. The extent to which the sites impact on health, identified through the impact assessments should be assessed on a site-specific level.</p>
Policy SHW2 – Healthcare Infrastructure	<p>This policy has a direct impact on the development costs. We have explicitly factored into the appraisals all the relevant healthcare infrastructure costs for the various Typologies. The explicit costs can be seen in the Typologies Matrix.</p>
Policy SHW3 -Air quality	<p>For the purposes of our viability assessment, we have assumed that the relevant cost of professional reports (e.g., Air Quality Assessment) is included in the professional fee budget.</p> <p>We have assumed that the mitigation measures (with the exception of EV charging points – see below) can be achieved at no costs (e.g., designed out) or by mitigation along with other policies (e.g. Tree planting and Net bio-diversity gain). These costs are included in external works costs and the Net bio-diversity gain £ per unit metric (see above). We note that there does not need to be an Air Quality Assessment if the applicant complies with the SPD i.e. provides EV charging points.</p>
Policy SHW4 – Open Space and Recreation	<p>This policy is to promote health, wellbeing and equality by safeguarding and improving open space. The policy outlines the need for a contribution from new residential development towards the provision of open space. This is taken into consideration within our viability assessment through:</p> <ul style="list-style-type: none"> <li>- Net-to-gross developable area assumptions as part of the BLV calculations;</li> <li>- The density assumption (dph) which is to allow for the relevant open space;</li> <li>- External works costs which allow for the relevant open space costs;</li> <li>- Site specific S106 contributions.</li> </ul>
Policy SHW5 - Playing Fields and sports facilities	<p>The policy requires developers to consider the <i>retention of existing playing fields and sports facilities</i> unless specific conditions are met. This can influence the layout and design of a development, potentially affecting its overall viability.</p> <p>In terms of assessing costs, it would typically involve evaluating the financial implications of implementing the policy requirements. This may include determining the costs associated with retaining or replacing existing playing fields, providing new sports facilities, or making financial</p>

Policy	Implications for Local Plan and CIL Viability Assessment
	<p>contributions. A thorough cost assessment would involve considering factors such as construction costs, land acquisition expenses, ongoing management and maintenance costs, and any potential revenue generation from the facilities. The assessment should be conducted in a comprehensive and transparent manner, considering both short-term and long-term financial implications for the local plan.</p> <p>To assess the direct cost, we consider this would need to be dealt with on a site-specific basis, we have therefore not applied a cost in our appraisals.</p>
Policy SHW6 - Allotments	<p>This policy can directly affect the local plan assessment by prohibiting the redevelopment of actively used allotment sites or those with proven demand. It ensures the preservation of existing allotments and meets community needs. It also mandates that redevelopment can only occur if equivalent or better allotment provision is made available beforehand, protecting allotment users during the transition. The policy discourages the granting of planning permission solely based on derelict sites, encouraging their revitalisation and maintenance. Although the policy doesn't explicitly address financial costs, the provision of alternative sites and promotion of sustainable practices may involve expenses for developers or allotment associations, depending on specific redevelopment requirements.</p> <p>The redevelopment of allotment sites should be assessed at a site-specific level.</p>
Policy SHO3 – Housing, density, type and accessibility	<p>In determining the relevant scheme typologies, we have had regard to the requirements of this policy. The relevant density assumption and unit mix is set out on the Typologies Matrix.</p>
Policy SHO4 – Affordable Housing	<p>Our scheme Typologies Matrix and viability appraisals are specifically designed to test the viability of this policy in the context of the cumulative impact of all of the new policies herein. The drafting of this policy is an iterative process having regard to the results of the viability appraisals and specifically the sensitivity appraisals.</p> <p>Note that in accordance with the PPG, 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. (Paragraph: 002 Reference ID: 10-002- 20190509, Revision date: 09 05 2019)</p>
Policy SHO5 – Delivering wheelchair accessible and self/custom build housing	<p>Our scheme Typologies Matrix and viability appraisals are specifically designed to test the viability of this policy in the context of the cumulative impact of all of the new policies herein. The drafting of this policy is an iterative process having regard to the results of the viability appraisals and specifically the sensitivity appraisals.</p> <p>Wheelchair accessible housing would have a cost implication for development. In addition to the baseline BCIS construction cost we have made extra-over allowance for these optional Building Regulations requirements to demonstrate that this is achievable: + £521 per unit for accessible and adaptable housing M4(2) Category 2 + £10,111 per unit for wheelchair adaptable dwellings M4(3) Category 3. This is based on the DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157.</p> <p>In terms of custom self-build plots we have not attributed any additional cost, given plots can be sold at full value and any plots not sold after 12 months will revert to developer. We have not appraised any self-build schemes explicitly. All our residential typologies are on the basis that land can be acquired and developed into a new unit (including appropriate</p>

Policy	Implications for Local Plan and CIL Viability Assessment
	allowance for profit). Where self-building involves plot sales and/or part completed units (e.g. foundations, or 'wind and watertight') the working assumption is that the developers' profit is commensurate with the development work undertaken and therefore there is sufficient development surplus to incentivise the self-builder to complete the unit.
Policy SHO6 – Financial viability Assessments for Housing	Policy SHO6 will help to ensure the Local Plan is viable and deliverable by establishing the principles for considering financial viability through the plan making and development management processes. The Preferred Option reflects national planning policy and guidance that places greater emphasis on establishing financial viability as part of the plan making process, and sets out the circumstances under which viability of development proposals will be considered at the planning application stage.
Policy SHO9 – Education Facilities	We have included the relevant education contributions into our S106 assumptions herein. In the generic Typologies we have included the sum of £4,471 per unit. Notwithstanding this allowance, the policy is specifically stated to be 'subject to viability'.
Policy SEC5 – Improving access to the labour market	This policy aims to ensure that new major job-creating developments benefit the local community by providing employment opportunities, improving accessibility, supporting training and childcare, and promoting social value. By incorporating these requirements, the local plan can enhance its viability through economic growth, social cohesion, and improved community infrastructure and services. The costs associated with the above policy are picked up in the CIL/S106? in order to provide social value. If further requirements are needed then it should be assessed at a site-specific level.
Policy SEC6 – relationship between industry and sensitive uses	This policy aims to ensure that any new proposals do not have an adverse impact or any harmful impacts on surrounding areas. To mitigate any impact there may be additional costs required which will be unique and specific to the site and surrounding areas. We therefore recommend a site-specific approach to assess the cost implications of this policy.
Policy STR9 – Planning for Low Emission Vehicles	We have applied a cost of £1,000 per house for EV charging and £2,500 per 4 flats for new developments.
Policy SID1 – Promotion of fibre to the premises and 5G networks	Most developers will want to provide full fibre to the premises as it is increasingly considered an essential utility by house purchasers and/or commercial occupiers. The cost of utilities provision is included in our external works allowance. We note that the requirement may be reduced where it can be clearly demonstrated that it is not practical or viable to deliver FTTP. The other provisions of this policy are in respect of the 5G infrastructure network, and are therefore only relevant in that 5G is to be available across Sandwell (but there is no direct impact on viability).
Policy SCO2 – Pollution Control	The policy has a direct impact on the local plan viability study for Sandwell Borough, as it sets clear guidelines for mitigating pollution, poor air quality, noise, and light pollution in development proposals. While ensuring the health and amenity of residents and the environment, compliance with these measures could result in additional costs for developers, including the implementation of pollution mitigation measures, air quality improvements, acoustic insulation, and careful consideration of artificial lighting. The 'agent of change' principle, applied during planning permission, may also influence the financial aspects of development proposals by requiring developers to take responsibility for addressing potential impacts on existing surroundings. A thorough cost-benefit analysis will be essential to assess the financial implications of complying

Policy	Implications for Local Plan and CIL Viability Assessment
	with the policy while ensuring sustainable and environmentally friendly development in the borough. Pollution will differ from site to site, we therefore recommend that a site-specific approach is taken to control pollution.
Policy SC03 – Land contamination and instability	<p>This policy has a direct impact on local plan viability assessments. When there is a known or suspected presence of land contamination or when the proposed use is sensitive or vulnerable to land contamination, the applicant is required to provide sufficient and relevant information for a proper assessment of the proposal. Planning permission may be granted with conditions that necessitate further actions from the applicant. These actions may include conducting a risk assessment and options appraisal, formulating a sustainable remediation strategy, implementing and verifying the remediation strategy, and addressing contaminated land that was not previously identified. Compliance with these requirements adds costs and obligations to the development process, directly impacting the viability of the project. The need for thorough assessment and potential remediation measures can increase expenses and potentially affect project timelines and feasibility. Land instability has a direct impact on local plan viability by requiring proportionate information on instability and assessments to mitigate adverse impacts. The policy safeguards the environment and public safety and makes it challenging for developers to proceed with harmful projects. For the purpose of this study, we applied a remediation cost per acre of £133,000 to incorporate the need to de-risk / decontaminate sites.</p> <p>We note that this figure is an 'oil in the wheels figure' and that remediation of contaminated land as well as stabilisation of land should be measured at a site-specific level and the costs deducted from the price of the land.</p>
Policy SDM1 – Design quality	This policy sets out design principles that new development should follow in order to ensure that Sandwell's different characteristics and qualities are maintained and enhanced. There is therefore a direct impact on the construction cost. Notwithstanding this, the minimum design standard is the Building Regulations and therefore the cost of compliance is reflected in the BCIS costs that we have used within our appraisals. Note also that good design leads to high quality environments which are reflected in the value of real estate. We have used current values (and costs) within our appraisals.
Policy SDM2 – Development and Design Standards	We have developed our scheme typologies (see Typologies Matrix) having regard to the house sizes that have been developed and sold recently (see the Residential Market Paper). We have applied the Nationally Described Space Standard (NDSS) within our appraisals as the minimum standard.
Policy SDM3 – Tall buildings and gateway sites	Developers seeking to construct tall buildings must carefully consider existing character and context, provide design appraisals with alternative options, and demonstrate compliance with various criteria, including access to public transport, local services, and architectural quality. The policy also emphasises preservation and improvement of key landmarks on gateway sites, use of high-grade materials, and incorporation of landscaping and public art. Complying with these requirements may result in additional costs for developers to meet the architectural and environmental standards set by the policy and to ensure seamless integration into the surroundings. A thorough viability assessment will be essential to evaluate the financial implications of developing tall buildings and gateway sites while upholding the borough's unique character and heritage.

Policy	Implications for Local Plan and CIL Viability Assessment
	We have used current costs based on the BCIS and rebased them to West Midlands which take into consideration costs of 'typical' development across Sandwell. We acknowledge that construction costs are likely to be higher with taller buildings. Furthermore, developments involving tall buildings are likely to require a bespoke approach to viability, to assess the additional costs of the development. This is particularly the case given the new requirements of the Building Safety Act 2022.
Policy SDM4 - Advertisements	This policy directly impacts the local plan viability assessment Borough by preserving visual appearance, heritage assets, and public safety. While it doesn't explicitly outline financial costs, compliance with the policy may involve expenses related to design and implementation of appropriate advertisements. This does not have any implications for the purpose of our study; however, we recommend a site-specific approach is taken to the control of advertisements.

3.10 The above policies have all been factored directly into the appraisal models. The cost assumptions applied can be found later in this report at Section 5.

## Emerging Affordable Housing Policy

3.11 The draft Sandwell Local Plan (SLP) includes affordable housing policy SHO4, which requires that:

1. Developments of ten homes or more should, where financially viable, provide a range of tenures that will meet the accommodation needs of both existing and future residents, in line with the most recently available information.
2. All developments of ten homes or more should provide a proportion of affordable housing, where this is financially viable. Smaller sites, which could reasonably be expected to form part of a larger site in the future, will also need to take this policy into account. The minimum proportion of affordable housing that should be provided, subject to viability, is 25%.
3. 25% of the affordable homes required by this policy will be First Homes tenure, as defined in national guidance.
4. Beyond the tenure requirements set out in Parts 2 and 3 of this policy, the tenure and type of affordable homes sought will be determined on a site-by-site basis, based on national planning policy and best available information regarding local housing needs, site surroundings and viability considerations. Detailed guidance may be set out in Supplementary Planning Documents, where appropriate.

3.12 These are the affordable housing policy inputs that we have tested in our baseline appraisals.

## Sandwell Regeneration Strategy and Funding

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- 3.13 As well as providing local policy context, it is important to mention Sandwell's regeneration strategy as it plays a significant role in shaping the borough over the coming years.
- 3.14 Sandwell is undertaking a range of regeneration initiatives with up to £2.9bn of investment between 2022 and 2027 funding regeneration across the six towns, improving quality of life and making Sandwell a more sustainable, greener place. The £2.9bn Regeneration Pipeline includes 69 regeneration projects being delivered across Sandwell funded by a range of public and private sector investment.
- 3.15 Sandwell are currently investing in six towns, resulting in:
- More than 4,300 new homes
  - More than £100 million invested in ten education and skills facilities
  - Helping 4,000+ new learners and apprentices
  - £63 million investment in new employment and commercial floorspace, which will also create and safeguard jobs.
- 3.16 The Regeneration pipeline is funded from a combination of private sector and public sector investment. Private companies and investors represent by far the largest investors in the Borough especially into residential and employment schemes. Whilst many of the individual schemes in the Pipeline have an agreed funding strategy, there are some projects that are not funded at all or are not commercially viable to take forward to implementation.
- 3.17 It is the role of Sandwell Council to work with developers and investors to secure funding and address viability gaps to enable these schemes to proceed. The key investors in the Regeneration Pipeline over the next five years are as follows: –
- Private Sector – Investment in Energy related schemes (£350m)
  - Private Sector – BT OpenReach – Investment in Digital Infrastructure in Sandwell (£40m)
  - Public Sector – Department for Education investment in primary and secondary schools in Sandwell (£100m)
  - Public Sector – Department for Transport (City Region Sustainable Travel Settlement) – £150m investment in Transport Schemes
  - Public Sector – Department for Levelling Up, Housing & Communities – Investment in Towns Fund Programme – 16 schemes (£67.5m)
  - Public Sector – Sandwell Metropolitan Borough Council – Investment in Housing / Health Centre / Aquatics Centre (£160m)
  - Transport for West Midlands – Investment in Metro Extension (£160m) and other local transport schemes (£35m)

- Housing Associations – Investment in Social Housing (£100m)
- 3.18 It is important to note that the regeneration strategy employed by Sandwell Council, with its diverse funding sources, holds significant promise for uplifting residential values and enhancing the overall residential viability in the area.
- 3.19 Much of the regeneration is currently in progress such as the £33.23 million to regenerate Tipton Town Centre, The £165m West Bromwich Masterplan and the £100m Grove Lane Masterplan.

## 4 Viability Assessment Method

- 4.1 In this section of the report, we set out our methodology to establish the viability of the various land uses and development typologies described in the following sections.
- 4.2 Cross-reference should be made back to the Viability PPG guidance in section 2 and specifically the guidance in respect of EUV, premium and profit.
- 4.3 We also set out the professional guidance that we have had regard to in undertaking the financial viability appraisals and some important principles of land economics.

### Viability Modelling Best Practice

- 4.4 The general principle is that planning obligations including affordable housing (etc.) will be levied on the increase in land value resulting from the grant of planning permission. However, there are fundamental differences between the land economics of brownfield and greenfield sites and every development scheme is different. Therefore, in order to derive the potential planning obligations and understand the ‘appropriate balance’ it is important to understand the micro-economic principles which underpin the viability analysis.
- 4.5 The uplift in value is calculated using a residual land value (RLV) appraisal. Figure 4.1 below, illustrates the principles of a RLV appraisal.

**Figure 4.1 The Residual Land Valuation Framework**



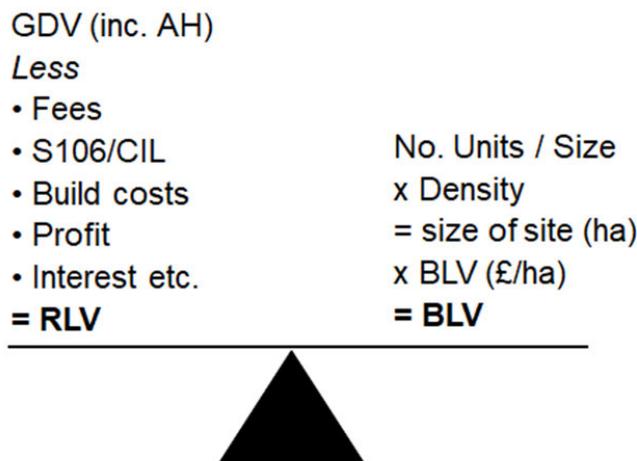
Source: RICS Assessing viability in planning under the National Planning Policy Framework 2019 for England, Guidance Note, 1st edition, March 2021

- 4.6 In the above diagram, a scheme is viable if the Gross Development Value (GDV) of the scheme is greater than the total of all the costs of development including land, development costs,

cumulative policy costs and profit (developers return). Conversely, if the GDV is less than the total costs of development, the scheme will be unviable.

- 4.7 In accordance with the PPG, to advise on the ability of the proposed uses/scheme to support affordable housing and CIL/planning obligations we have benchmarked the residual land values (RLV) from the viability analysis against existing or alternative land use relevant to the particular typology – the Benchmark Land Value (BLV). This is illustrated in Figure 4.2 - Balance between RLV and BLV below.

**Figure 4.2 - Balance between RLV and BLV**



Source: AspinallVerdi © Copyright

- 4.8 If the balance is positive, then the policy is viable. If the balance is negative, then the policy is not viable and the CIL and/or affordable housing rates should be reviewed.
- 4.9 Our specific appraisals for each for the land uses and typologies are set out in the relevant section below.

## Benchmark Land Value (BLV) Approach

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- 4.10 Benchmark land value has been subject to much debate in recent years due to trying to establish the most appropriate method to determine it for planning purposes. The two most common approaches have been Existing Use plus and Market Value adjusted for policy. The latter, although a more market facing approach, has faced criticism because practitioners have not necessarily been adjusting land values fully for policy. The PPG now provides a clear single method (Existing Use plus Premium) in determining land value.
- 4.11 Paragraph: 013 Reference ID: 10-013-20190509 of the Viability PPG states that,  
*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+).*

- 4.12 See Table 2.2 – PPG Viability Key Cross-References above for the relevant references to the PPG for the definition of EUV and the premium.
- 4.13 The RICS also supports the EUV plus method when determining land value for planning purposes. The RICS Assessing Viability in Planning under the National Planning Policy Framework, Guidance Note, March 2021 states that *'the PPG is unambiguous that EUV+ is the primary approach.'*<sup>10</sup> Land transaction evidence should only be used as a cross-check to the EUV plus premium. The RICS guidance emphasises the PPG paragraph 016 which states that *'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'*<sup>11</sup>.
- 4.14 The RICS defines *'EUV for the purposes of FVAs as the value in the existing use, ignoring any prospect of future change to that use. This may however include permitted development or change of use within the same planning use class, but only where this does not necessitate any refurbishment or redevelopment works to the existing buildings or site works.'*<sup>12</sup>
- 4.15 The RICS International Valuation Standards, November 2019, defines EUV as:  
*'Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use.'*<sup>13</sup>

## Guidance on Premiums/Land Value Adjustments

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- 4.16 The PPG requires the existing use value plus premium approach to land value. However, there is no specific guidance on the premium. One therefore has to 'triangulate' the BLV based on evidence.
- 4.17 A number of reports have commented upon the critical issue of land value, as set out below. These inform the relationship between the 'premium' and 'hope value' (see below) in the context

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<sup>10</sup> RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.7.7

<sup>11</sup> Ibid, paragraph 5.7.6

<sup>12</sup> Ibid, paragraph B.1.2

<sup>13</sup> RICS Valuation – Global Standards Incorporating the IVSC International Valuation Standards Issued November 2019, effective from 31 January 2020, Paragraph 150.1

of market value. The PPG is explicit that hope value should be disregarded for the purposes of arriving at the EUV<sup>14</sup>. However, hope value is a fundamental part of the market mechanism and therefore is relevant in the context of the premium.

- 4.18 We set out on the following table our consideration of suitable premiums to apply - Table 4.1 – Premium for BLV Considerations.

**Table 4.1 Premium for BLV Considerations**

Evidence / Source	Quote / Comments
RICS, Assessing Viability in Planning under the National Planning Policy Framework 2019 for England, March 2021 (effective from 01 July 2021)	<p>The RICS acknowledge that <i>‘there is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement’</i>.<sup>15</sup></p> <p>The RICS guidance further explains that <i>‘for a plan-making FVA, the EUV and the premium is likely to be the same for the same development typology, but it would be expected that a site that required higher costs to enable development would achieve a lower residual value. This should be taken account of in different site typologies at the plan-making stage.’</i><sup>16</sup></p>
Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners (The Harman Report)	<p>The Harman Report was published in response to the introduction of viability becoming more prominent in the planning system post the introduction of the NPPF.</p> <p>The Harman report refers to the concept of ‘Threshold Land Value’ (TLV). Harman states that the <i>‘Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development.’</i><sup>17</sup> While this is an accurate description of the important value concept, we adopt the Benchmark Land Value (BLV) terminology throughout this report in-line with the terminology in the PPG.</p>

<sup>14</sup> Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

<sup>15</sup> RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.3.3

<sup>16</sup> Ibid, paragraph 5.3.7

<sup>17</sup> Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners, page 28

**Evidence / Source**

**Quote / Comments**

Although the Harman Report pre-dates the current iteration of the PPG on viability it does recommend the EUV plus approach to determine land value for planning purposes.

The Harman report also advocates that when assessing an appropriate Benchmark Land Value, consideration should be given to *'the fact that future plan policy requirements will have an impact on land values and owners' expectations.*<sup>18</sup>

Harman, does acknowledge that reference to market values will provide a useful 'sense check' on the Benchmark Land Values that are being used in the appraisal model; however, *'it is not recommended that these are used as the basis for input into a model.'*<sup>19</sup>

It also acknowledges that for large greenfield sites, *'land owners are rarely forced or distressed sellers, and generally take a much longer term view over the merits or otherwise of disposing of their asset.'*<sup>20</sup> It refers to these 'prospective sellers' as *'potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'*<sup>21</sup> In these circumstances, Harman states that for these greenfield sites that, *'the uplift to current use value sought by the landowner will invariably be significantly higher than in an urban context and requires very careful consideration.'*<sup>22</sup>

HCA Transparent Viability Assumptions (August 2010)

In terms of the EUV + premium approach, the Homes and Communities Agency (now Homes England) published a consultation paper on transparent assumptions for Area Wide Viability Modelling.

This notes that, 'typically, this gap or premium will be expressed as a percentage over EUV for previously

<sup>18</sup> Ibid, page 29

<sup>19</sup> Ibid

<sup>20</sup> Ibid, page 30

<sup>21</sup> Ibid

<sup>22</sup> Ibid

Evidence / Source	Quote / Comments
	<p>developed land and as a multiple of agricultural value for greenfield land’.</p> <p>It also notes that benchmarks and evidence from planning appeals tend to be in a range of <b>‘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’</b>.<sup>23</sup> (Our emphasis)</p>
<p>Inspector's Post-Hearing Letter to North Essex Authorities</p>	<p>The Inspector’s letter is in relation to, amongst other things, the viability evidence of three proposed garden communities in North Essex. The three Garden Communities would provide up to 43,000 dwellings in total. The majority of land for the Garden Communities is in agricultural use, and the Inspector recognised that the EUV for this use would be around £10,000 per gross acre. In this case, the Inspector was of the opinion that around a <b>x10 multiple</b> (£100,000 per gross acre) would provide sufficient incentive for a landowner to sell. But given <i>‘the necessarily substantial requirements of the Plan’s policies’</i> a price <i>‘below £100,000/acre could be capable of providing a competitive return to a willing landowner’</i>.<sup>24</sup> The Inspector, however, judged that <i>‘it is extremely doubtful that, for the proposed GCs, a land price below £50,000/acre – half the figure that appears likely to reflect current market expectations – would provide a sufficient incentive to a landowner. The margin of viability is therefore likely to lie somewhere between a price of £50,000 and £100,000 per acre.’</i><sup>25</sup></p>
<p>Parkhurst Road v SSCLG &amp; LBI (2018)<sup>26</sup></p>	<p>The High Court case between Parkhurst Road Limited (Claimant) and Secretary of State for Communities and Local Government and The Council of the London Borough of Islington (Defendant(s)) addresses the issue of land valuation</p>

<sup>23</sup> HCA, August 2010, Area Wide Viability Model (Annex 1 Transparent Viability Assumptions)

<sup>24</sup> Planning Inspectorate, 15 May 2020, Examination of the Shared Strategic Section 1 Plan - North Essex Authorities, Paragraph 204

<sup>25</sup> Ibid, Paragraph 205

<sup>26</sup> Parkhurst Road v SSCLG & LBI, Before MR JUSTICE HOLGATE Between: Parkhurst Road Limited Claimant - and - Secretary of State for Communities and Local Government and The Council of the London Borough of Islington Defendant/s, Case No: CO/3528/2017

**Evidence / Source**

**Quote / Comments**

and the circularity of land values which are not appraised on a policy compliant basis.

In this case it was common ground that the existing use was redundant and so the existing use value (“EUUV”) was “negligible”. There was no alternative form of development which could generate a higher value for an alternative use (“AUUV”) than the development proposed by Parkhurst. The site did not suffer from abnormal constraints or costs. LBI contended that there was considerable “headroom” in the valuation of such a site enabling it to provide a substantial amount of affordable housing in accordance with policy requirements. Furthermore, that the achievement of that objective was being frustrated by Parkhurst’s use of a ‘greatly inflated’ BLV for the site which failed properly to reflect those requirements. Mr Justice Holgate dismissed the challenge and agreed with LBI that what is to be regarded as comparable market evidence, or a “market norm”, should “reflect policy requirements” in order to avoid the “circularity” problem<sup>27</sup>.

Land Value Capture report  
 (Sept 2018)<sup>28</sup>

The House of Commons - Housing, Communities and Local Government Committee has published a report into the principles of land value capture. This defines land value capture, the scope for capturing additional land value and the lessons learned from past attempts to capture uplifts in land value. It reviews improving existing mechanisms, potential legislative reforms and alternative approaches to land value capture. Paragraph 109 of the report states, *‘[...] the extent to which the ‘no-scheme’ principle would reduce value “very much depends on the circumstances”.* For land in the middle of the countryside, which would not otherwise receive planning permission for housing, the entire development value could be attributed to the scheme. However, [...] most

<sup>27</sup> Ibid, paragraph 39

<sup>28</sup> House of Commons Housing, Communities and Local Government Committee Land Value Capture Tenth Report of Session 2017–19 HC 766 Published on 13 September 2018 by authority of the House of Commons

**Evidence / Source**

**Quote / Comments**

*work was undertaken within constrained urban areas—such as town extensions and redevelopments—where the hope value was much higher’.*

Hence it is important to consider the policy context for infrastructure and investment when considering land values. For example, where existing agricultural land in the green belt is being considered for housing allocations, the entire uplift in value is attributable to the policy decision (without which there can be no development).

Land at Warburton Lane, Trafford (Appeal Ref: APP/Q4245/W/19/3243720)<sup>29</sup>

Planning appeal for up to 400 dwellings, appeal dismissed. The Inspector preferred the Council’s approach to land value. The Council used agricultural land value of £8,000 per acre. They applied a x10 premium to the net developable area of 33.75 acres and £8,000 per acre to the remainder of the site. The total benchmark land value of £2,900,000. The total site area was 62 acres (25 hectares). The benchmark land value equated to £116,000 per gross hectare (£46,945 per gross acre) / 5.87 multiplier on the agricultural land value of £8,000 per acre. In considering the premium the Inspector noted that, *‘there is no evidence that I have seen that says the premium should be any particular value. The important point is that it should be sufficient to incentivise the landowner to sell the land and should also be the minimum incentive for such a sale to take place’*.<sup>30</sup> It was relevant to note that, *‘in this case one of the two landowners had agreed in the option agreement to sell the land for whatever is left after a standard residual assessment’*<sup>31</sup> and therefore had accepted lower minimum / BLV requirements.

Source: AspinallVerdi, 2023

<sup>29</sup> Appeal Decision, Appeal Ref: APP/Q4245/W/19/3243720, Land at Warburton Lane, Trafford by Christina Downes BSc DipTP MRTPI an Inspector appointed by the Secretary of State for Communities and Local Government Decision date: 25th January 2021

<sup>30</sup> Appeal Decision, Appeal Ref: APP/Q4245/W/19/3243720, Land at Warburton Lane, Trafford by Christina Downes BSc DipTP MRTPI an Inspector appointed by the Secretary of State for Communities and Local Government Decision date: 25th January 2021, para 118

<sup>31</sup> Ibid, para 119

## Land Market for Development in Practice

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- 4.19 A very important aspect when considering area-wide viability is an appreciation of how the property market for development land works in practice.
- 4.20 Developers have to secure sites and premises in a competitive environment and therefore have to equal or exceed the landowners' aspirations as to value for the landowner to sell. From the developers' perspective, this price has to be agreed often many years before commencement of the development. The developer has to subsume all the risk of: acquiring the site, ground conditions; obtaining planning permission; funding the development; finding a tenant/occupier; increases in construction costs; and changes to the economy and market demand etc. This is a significant amount of work for the developer to manage; but this is the role of the developer and to do so the developer is entitled to a normal developer's profit.
- 4.21 The developer will appraise all of the above costs and risks to arrive at their view of the residual site value of a particular site.
- 4.22 To mitigate some of these risks, developers and landowners often agree to share some of these risks by entering into arrangements such as: Market Value options based on a planning outcome; 'subject to planning' land purchases; promotion agreements; and / or overage agreements whereby the developer shares any 'super-profit' over the normal benchmark.
- 4.23 From the landowners' perspective, they will have a preconceived concept of the value or worth of their site. This could be fairly straight-forward to value, for example, in the case of greenfield agricultural land which is subject to per hectare benchmarks. However, in the case of brownfield sites, the existing use value could be a lot more subjective depending upon: the previous use of the property; the condition of the premises; contamination; and/or any income from temporary lets, car parking and advertising hoardings etc. Also, whilst (say) a former manufacturing building could have been state-of-the-art when it was first purchased by the landowner, in a redevelopment context it might now be the subject of depreciation and obsolescence which the landowner finds difficult to reconcile. Accordingly, the existing use value is much more subjective in a brownfield context.

## Brownfield / Greenfield Land Economics

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- 4.24 CIL has its roots in the perceived windfall profit arising from the release of greenfield land by the planning system to accommodate new residential sites and urban extensions<sup>32</sup>. However, lessons from previous attempts to tax betterment<sup>33</sup> show that this is particularly difficult to achieve

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<sup>32</sup> See Barker Review (2004) and Housing Green Paper (2007)

<sup>33</sup> the 2007 Planning Gain Supplement, 1947 'Development Charge', 1967 'Betterment Levy' and the 1973 'Development Gains Tax' have all ended in repeal

effectively without stymieing development. It is even harder to apply the concept to brownfield redevelopment schemes with all attendant costs and risks. The difference between greenfield and brownfield scheme economics is usually important to understand for affordable housing targets; plan viability and CIL rate setting.

- 4.25 The timing of redevelopment and regeneration of brownfield land particularly is determined by the relationship between the value of the site in its current [low value] use (“Existing Use Value”) and the value of the site in its redeveloped [higher value] use – less the costs of redevelopment. Any planning gain which impacts on these costs will have an effect on the timing of redevelopment. This is relevant to consider when setting the ‘appropriate balance’.
- 4.26 Fundamentally, S106, CIL etc. is a form of ‘tax’ on development as a contribution to infrastructure. By definition, any differential rate of CIL/S106 will have a distorting effect on the pattern of land uses. The question as to how this will distort the market will depend upon how the S106/CIL is applied.
- 4.27 Also, consideration must be given to the ‘incidence’ of the tax i.e. who ultimately is responsible for paying it i.e. the developer out of profit, or the landowner out of price (or a bit from each).
- 4.28 This is particularly relevant in the context of brownfield sites in the town centres and built-up areas. Any S106/CIL on brownfield redevelopment sites will impact on the timing and rate of redevelopment. This will have a direct effect on economic development, jobs and growth.
- 4.29 In the brownfield context redevelopment takes place at a point in time when buildings are economically obsolete (as opposed to physically obsolete). Over time the existing use value of buildings falls as the operating costs increase, depreciation kicks in and the rent falls by comparison with modern equivalent buildings. In contrast the value of the next best alternative use of the site increases over time due to development pressure in the urban context (assuming there is general economic growth in the economy). Physical obsolescence occurs when the decreasing existing use value crosses the rising alternative use value.
- 4.30 However, this is not the trigger for redevelopment. Redevelopment requires costs to be incurred on site demolition, clearance, remediation, and new build construction costs. These costs have to be deducted from the alternative use value ‘curve’. The effect is to extend the time period to achieve the point where redevelopment is viable.
- 4.31 This is absolutely fundamental for the viability and redevelopment of brownfield sites. Any tariff, tax or obligation which increases the costs of redevelopment will depress the net alternative use value and simply extend the timescale to when the alternative use value exceeds the existing use value to precipitate redevelopment.
- 4.32 Contrast this with the situation for development on greenfield land. Greenfield sites are constrained by the planning designation. Once a site is ‘released’ for development there is

significant step-up in development value – which makes the development economics much more accommodating than brownfield redevelopment. There is much more scope to capture development gain, without postponing the timing of development.

- 4.33 That said, there are some other important considerations to take into account when assessing the viability of greenfield sites. This is discussed in the Harman Report (albeit Harman is superseded by the PPG, the principles still stand)<sup>34</sup>.
- 4.34 The existing use value may be only very modest for agricultural use and on the face of it the landowner stands to make a substantial windfall to residential land values. However, there will be a lower benchmark (Benchmark Land Value) where the land owner will simply not sell. This is particularly the case where a landowner *'is potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'*<sup>35</sup> Accordingly, the 'windfall' over the existing use value will have to be a sufficient incentive to release the land and forgo the future investment returns.
- 4.35 Another very important consideration is the promotional cost of strategic greenfield sites. For example, in larger scale urban extension sites and garden communities such as the Strategic Sites identified as emerging site allocations, there will be significant investment in time and resources required to promote these sites through the development plan process. The benchmark land value therefore needs to take into account of the often-substantial planning promotion costs, option fees etc. and the return required by the promoters of such sites. *'This should be borne in mind when considering the [benchmark] land value adopted for large sites and, in turn, the risks to delivery of adopting too low a [benchmark] that does not adequately and reasonably reflect the economics of site promotion...'*<sup>36</sup>
- 4.36 This difference between the development 'gain' in the context of a greenfield windfall site and the slow-burn redevelopment of brownfield sites is absolutely fundamental to the success of any regime to capture development gain such as affordable housing, other S106 or CIL. It is also key to the 'incidence' of the tax i.e., whether the developer or the land owner carries the burden of the tax.
- 4.37 In the case of Sandwell there are several housing sites coming forward which are both greenfield and brownfield sites and therefore we have appraised both greenfield and brownfield scheme typologies.

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<sup>34</sup> Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) pp 29-31

<sup>35</sup> Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 30

<sup>36</sup> Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 31

## Hope Value

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- 4.38 Where there is a possibility of development the landowner will often have regard to 'hope value'. Hope value is the *element of* market value of a property in excess of the existing use value, reflecting the prospect of some more valuable future use or development. It takes account of the uncertain nature or extent of such prospects, including the time which would elapse before one could expect planning permission to be obtained or any relevant constraints overcome, so as to enable the more valuable use to be implemented. Therefore, in a rising market, landowners may often have high aspirations of value beyond that which the developer can justify in terms of risk and in a falling market the land owner may simply 'do nothing' and not sell in the prospect of a better market returning in the future. The actual amount paid in any particular transaction is the purchase price and this crystallises the value for the landowner.
- 4.39 Note that hope value is represented in the EUV premium and can never be in excess of policy compliant market value (RLV), given RICS guidance on the valuation of development sites (see Figure 4.1 – The Residual Land Valuation Framework above).
- 4.40 Hence land 'value' and 'price' are two very different concepts which need to be understood fully when formulating planning policy and CIL. The incidence of any S106 tariff or CIL to a certain extent depends on this relationship and the individual circumstances. For example, a farmer with a long-term greenfield site might have limited 'value' aspirations for agricultural land – but huge 'price' aspirations for residential development. Whereas an existing factory owner has a much higher value in terms of sunk costs and investment into the existing use and the tipping point between this and redevelopment is much more marginal.

## Vacant Building Credit (VBC)

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- 4.41 The VBC policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings. The incentive is applied where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building and where the building has not been abandoned. In deciding whether a use has been abandoned, account should be taken of all relevant circumstances, such as:
- the condition of the property
  - the period of non-use
  - whether there is an intervening use; and
  - any evidence regarding the owner's intention.
- 4.42 For this viability assessment, we have not tested brownfield typologies which benefit from Vacant Building Credit as this is site-specific. The inclusion of VBC will however reduce affordable

housing requirements on some brownfield sites, consequently improving the viability of these sites. This is therefore an additional level of contingency for brownfield typologies.

## Conclusions on BLV

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- 4.43 Current guidance is clear that the land value assessment needs to be based on Existing Use plus premium and not a Market Value approach. Although the assessment of the Existing Use can be informed by comparable evidence the uncertainty lies in how the premium is calculated. Whatever is the resulting land value (i.e. Existing Use plus Premium) the PPG is clear that this must reflect the cost of complying with policies: *'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.'*<sup>37</sup>
- 4.44 Detailed research and analysis in respect of land values (Benchmark Land Values) are set out within the Land Market paper appended (see Appendix 4 – Land Market Review).

## BLV Caveats for Decision-Making

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- 4.45 It is important to note that the BLV's contained herein are for 'high-level' plan/CIL viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). The BLV's included herein are generic and include healthy premiums to provide a viability buffer for plan making purposes.
- 4.46 In the majority of circumstances, we would expect the RLV of a scheme on a policy compliant basis to be greater than the EUV (and also the BLV including premium) herein and therefore viable.
- 4.47 However, there may be site specific circumstances (e.g., brownfield sites or sites with particularly challenging demolition, contamination or other constraints) which result in a RLV which is less than the BLV herein. It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications where these constraints exist. In these circumstances, the site-specific BLV should be thoroughly evidenced having regard to the EUV of the site in accordance with the PPG. This report is for plan-making purposes and is without prejudice to future site-specific planning applications.

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<sup>37</sup> MHCLG, 24 July 2018, PPG, Paragraph: 012 Reference ID: 10-012-20180724

## How to Interpret the Viability Appraisals

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- 4.48 In development terms, the price of a site is determined by assessment of the residual land value (RLV). This is the gross development of the site (GDV) less ALL costs including planning policy requirements and developers' profit. If the RLV is positive the scheme is viable. If the RLV is negative the scheme is not viable.
- 4.49 Part of the skill of a developer is to identify sites that are in a lower value economic uses and purchase / option these sites to (re)develop them into a higher value uses. The landowner has a choice - to sell the site or not to sell their site, depending on their individual circumstances. Historically (pre-credit-crunch and the 2012 NPPF) this would be left to 'the market' and there would be no role for planning in this mechanism.
- 4.50 A scheme is viable if the RLV is positive for a given level of profit. We describe this situation herein as being 'fundamentally' viable.
- 4.51 However, since the credit crunch and the 2012 NPPF planning policy has sought to intervene in the land market by requiring that at [an often 'arbitrary'] 'threshold' or 'benchmark' land value (BLV) is achieved as a 'return to the landowner'. This left Local Authorities 'open' to negotiations to reduce affordable housing and other contributions on viability grounds which sets up a powerful force of escalating land values (which is prejudicial to delivery in the long term). The latest iterations of the NPPF and PPG since 2019 are seeking to redress this.
- 4.52 In planning viability terms, for a scheme to come forward for development the RLV for a particular scheme has to exceed the landowner's BLV.
- 4.53 In Development Management terms every scheme will be different (RLV) and every landowner's motivation will be different (BLV).
- 4.54 For Plan Making purposes it is important to benchmark the RLV's from the viability analysis against existing or alternative land use relevant to the particular typology – the Benchmark Land Value – see Figure 4.2 - Balance between RLV and BLV above.
- 4.55 The results of the appraisals should therefore be interpreted as follows:
- If the 'balance' is positive ( $RLV > BLV$ ), then the CIL/policy is viable. We describe this as being 'viable for plan making purposes herein'.
  - If the 'balance' is negative ( $RLV < BLV$ ), then the CIL/policy is 'not viable for plan making purposes' and the CIL rates/planning obligations and/or affordable housing targets should be reviewed.
  - Thirdly, if the RLV is positive, but the appraisal is not viable due to the BLV assumed – we refer to this as being 'marginal'. In this case more scrutiny may be required of the BLV and the sensitivity analysis.

4.56 This is illustrated in the following boxes of our appraisals (appended) – see Figure 4.3. In this case the RLV is calculated as £1,997,669 or £282,956 per acre net (highlighted in blue). This is based upon the residual land value approach. The assumed BLV is £200,000 per acre (highlighted in green) which equals £1,412,000 overall. This is based upon the evidence in our Land Market Paper appended. The difference between the RLV and BLV is the surplus or deficit which in this example is £585,669 (£82,956 per acre) (highlighted orange). The RLV has to be greater than the BLV the meaning the balance is positive/in surplus to be viable.

**Figure 4.3 - Example Hypothetical Appraisal Results**

<b>RESIDUAL LAND VALUE (RLV)</b>				
Residual Land Value (gross)				2,277,557
SDLT		2,277,557 @	HMRC formula	(103,378)
Acquisition Agent fees		2,277,557 @	1.0%	(22,776)
Acquisition Legal fees		2,277,557 @	0.5%	(11,388)
Interest on Land		2,277,557 @	6.25%	(142,347)
Residual Land Value				<b>1,997,669</b>
<b>RLV analysis:</b>	<b>19,977 £ per plot</b>	<b>699,184 £ per ha (net)</b>	<b>282,956 £ per acre (net)</b>	
		<b>524,388 £ per ha (gross)</b>	<b>212,217 £ per acre (gross)</b>	
			<b>7.75% % RLV / GDV</b>	
<b>BENCHMARK LAND VALUE (BLV)</b>				
Residential Density		35.0	dph (net)	
Site Area (net)		2.86	ha (net)	7.06 acres (net)
Net to Gross ratio		75%		
Site Area (gross)		3.81	ha (gross)	9.41 acres (gross)
Benchmark Land Value (net)	14,120 £ per plot	494,200	£ per ha (net)	200,000 £ per acre (net)
<b>BLV analysis:</b>	<b>Density</b>	<b>3,483</b>	<b>sqm/ha (net)</b>	<b>15,172 sqft/ac (net)</b>
		<b>26</b>	<b>dph (gross)</b>	
		<b>370,650</b>	<b>£ per ha (gross)</b>	<b>150,000 £ per acre (gross)</b>
<b>BALANCE</b>				
Surplus/(Deficit)		<b>204,984</b>	<b>£ per ha (net)</b>	<b>82,956 £ per acre (net)</b>
				<b>585,669</b>

Source: AspinallVerdi BETA model

## Sensitivity Analysis

4.57 In addition to the above, we have also prepared a series of sensitivity scenarios for each of the typologies. This is to assist in the analysis of the viability (and particularly the viability buffer); the sensitivity of the appraisals to key variables such as planning obligations, affordable housing, BLV and profit; and to consider the impact of rising construction costs. An example of a sensitivity appraisal and how they are interpreted is shown below. Similar sensitivity tables are attached to each of our hypothetical appraisals (appended).

**Figure 4.4 - Example Affordable Housing v CIL Sensitivity Analysis**

TABLE 1	Affordable Housing - % on site							
	82956	10%	15%	20%	25%	30%	35%	40%
Balance (RLV - BLV £ per acre (n))	82956	291,728	241,271	190,747	140,138	89,423	38,563	(12,501)
	0.00	280,019	230,187	180,291	130,311	80,224	29,977	(20,475)
Max CIL £ psm	20.00	268,310	219,104	169,835	120,482	71,003	21,377	(28,472)
58.05	30.00	256,576	208,007	159,364	110,629	61,782	12,765	(36,472)
(recommended CIL)	40.00	244,841	196,897	148,882	100,776	52,542	4,143	(44,497)
100.00	50.00	233,105	185,787	138,399	90,909	43,295	(4,495)	(52,529)
	60.00	221,346	174,660	127,894	81,029	34,033	(13,145)	(60,582)
	70.00	209,582	163,522	117,384	71,144	24,759	(21,811)	(68,651)
	80.00	197,817	152,384	106,863	61,236	15,471	(30,493)	(76,733)
	90.00	186,024	141,218	96,325	51,327	6,169	(39,187)	(84,843)
	100.00	174,232	130,051	85,783	41,390	(3,151)	(47,908)	(92,971)
	110.00	162,423	118,866	75,215	31,451	(12,483)	(56,640)	(101,118)
	120.00	150,600	107,669	64,645	21,484	(21,840)	(65,394)	(109,288)
	130.00	138,772	96,459	54,046	11,509	(31,208)	(74,174)	(117,489)
	140.00	126,916	85,230	43,444	1,511	(40,602)	(82,972)	(125,716)
	150.00	115,061	73,990	32,812	(8,505)	(50,017)	(91,793)	(133,971)
	160.00	103,172	62,728	22,170	(18,536)	(59,450)	(100,645)	(142,258)
	170.00	91,283	51,450	11,505	(28,599)	(68,911)	(109,526)	(150,578)
	180.00	79,359	40,154	817	(38,679)	(78,401)	(118,436)	(158,936)
	190.00	67,429	28,832	(9,886)	(48,780)	(87,916)	(127,379)	(167,334)
	200.00	55,469	17,496	(20,622)	(58,917)	(97,461)	(136,358)	(175,775)
	210.00	43,492	6,127	(31,382)	(69,081)	(107,039)	(145,375)	(184,262)
	220.00	31,494	(5,264)	(42,166)	(79,273)	(116,652)	(154,433)	(192,805)
	230.00	19,462	(16,678)	(52,979)	(89,498)	(126,305)	(163,537)	(201,404)
	240.00	7,410	(28,125)	(63,831)	(99,760)	(136,000)	(172,689)	(210,027)
	250.00	(4,668)	(39,606)	(74,715)	(110,061)	(145,741)	(181,900)	(218,651)

Source: AspinallVerdi

4.58 This sensitivity table shows the balance (RLV – BLV) for different combinations of Affordable Housing (AH %) across the columns and different amounts of CIL (£ psm) down the rows. Thus:

- You should be able to find the appraisal balance by looking up the base case AH% (e.g., 25%) and the base case CIL (e.g. £58.05 psm – between £50 and £60 psm).
- Higher % levels of CIL will reduce the ‘balance’ and if the balance is negative the scheme is ‘not viable’ for Plan Making purposes (note that it may still be viable in absolute RLV terms and viable in Plan Making terms depending on other sensitivities (e.g. BLV, Profit (see below))).
- Lower % levels of CIL will increase the ‘balance’ and if the balance is positive then the scheme is viable in Plan Making terms.
- Similarly, higher levels of AH (%) will reduce the ‘balance’.
- And, lower levels of AH (%) will increase the ‘balance’.
- So, for example, one can read-across the recommended level of CIL (e.g., £100 psm) to the relevant affordable housing column (25%), and still find that the scheme is viable.

4.59 Please note that this appraisal is purely hypothetical and we are not recommending increasing CIL to £100.

4.60 We have carried out the following sensitivity analysis herein (see appraisals):

- Table 1 – CIL v Affordable Housing %
- Table 2 – Site Specific S106 v Affordable Housing %
- Table 3 – Profit v Affordable Housing %

- Table 4 – BLV v Affordable Housing %
- Table 5 – Build Cost v Affordable Housing %
- Table 6 – Net Zero Costs v Affordable Housing %
- Table 7 – Market Values v Affordable Housing %
- Table 8 – Grant v Affordable Housing %

## 5 Residential Typologies

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- 5.1 The residential section of the report sets out our assumptions and results in respect of the general needs residential typologies (see Appendix 2).
- 5.2 In terms of values, we append our Residential Market Paper which reviews the existing evidence base and provides a detailed market analysis setting out how we have arrived at our assumptions (Appendix 3).
- 5.3 We also append our Land Market Paper which reviews the evidence base and assumptions in respect of Benchmark Land Values (BLV). (Appendix 4).
- 5.4 Our detailed residential appraisals for each site and scheme typology and sensitivity analysis are contained at Appendix 7.
- 5.5 We provide a summary of the assumptions and results below.

### Existing Evidence Base

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- 5.6 We have undertaken a review of the existing evidence base which comprises the following studies. This is to provide a baseline of assumptions for us to build-upon.
- 5.7 Existing evidence reviewed:
- Sandwell CIL Charging Schedule 1<sup>st</sup> April 2015
  - Peter Brett Associates Black Country and South Staffordshire Strategic Housing Market Assessment March 2017
  - Sandwell Strategic Housing Land Availability Assessment 2018/19 Update
  - District Valuer Sandwell CIL Market Report Update 2018
  - GL Hearn Wood Greater Birmingham HMA, Strategic Growth Study Greater Birmingham and the Black Country February 2018
  - Black Country Urban Capacity Review Update 2021
  - West Midlands Combined Authority Investment Prospectus 2020
  - AspinallVerdi Residential Market Paper, Black Country Plan 2020

### Residential Typology Assumptions

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- 5.8 We have developed a comprehensive set of Typologies to appraise. These comprise specific Site (e.g., greenfield / brownfield) and Scheme typologies (e.g., number of units, estate housing, flats etc.)
- 5.9 The detailed Typologies Matrix is contained in Appendix 2.

5.10 The Typologies Matrix has been developed to provide a representative sample of sites and schemes that are likely to come forward in Sandwell over the Plan period. The Typologies Matrix is derived from:

- Comprehensive database of the Councils 'carry over' sites. These are sites that were allocated previously, but have not been delivered and remain to be delivered in the emerging plan period;
- Comprehensive database of 'new' potential site allocations;
- Analysis of the typical size and capacity;
- Density assumptions from the Sandwell Local Plan and house type analysis from the SHMA 2021 Update;
- Assessment of those sites which are greenfield and brownfield;
- We have allowed for typologies in the high / medium / lower value zones as identifies in our housing market research.

5.11 The detailed typologies are set out in the matrix appended (see Appendix 2).

5.12 There are a number of assumptions within the Typologies Matrix which are evidenced below.

### Number of Units

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5.13 The typologies have been formulated with SMBC to reflect the nature of proposed allocated housing sites in terms of size (number of units and density), greenfield / brownfield and location, taking into consideration the housing market areas set out above.

### Mix

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5.14 The Black Country Housing Market Assessment (HMA 2021) recommended the following housing mix in terms of number of beds and property type, depending upon housing tenure.

**Table 5.1 - HMA Housing Mix and Typology**

	<b>One bedroom</b>	<b>Two bedrooms</b>	<b>Three bedrooms</b>	<b>Four + bedrooms</b>
<b>Owner occupied</b>	19.1%	27.9%	30.5%	22.6%
<b>Private rented</b>	22.2%	22.3%	20.3%	35.2%
<b>First Homes</b>	20.6%	26.9%	33.6%	18.9%
<b>Shared ownership</b>	25.0%	32.0%	27.5%	15.5%
<b>Social Rent / Affordable Rent</b>	25.7%	14.9%	22.2%	37.2%

Source: Black Country HMA 2021

5.15 This has informed the starting point for the housing mix shown in our Typologies Matrix; however, this has had to be simplified for the purposes of our appraisals.

5.16 The table below summarises the *typical* housing mix assumed across all site typologies with a housing capacity of 14 units and above, and with the exception of strategic centre typologies.

**Table 5.2 - Housing Mix Assumptions**

Type	Market sale	Affordable
1-Bed House	4.0%	5.0%
2-Bed House	21.0%	9.0%
3-Bed House	31.0%	22.0%
4-Bed House	18.0%	31.0%
5-Bed House	4.0%	6.0%
1-Bed Apartment	15.0%	21.0%
2-Bed Apartment	7.0%	6.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Black Country Housing Market Assessment 2021 (see AspinallVerdi Typologies Matrix)

5.17 It should be noted that in the Typologies Matrix (Appendix 2) there are some nuances for particular scheme typologies e.g., those with housing capacity of 8 units (Greenfield and Brownfield also differentiated) and strategic centres.

5.18 Please see the Typologies Matrix for the specific mix assumed for each typology (Appendix 2).

### Unit Size Assumptions

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5.19 For the purposes of our appraisals, we have ensured that our assumptions meet or exceed the nationally described housing standards by DLUHC as required by local policy (see Table 5.3).

**Table 5.3 - Nationally Described Space Standards**

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) <sup>d</sup>			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	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	4.0
	8p	125	132	138	

Source: Technical housing standards – Nationally Described Space Standard (March 2015)

- 5.20 The DLUHC standards are a matrix and therefore we have had to make assumptions from this, and these are summarised in the table below. This has been established by cross-referencing the DLUHC standards with our sales values evidence for new-builds. There is some ambiguity with this due to the fact that the Land Registry does not specify the number of beds in a property. However, these assumptions have been consulted upon with stakeholders.

**Table 5.4 - Floorspace Assumptions**

Property Type	Floor Area (Sqm)
1-Bed House	62
2-Bed House	79
3-Bed House	100
4 Bed House	128
5+ Bed House	160
1-Bed Apartment	50
2-Bed Apartment	70

## Density

- 5.21 The Typologies Matrix (see Appendix 2) sets out our density assumptions specific to each typology.
- 5.22 SLP Policy SHOU3 - Housing density, type and accessibility set out the density requirements. These are:

(a): 100 dwellings per hectare [where Table 5] accessibility standards for very high-density housing are met and the site is located within West Bromwich.

(b): 45 dwellings per hectare [where Table 5] accessibility standards for high density housing are met;

(c): 40 dwellings per hectare [where Table 5] accessibility standards for moderate density housing are met.

5.23 We have generally applied a density of 40 dwellings per hectare (dph) for the generic typologies, as agreed with SMBC. We have also run typologies for high density at 60 dph.

## Housing Value Zones

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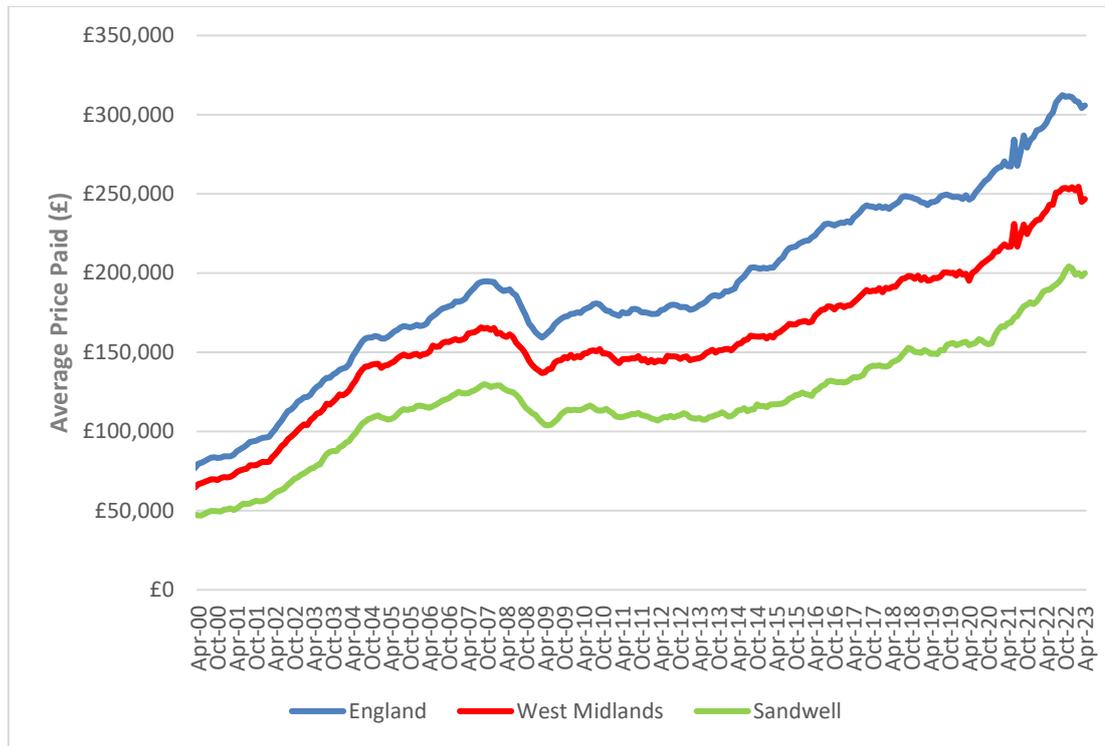
5.24 We have carried out comprehensive market research which is set out in our Residential Market Paper (Appendix 3).

5.25 This includes a wider UK and Regional market overview; details for the existing evidence base on residential sales values; our own market research in respect of new build achieved values; new build asking prices; second-hand achieved values; site-specific viability assessments etc.

5.26 Working with SMBC we have developed a Housing Value Zones map comprising high, medium and lower value areas together with market housing value assumptions and affordable housing transfer value assumptions. These assumptions have been the subject of stakeholder consultation.

5.27 By way of context Figure 5.1 shows the average house prices since 2000 across Sandwell. The chart shows that the values in the Sandwell are lower those for the wider West Midlands and England. The chart also shows the price fall in 2008 following the Global Financial Crisis (GFC), but that prices have now generally recovered to their pre-crash levels.

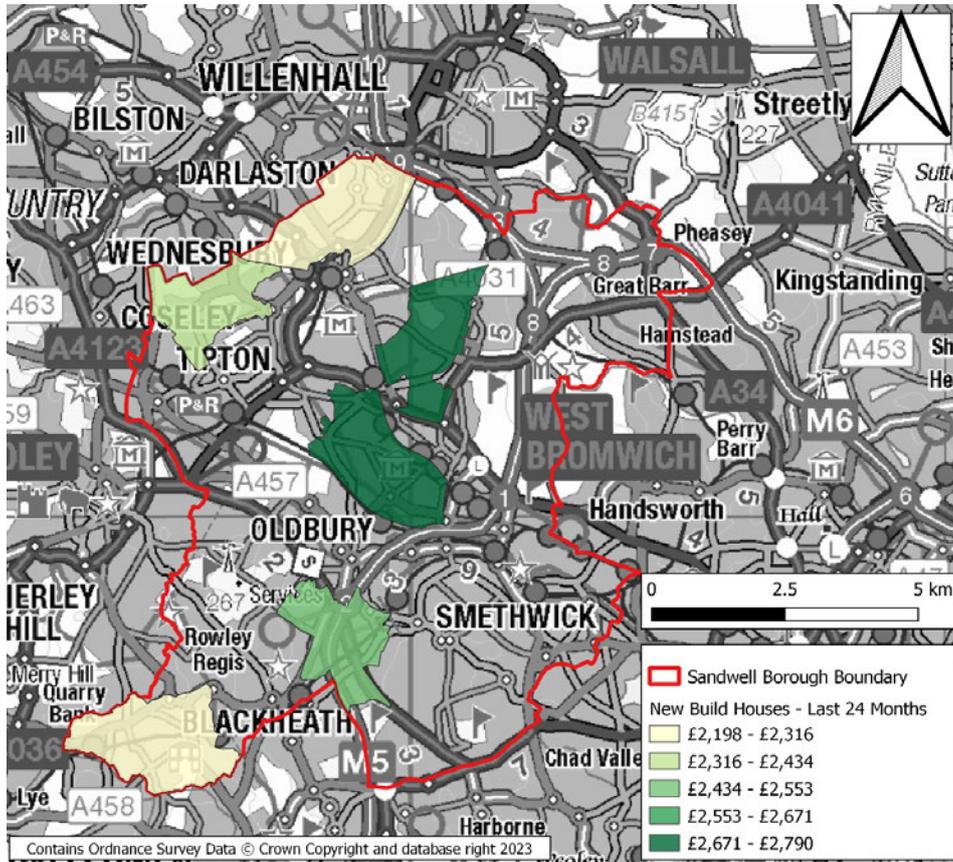
**Figure 5.1 - Average House Prices 2000-2023**



Source: Land Registry, July 2023

5.28 Figure 5.2 below illustrates the average achieved values for new build houses across Sandwell by ward on a £ psm basis.

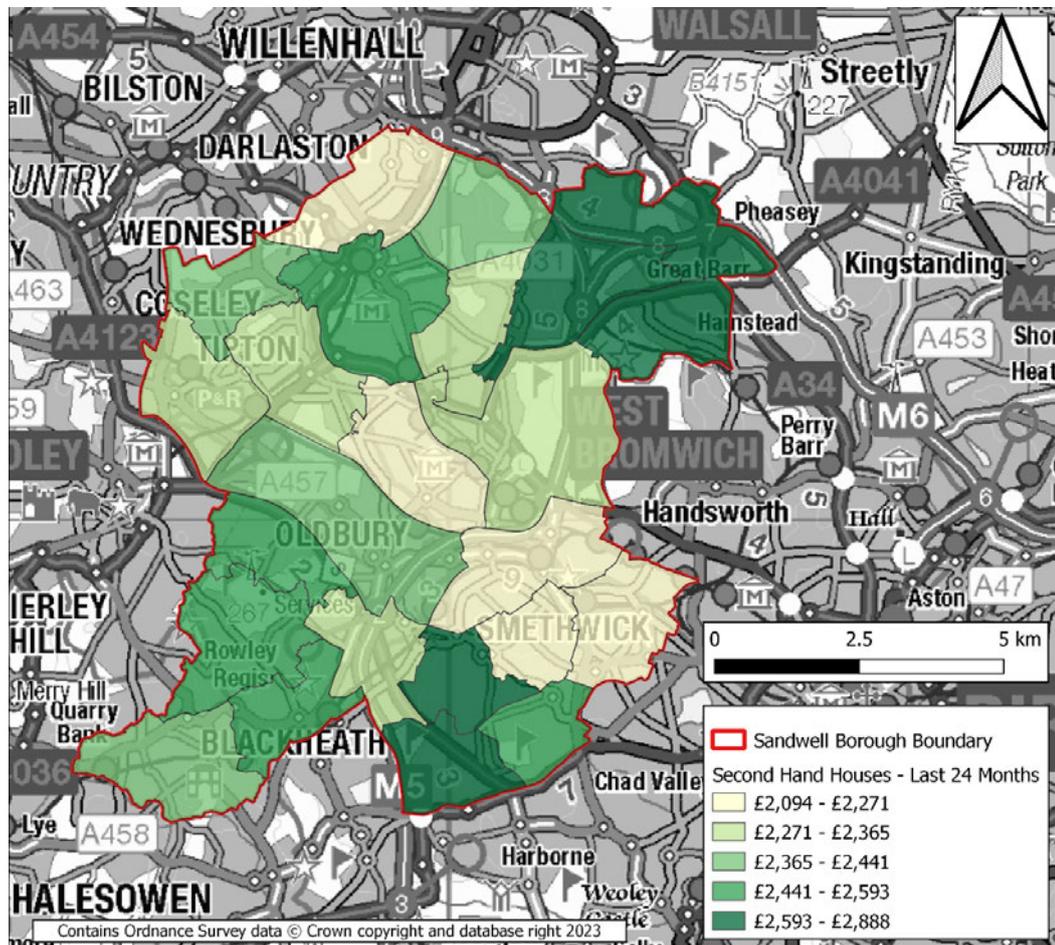
Figure 5.2 - New Build Achieved Value – Houses – (Average £ psm) 2021 - 2023



Source: Aspinall Verdi (QGIS, July 2023)

- 5.29 The map above shows the range of achieved values for new build houses across the borough. From this, it can be seen Greets Green and Lyng and Hatley Heath wards express the highest values, whilst Cradley Heath & Old Hill and Wednesbury North wards show the lowest values.
- 5.30 Our search of the Land Registry data identified c. 75no. transactions for new-build houses within the borough over the last 2 years. Due to the limited number and locations of the transactions, we note that there is no data for a large part of the borough. To strengthen our dataset and provide a comprehensive spatial analysis of values, we have also evaluated second-hand transactions within the borough.
- 5.31 Figure 5.3 below illustrates the average achieved values for second-hand property on a per sqm basis across Sandwell for houses (Semi-Detached, Detached, and Terrace) during the same period.

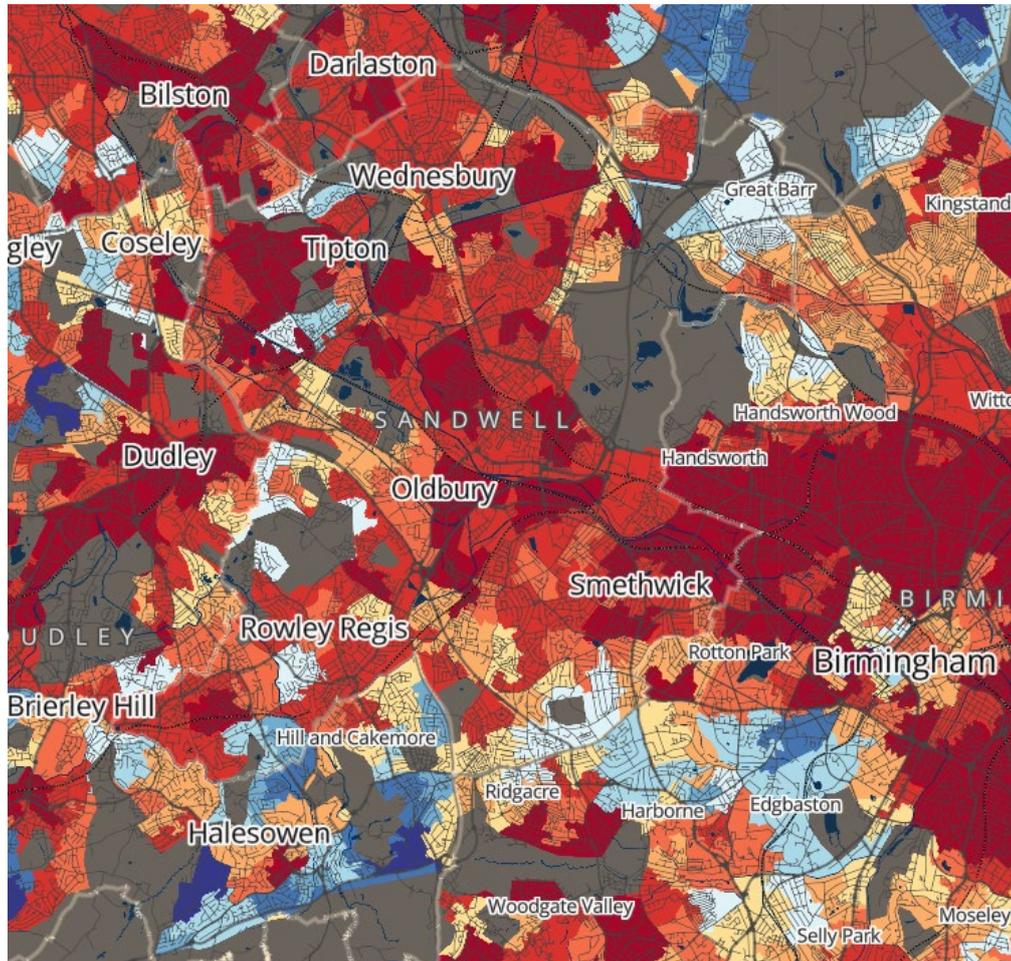
Figure 5.3 - Second Hand Houses - Achieved Value (Average £ psm)



Source: Aspinall Verdi (QGIS, April 2023)

- 5.32 This is useful as it shows a more complete picture of the 'tone' of values between areas across Sandwell.
- 5.33 The lower-value, second-hand house transactions are mainly clustered around the northeast of the borough. The wards Wednesbury North, Greets Green and Lyng, St. Pauls, Smethwick and Soho & Victoria all fall within the lowest banding at £2,094 - £2,271 psm. The higher value areas include Great Barr, Newton and Charlemont with Grove Vale in the northeast, as well as Old Warley and Bristnall in the south, expressing average values of £2,593 - £3,888 psm.
- 5.34 When preparing our Housing Value Zones, we have also had regard to the Index of Multiple Deprivation (IMD). The IMD provides a metric for which multiple datapoints, such as average income, health, education, crime, unemployment etc., are all amalgamated into a single rating which shows the level of deprivation that an area is experiencing, this is illustrated on a map (See Figure 5.4).

Figure 5.4 - Index of Multiple Deprivation Map

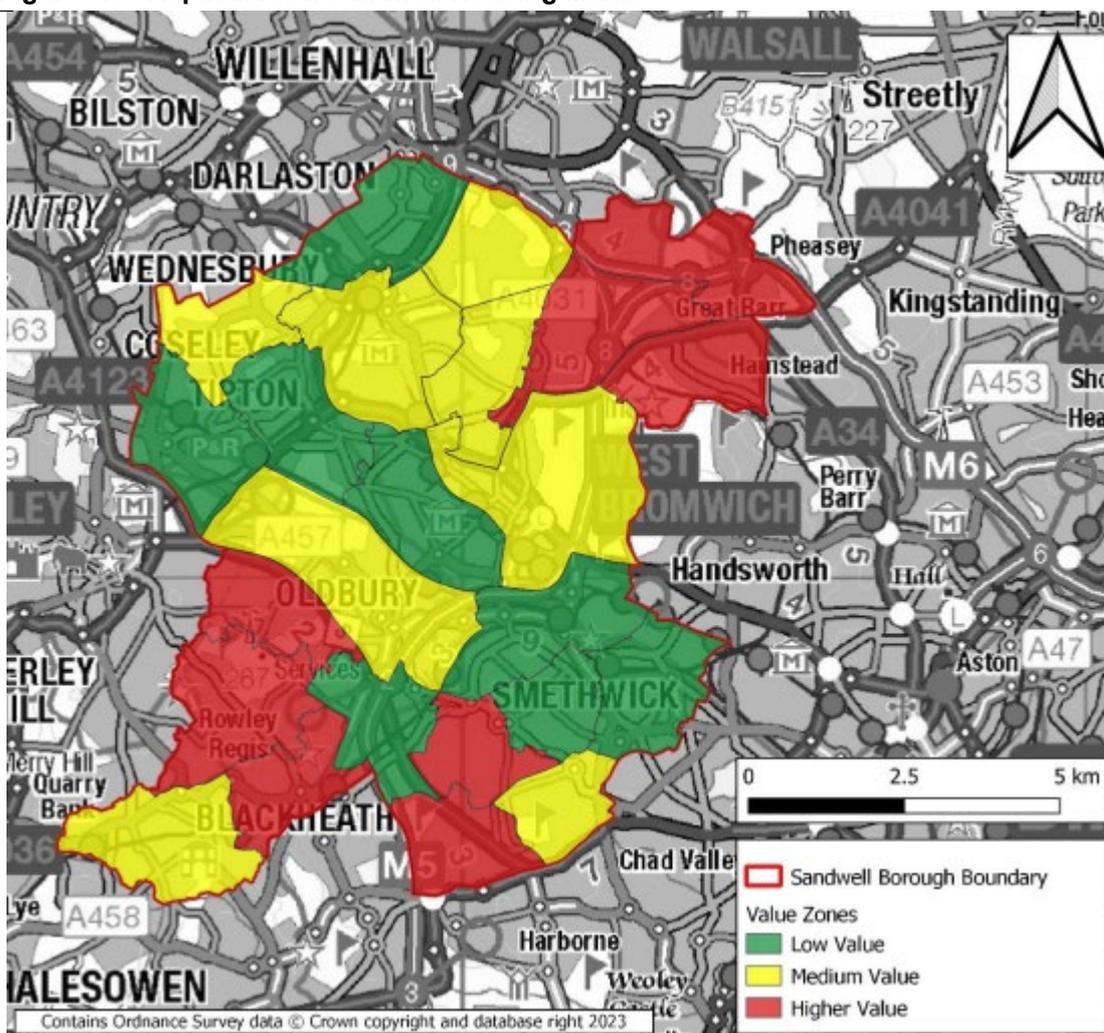


Source: Index of Multiple Deprivation (2019)

- 5.35 The Index of Multiple Deprivation map shows that areas such as Great Barr and Warley Woods are considered to be amongst the least deprived areas in the borough. Similarly, the more deprived areas are closer to the urban core(s). Although this is not a direct comparison to housing values, it is a good proxy. In our experience, higher values tend to be found in areas of least deprivation and values are lower in areas where there is greater deprivation. The IMD map shown above is considered a good proxy for the Housing Zones Map.
- 5.36 In order to derive our Housing Market Zones, we have had regard to:
- Existing evidence base, particularly the heat maps and choropleth maps within previous market research;
  - Current new-build achieved values;
  - Second-hand achieved values; and
  - The index of multiple deprivation.

5.37 Figure 5.5 shows the result of our analysis of the data listed above. We set out three value zones in this map. These are the 'lower', 'medium' and 'higher' value zones – which mapped on a ward basis across Sandwell. This will form the basis of our Typologies Matrix with which we will model different site typologies (e.g., greenfield and brownfield) together with current policy requirements (i.e., CIL charges and S106) with a view for future alignment.

**Figure 5.5 - AspinalVerdi Sandwell Housing Market**



Source: AspinalVerdi, 2023

5.38 The aim is to produce a map that is evidence based and transparent; and logical for ease of implementation. It will never be perfect. There will always be a particularly high value scheme in a lower value area and vice-versa depending on particular local and site circumstances.

## Residential Value Assumptions

5.39 The residential market paper (see Appendix 3) provides the background to the market housing value assumptions shown in the table below.

- 5.40 Our value assumptions have had regard to both new-build achieved values and asking prices. The achieved values provide a benchmark for the assumptions whilst the asking prices allow us to ‘sense check’ our assumptions. We are mindful that they are often aspirational and therefore the asking prices aren’t always achieved.
- 5.41 For the purposes of our area wide viability assessment, we have applied the following values and floor areas within our financial appraisals.
- 5.42 Table 5.5 summarises our assumptions for Absolute Market Values within the 3 defined value areas.

**Table 5.5 - Absolute Market Value Assumptions**

Property Type	Lower Value Zone	Medium Value Zone	Higher Value Zone
1-Bed House	£145,000	£150,000	£165,000
2-Bed House	£170,000	£190,000	£210,000
3-Bed House	£205,000	£240,000	£280,000
4 Bed House	£265,000	£300,000	£325,000
5+ Bed House	£340,000	£355,000	£395,000
1-Bed Apartment	£115,000	£135,000	£150,000
2-Bed Apartment	£135,000	£150,000	£185,000

Source: 230710\_All EPC Matched Data Houses\_v1

- 5.43 Table 5.6 summarises our assumptions for £ per square meter values within the 3 defined value areas.

**Table 5.6 - £ psm Value Assumptions**

Property Type	Floor Area (sqm)	Lower Value Zone (£ psm)	Medium Value Zone (£ psm)	Higher Value Zone (£ psm)
<b>1-Bed House</b>	53	£2,735	£2,830	£3,113
<b>2-Bed House</b>	72	£2,361	£2,629	£2,916
<b>3-Bed House</b>	85	£2,411	£2,823	£3,294
<b>4 Bed House</b>	105	£2,523	£2,857	£3,095
<b>5+ Bed House</b>	160	£2,125	£2,219	£2,469
<b>1-Bed Apartment</b>	50	£2,300	£2,700	£3,000
<b>2-Bed Apartment</b>	70	£1,929	£2,142	£2,642

Source: 230710\_All EPC Matched Data Houses\_V1

5.44 The above values have been the subject of stakeholder consultation.

## Transfer Values

5.45 For the purposes of our appraisals, we have assumed the following Transfer Values for affordable housing.

**Table 5.7 - Affordable Housing Transfer Values**

Tenure	Tenure Mix	AH Value (% of MV)
First Homes	25%	70%
Affordable / Social Rent	75%	80%

Source: SMBC (July, 2023)

5.46 These figures have been provided in consultation with the relevant housing teams. The Transfer Values have also been the subject of stakeholder consultation.

## Residential Cost Assumptions

5.47 The development costs adopted within our appraisals are evidenced (where necessary) and set out below. Note that we consulted with stakeholders on these assumptions at the workshop. The feedback from the stakeholder workshop and how we have addressed this is contained in the Feedback Matrix appended (Appendix 5).

### Initial Payments

5.48 The table below set out our initial development cost assumptions. These are generally payments in respect of site feasibility and planning prior to start-on-site.

**Table 5.8 Initial Payments Cost Assumptions**

Item	Baseline Assumption
<b>Statutory Planning Fees</b>	Based on national formula.
<b>Planning Application Professional Fees and Reports</b>	Allowance for typology, generally 3 times statutory planning fees.

### S106 / CIL Cost Assumptions

5.49 The table below sets out our cost assumptions in respect of S106 and CIL. These are also set out explicitly for each Typology on the Typologies Matrix (Appendix 2).

**Table 5.9 S106 / CIL Cost Assumptions**

Item	Baseline Assumption
<b>Existing CIL Sandwell</b>	CIL charges on residential developments range from <b>£20.64 to £41.28 psm.</b>
<b>S106 – Public Open Space and Recreation</b>	POS and recreation, based on the cost of <b>£4,471 per unit.</b>
<b>S106/S278 – Transport Infrastructure</b>	No specific allowances have been made for off-site highways. We refer you to the S106 sensitivity analysis should any such costs be required.
<b>S106 – Healthcare</b>	<b>£3,107 per home</b> , applied to typologies over 80 units.
<b>S106 – Education</b>	<b>£4,471 per home</b> , applied to typologies over 80 units.
<b>Biodiversity Net Gain</b>	<b>£268 per home Brownfield typologies</b> <b>£1,003 per home Greenfield typologies</b>

Item	Baseline Assumption
	DEFRA Biodiversity net gain and local nature recovery strategies Impact Assessment 15/10/2019 (Tables 16 and 17)

## Construction Cost Assumptions

5.50 The table below set out our construction cost assumptions for residential typologies.

**Table 5.10 Construction Cost Assumptions**

Item	Baseline Assumption	Comments
<b>Site Clearance, Demolition &amp; Remediation</b>	£133,000 per hectare (£54,000 per acre)	Brownfield site clearance / remediation allowance (as for local plan viability)
<b>Estate Housing</b>	£1,211 - £1,374 psm	Lower – Median Quartile BCIS Rebased to Sandwell (last 5 years) We have used lower quartile build costs for volume house-builder sites over 100 units.
<b>Flats 3-5 storey</b>	£1,576 psm	Median BCIS
<b>External Works</b>	15%	Inc. SUDs / drainage; estate roads etc.
<b>Category M4(2) (Mkt. Housing)</b>	£521 per unit	100% of units. DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157. All new dwellings should meet the requirements of Building Regulations Part M4(2) dwelling standard (Accessible and Adaptable Dwellings)
<b>Category M4(3) (Mkt. Housing)</b>	£10,111 per unit	15% of units
<b>Net Zero Carbon / FHS</b>	£6,000 per unit	From previous Local Plan viability work, thereby also achieving the full FHS implementation, as at 2025.
<b>EV Charging</b>	£976 per unit	Based on £976 per house and £2,500 per 4 flats
<b>Contingency</b>	+5%	For both Greenfield / Brownfield

## Other Cost Assumptions

5.51 The table below sets out the remaining fees and marketing cost assumptions for residential typologies.

**Table 5.11 Other Cost Assumptions**

Item	Baseline Assumption	Comments
<b>Professional Fees</b>	6.5%	of construction cost
<b>OMS Marketing and Promotion</b>	3%	for sales discounts and incentives
<b>Sales Agent</b>	1%	% of OMS GDV
<b>Sales Legal</b>	0.25%	% of OMS GDV
<b>AH Legal</b>	£10,000	

5.52 All of the above costs have been the subject of stakeholder consultation.

## Profit Assumptions

5.53 We have adopted a baseline profit of 20% on the Gross Development Value of the open market sale housing (OMS) - with a sensitivity analysis which shows the impact of profit between 15-20%. This is consistent with the PPG (May 2019) which refers to profit of 15-20%<sup>38</sup> being *'considered a suitable return to developers in order to establish the viability of plan policies.'*

5.54 Our baseline assumption of 20% profit is at the top end of the range and we have included sensitivities down to 15% profit within the appraisals. However, we consider this to be a generous margin and allows for 'buffer' in addition to the contingency allowance (3% - 5% included).

5.55 For the affordable tenure types, we have used 6% profit on value (where applicable). This is considered to be an industry accepted standard and the PPG states a lower percentage than 15-20% is more appropriate for affordable housing as it carries less risk when there is a guaranteed, known end value<sup>39</sup>.

5.56 It is important to note that it is good practice for policy obligations not to be set right up to the margins of viability. However, in certain circumstances developers will agree lower profit margins in order to secure planning permission and generate turnover. The sensitivity analyses within the

<sup>38</sup> Paragraph: 018 Reference ID: 10-018-201 90509, Revision date: 09 05 2019

<sup>39</sup> Paragraph: 018 Reference ID: 10-018-20190509, Revision date: 09 05 2019

appendices show the 'balance' (i.e., RLV – BLV) for developer's profit from 20% on private housing down to 15%. This clearly shows the significant impact of profit on viability (especially for larger schemes).

- 5.57 We note that we have also run appraisals with a more pragmatic approach, which incorporates 18% profit, which is at the mid-range of what is accepted in line with the PPG.

## Residential Land Value Assumptions

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- 5.58 The Land Market paper (see Appendix 4) sets out our approach and analysis of available evidence. Within this section we outline the key assumptions around residential land values. Our benchmark land value (BLV) assumptions are set out below. Land value is one of the key variables (together with profit) which determines the viability and deliverability or otherwise of a scheme.
- 5.59 Within the revised NPPF (from 2019) 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.
- 5.60 For greenfield typologies we adopt a bottom-up approach based on the net value per acre / hectare for agricultural land (existing use value (EUV)). This EUV is 'grossed up' to reflect a net developable to gross site area ratio.
- 5.61 The BLV is divided by the (higher) net value per acre / hectare gives an uplift multiplier (or premium) of between 21.1 – 26.7 (depending upon the size of the site (net-to-gross ratio) and the housing value market area (high, medium and lower value).
- 5.62 For brownfield typologies the starting EUV is higher than for greenfield site. The working assumption is that all of the brownfield land is redeveloped (100% - net to gross). The uplift multiplier, expressed as a percentage, is 5% - 10% depending on zone (low to high).
- 5.63 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. Please see the BLV Caveats section (at the end of chapter 4) with respect to site-specific negotiations and premiums.
- 5.64 For the residential typologies on brownfield land, the benchmark land value is based on comparable evidence of sales for brownfield land. Note that EUVs for brownfield sites are sensitive to the particular use (i.e. the EUV could be lower if the site is not in an existing lawful use for industrial / commercial) and any legacy costs of contamination, site remediation and demolition.

**Table 5.12 - Benchmark Land Value Assumptions**

Typology	Location	Greenfield /Brownfield	EUV -					Uplift Multiplier x [X] x [Y]%	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		(per acre) (net developable) (rounded)	(per ha) (net developable) (rounded)
Residential/Commercial	Low Value Area	Brownfield	£225,000	£555,975	100%	£225,000	£555,975	5.0%	£236,250	£583,774
Residential/Commercial	Medium Value Area	Brownfield	£235,000	£580,685	100%	£235,000	£580,685	7.5%	£252,625	£624,236
Residential/Commercial	High Value Area	Brownfield	£275,000	£679,525	100%	£275,000	£679,525	10.0%	£302,500	£747,478
Residential	Low Value Area	Greenfield	£8,000	£19,768	75%	£10,667	£26,357	17.8%	£200,000	£494,200
Residential	Medium Value Area	Greenfield	£8,000	£19,768	75%	£10,667	£26,357	20.1%	£225,000	£555,975
Residential	High Value Area	Greenfield	£8,000	£19,768	75%	£10,667	£26,357	22.4%	£250,000	£617,750

Source: AspinallVerdi 230629\_Sandwell Benchmark Land Values\_v1

The above values are for Plan-making purposes only. This table should be read in conjunction with our Financial Viability Assessment Report and the caveats therein. No responsibility is accepted to any other party in respect of the whole or any part of its contents.

## 6 Stakeholder Consultation

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- 6.1 We have consulted with industry by way of a stakeholder consultation workshop held on Thursday 7<sup>th</sup> September 2023.
- 6.2 A copy of the slide presentation is attached at Appendix 6.
- 6.3 As part of the consultation, we requested written feedback on the appraisal assumptions.
- 6.4 We received 1 response letter of feedback and there was no feedback raised during the consultation. The response has been reviewed and analysed in the Feedback Matrix (Appendix 5).

## 7 Site-Specific Appraisals

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- 7.1 **Please note that the appraisals in this section utilise some commercially sensitive information which has been redacted in this report for publication.**
- 7.2 We have carried out detailed analysis of three proposed strategic site allocations for residential development. The choice of sites was agreed with the Council, having regard to the advice in the Planning Practice Guidance that “in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.”
- 7.3 These sites are:
- **Rattlechain** – Located in Tividale, Oldbury, is formed of the Rattlechain lagoon, located alongside Tipton Road (A457). It is surrounded by two legs of the Birmingham Canal, the Dudley Canal and Gower Branch Canal. The River Tame also runs through the site. Located to the south of the site is a housing development, with industrial development to the east. This site is split into four ownerships.
  - **Friar Park** – is a council owned site located in Wednesbury, directly adjacent to Friar Park Road, bounded by the railway on the northern side of the site, and 100m away from Tame Bridge Parkway station to the south east. The site is currently comprised of playing fields, and open space. To the south of Friar Park Road and to the east of the site is existing residential development.
  - **Lion Farm** – is also a council owned site. The site is located on land near the Lion Farm Estate in Oldbury, close to Junction 2 of the M5. The site is bounded to the north by Newbury Lane, to the east by Wolverhampton Road (A4123), to the south by Birchfield Lane (A4034) and to the west by Brunel Road and Wolverley Crescent. The site is currently comprised of 15 football pitches and a club house.

### Site-Specific Market Engagement

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- 7.4 We have prepared (i) a detailed questionnaire which was used to consult on BLV, profit etc. of the sites to be appraised and (ii) an infrastructure/S106 cost assumptions spreadsheet proforma (to capture the social and economic infrastructure required to mitigate the site).
- 7.5 In terms of (i) we have prepared a bespoke regeneration area questionnaire in MS Word to gather data from each of the site promoters and landowners/developers. This includes fields for:
- Land assembly / BLV
  - Financial Viability and Funding

- Planning Policy and Consents
  - Delivery Mechanism etc.
- 7.6 We have held a series of one-to-one workshop meetings with the strategic site promoters, developers and landowners for each of the sites to review the draft site proformas. We have then provided an opportunity for the site proformas to be updated/finalised.
- 7.7 Information received in response to these requests is summarised in Table 8.1 below.
- 7.8 This section sets out below our observations in respect of the viability and deliverability of each of the site.
- 7.9 Given the Government’s requirement that Local Plans should set out the contributions expected from development, and that policies should not undermine the deliverability of the Local Plan (NPPF Paras 57 and 34) it is very important that the Council can demonstrate that the Local Plan as a whole will be deliverable. This requires the Council to have an understanding of specific baseline land values.

**Table 7.1 – Site Specific Appraisals Developer Response Summary**

Ref	Rattlechain	Friar Park	Lion Farm
# units	Total: 550	Total: 630	Total: 200
Site Area	15.61 Ha (38.57 acres)	SMBC Ownership – total 13.61ha (33.63 acres) WMCA Ownership – total 12.5ha (30.88 acres)	5Ha (12.35 acres)
Build Density	40 dph	40 dph	40 dph
Value Zone (H/M/L)	Medium	Medium	Low
1-2-1 Meeting held	Y – 06/10/2023	Y – 05/10/2023	Y – 19/10/2023
Land-owner(s)	<ul style="list-style-type: none"> <li>• Rattlechain Developments Ltd</li> <li>• Solvay</li> <li>• Canal &amp; River Trust</li> </ul>	Site under Sandwell Metropolitan Borough Council Ownership	Site under Sandwell Metropolitan Borough Council Ownership
Developer / Site Promoter on-board	Elias Topping	Sandwell Metropolitan Borough Council	Sandwell Metropolitan Borough Council
Prof. Advisors	Planning consultant - Eden Planning	Cushman & Wakefield	
EUV [Q23]	£XXXXXXXX	EUV not provided	EUVs not provided

Ref	Rattlechain	Friar Park	Lion Farm
Premium [Q24]	N/A	N/A [REDACTED]	N/A [REDACTED]
Min Land Value [Q55]		[REDACTED] given remediation is undertaken as part of that work	
Residential Value expectations	Apartments: £XXX psf Houses: £XXX psf	From C&W initial viability report (March 23) 1 bed maisonette: £XXX psf 2 bed maisonette: £XXX psf 2 bed house :£XXX psf 3 bed house: £XXX psf 4 bed house: £XXX psf	Values adopted from generic typologies
Profit [Q46]	OMS: XX% AH: X%	OMS: XX% AH:XX%	OMS: XX% AH: X%
Abnormal / Site Remediation costs	Site remediation and abnormal costs of £XXXXXXXX are expected – this figure is taken from the development appraisal	Site remediation: £XXXXXXXX Abnormals: £XXXXXX	[REDACTED]
Infrastructure costs	Highways improvements (John's Lane) - £XXXXXXXX Connectivity - £XXXXXXXX	Off-site Utility reinforcement : £XXXXXX On-site infrastructure (externals, roads, lighting, blue/green infrastructure): £XXXXXX	This was not provided
S106 costs	£XXXXXXXX	£XXXXXXXX	£XXXXXXXX

<b>Ref</b>	<b>Rattlechain</b>	<b>Friar Park</b>	<b>Lion Farm</b>
Agreed Grant Funding	Potential funding from WMCA to cover the remediation cost	Levelling up funding: £XXXXXXXX	-

## Site-Specific Appraisal Assumptions

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- 7.10 In the main, we have adopted standard assumptions in line with those used for the generic site appraisals, however in some instances these have been adjusted to reflect both the nature of the specific site and/or information provided by the site promoter. Where the assumptions differ, they have been detailed below.
- 7.11 For Friar Park, the following adopted assumptions differ from those on the generic sites:
- Unit areas – these have been adjusted to reflect the information provided by the developer. Meaning 2,3 and 4 bed houses are now 70 sqm, 88 sqm and 107 sqm respectively.
  - Site remediation costs of £XXXXXXXX are included to reflect promotor/ developer feedback.
  - Infrastructure costs of £XXXXXXXX are included to reflect promotor / develop feedback.
- 7.12 For Rattlechain, the following adopted assumptions differ from those on the generic sites:
- Unit areas – these have been adjusted to reflect the information provided by the developer. Meaning 1 and 2 bed apartments are now 59 sqm and 71 sqm respectively whilst 3, 4 and 5 bed houses are 85 sqm, 110 sqm and 130 sqm respectively.
  - Site remediation costs have been uplifted to [REDACTED] per hectare to reflect promotor/ developer feedback.
  - Infrastructure costs have been included at [REDACTED] per unit. This includes the infrastructure cost for highways improvements (John's Lane) at £XXXXXXXX and connectivity improvements totalling £XXXXXXXX. This information has been provided by the site promotor/developer.
- 7.13 For Lion Farm, the assumptions remain the same as the generic typologies.

## S106 and Infrastructure costs

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- 7.14 We have been provided with S106 and infrastructure costs by the relevant site promoters, land owners or developers.
- 7.15 We have received completed S106/infrastructure pro-formas for both Friar Park and Rattlechain and have included their total combined S106/infrastructure costs on a per unit basis. As we have not received pro-forma for Lion Farm, we have based our assumptions on the generalised typology allowance for S106/ infrastructure costs.
- Friar Park - [REDACTED] per unit
  - Rattlechain - [REDACTED] per unit
  - Lion Farm - [REDACTED] per unit

- 7.16 The above figures include contributions for education, community sports, public transport, substations (where needed), and open space contributions.
- 7.17 It is important to note that high level working S106 and infrastructure cost assumptions are not necessarily limiting to our analysis, as we appreciate that some sites have been promoted for a longer period of time than other sites. Sites which are in the early stages of development and promotion are understandably likely to have less information available. However, infrastructure cost risk has to be counter-balanced by evidence that there is an appreciation by the landowner/promoter that they have to bear this cost out of land value. Where there is limited infrastructure cost information and limited information on land value aspirations, this is the highest risk to the delivery of the Local Plan.

### Benchmark Land Value

- 7.18 Benchmark land values have been adopted for the sites reflecting brownfield / greenfield residential site values as outlined in the Land Market Paper as well as a more pragmatic view based on the heavy remediation required at Friar Park.
- 7.19 The benchmark land values we have adopted are shown in Table 7.2 below.

**Table 7.2 - Site-Specific Benchmark Land Values**

Site	Existing Use	BLV (per acre)
Rattlechain	Waste Management	██████████
Friar Park	Former Sewage Works	██████████
Lion Farm	Playing Fields	██████████

- 7.20 Employing EUVs in line with those for brownfield industrial sites in the borough indicates existing use value of ██████████ per acre. That said however, given the heavy remediation required for both Rattlechain/Friar Park means that likely they would remain vacant without significant gap funding to bring the site forward, giving reason to the BLV per acre for Rattlechain being significantly lower than that of the generic typologies. As we have not received a figure for land values for Friar Park and based on the heavy remediation, we have adopted a modest BLV of ██████████ per acre.

7.21 Where there is 'flexibility' in terms of land values through the delivery mechanism, this is highlighted below as part of the RAG rating.

## Site-Specific Appraisal Outcomes

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7.22 We have appraised the following sites:

- Friar Park - 630 units
- Rattlechain - 550 units
- Lion Farm - 200 units

7.23 We have included within the appraisal a cost per unit for site specific S106 and infrastructure costs for each strategic site. These assumptions have been provided by the Council / promotor / developer. The appraisals for the strategic sites are provided at Appendix 6. A summary of these appraisals can be found in Table 8.3 below.

7.24 **All the sites are currently unviable with the proposed 25% affordable housing target and will require grant funding to come forward.**

7.25 The residual land value appraisals for these sites all produce deficits over the site BLVs. This is due to a number of issues, including large infrastructure costs, remediation costs, low residential sales values and high build costs.

7.26 The sensitivity analysis for **Friar Park** shows that an increase in residential values by 2% is required for the scheme to become viable at 25% affordable housing. Similarly, build costs would need to be reduced by 2% to produce viability at 25%. It is reasonable to suggest that the wider regeneration of Sandwell has the potential to uplift residential values, thus making this scheme viable on the basis that the stated grant funding of [REDACTED] is used to remediate the site ready for development.

7.27 Sensitivity Table 3 also shows that a slight reduction in developer profit to 17.5% at 25% affordable housing, which is still in line with the PPG standards for developer profit, would create viability for this scheme, also based on the assumption that [REDACTED] grant funding is secured for the site.

7.28 **Rattlechain** is shown to be viable with a reduction of developer profit to 15% at 25% affordable housing. This is also based on the assumption that the site would receive [REDACTED] grant funding to support the remediation. This site is also shown to be viable with a 5% decrease in build costs at 25% affordable housing, with the assumption grant funding is secured.

7.29 **Lion Farm** generates a deficit of [REDACTED] making it unviable. This is mainly due to the fact that this is situated in a lower value area. The costs are modest given that it is a greenfield site. In order to create viability on the site, a reduction in build costs of over 30% is required. For this

scheme to be viable approximately [REDACTED] in grant funding per unit is required, which equates to approximately [REDACTED] in public funding required.

**Table 7.3 – Strategic Site Viability Appraisal Summary**

Appraisal Ref:	Rattiechain	Friar Park	Lion Farm
Scheme Typology:	Medium Value Brownfield	Medium Value Brownfield	Low Value Greenfield
No Units:	550	630	200
Location / Value Zone:	Medium	Medium	Low
Greenfield/Brownfield:	Brownfield	Brownfield	Greenfield
Notes:			
Total GDV (£)			
Policy Assumptions	-	-	-
AH Target % (& mix):	25%	25%	25%
Affordable Rent:	60%	60%	60%
Social Rent:	0%	0%	0%
First Homes:	25%	25%	25%
Other Intermediate (LCHO/Sub-Market etc.):	15%	15%	15%
CIL (£ psm)	41.28	41.28	41.28
CIL (£ per unit)	3,008	2,760	3,077
Site Specific S106 (£ per unit)			
Sub-total CIL+S106 (£ per unit)			
Site Infrastructure (£ per unit)			
Sub-total CIL+S106+Infrastructure (£ per unit)			
Profit KPI's	-	-	-
Developers Profit (% on OMS)	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.5%	6.0%	6.0%
Developers Profit (% blended)	17.90%	17.78%	17.64%
Developers Profit (% on costs)	19.62%	20.60%	17.01%
Developers Profit Total (£)			
Land Value KPI's	-	-	-
RLV (£/acre (net))			
RLV (£/ha (net))			
RLV (% of GDV)			
RLV Total (£)			
BLV (£/acre (net))			
BLV (£/ha (net))			
BLV Total (£)			
Surplus/Deficit (£/acre) [RLV-BLV]			
Surplus/Deficit (£/ha)			
Surplus/Deficit Total (£)			
Plan Viability comments	Not Viable	Marginal	Not Viable

Source: 231103\_Sandwell Local Plan Viability Strategic Site Appraisals\_v1

## Grant Funding

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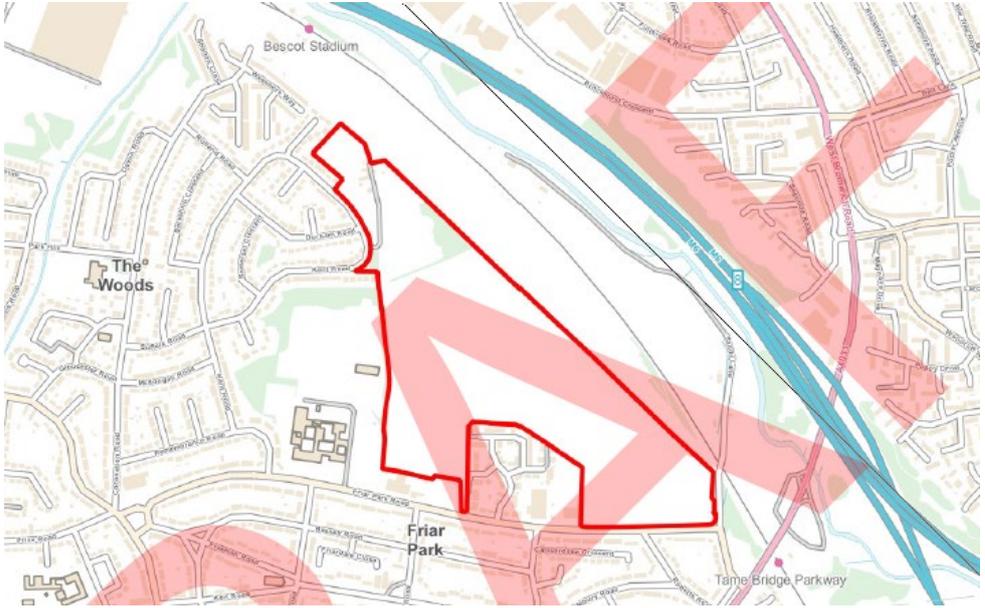
- 7.30 In both developing and bringing initial stages of the Council owned sites forward, the Council has already received the support of the Department for Levelling Up, Housing and Communities (DLUHC).
- 7.31 To this end, we expect grant funding in the region of the figures outlined below will be required to bring the sites forward for development:
- Friar Park [REDACTED] per unit
  - Rattlechain [REDACTED] per unit
  - Lion Farm [REDACTED] per unit
- 7.32 With regard to Friar Park, we understand that the Council have sufficient grant funding in place to ensure marginal viability on the site.
- 7.33 Whilst this level of grant funding will be required to bring the initial phases of the larger schemes forward, it is possible that the likely value increases associated with the planned place-making and regeneration works will negate this requirement in the later phases.
- 7.34 It should also be noted that the appraisals undertaken for the strategic sites (and for all sites) are based on standard residential development models without inclusion of any commercial element. In reality, we recognise that developers are likely to both include commercial elements (in particular Lion Farm) and bring sites forward through a range of methods including joint ventures with Registered Providers, Build-to-Rent schemes and varied financial models to ensure viability and improve profit margins.

## Deliverability Analysis:

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- 7.35 We set out below our notes and comments in respect of strengths / opportunities and weaknesses / constraints for each of the sites appraised. It is important to note that this is not definitive, and Sandwell Metropolitan Borough Council will have additional criteria for site allocations. The comments below are limited to viability and deliverability aspects, however they also take account of the role of each site in delivery of the Sandwell Local Plan, where appropriate, and associated residential market uplifts.
- 7.36 Each of these sites has been given a RAG rating, with Green indicating it is viable and deliverable, Amber indicating the site has marginal viability and deliverability and Red meaning it is neither financially viable nor deliverable.
- 7.37 Sites where we have been unable to confirm either the EUV + premium or the minimum land value (in the case of options/promotion agreements etc.) should be considered less favourably than sites which have confirmed these figures (all other things being equal). This is because there is more uncertainty about the deliverability of the sites (irrespective of the viability position).
- 7.38 This is not to say that these are the values that the landowner expects to achieve in the future (where policy compliant residual land values could be higher than current expectations).
- 7.39 We set out for each of the site's comments in respect of strengths / opportunities and weaknesses / constraints.

## Friar Park

<p>Location Plan</p>	
<p>Strengths / Opportunities</p>	<ul style="list-style-type: none"> <li>• 630 units.</li> <li>• Full policy compliant scheme proposed c. 25% affordable.</li> <li>• 10 hectares of open space.</li> <li>• [REDACTED]</li> <li>• Council have secured levelling up funding, which gives them [REDACTED] to spend in 18 months (in which some can be spent on remediation)</li> <li>• Closely located to existing residential.</li> <li>• Council owned site.</li> <li>• Joint Venture agreement in place with The West Midlands Combined Authority.</li> <li>• Located 100m away from Tame Bridge Parkway Station.</li> <li>• Funding schemes show a delivery mechanism.</li> <li>• Consultants recruited to start with a waste recovery plan.</li> </ul>
<p>Weaknesses / Constraints</p>	<ul style="list-style-type: none"> <li>• Former sewage treatment works. Heavily contaminated site c. 400,000 cubic metres of sewage sludge (97-99% of which can be treated on site).</li> <li>• Issues with land levels.</li> <li>• Mixed land ownership between WMCA and the council (albeit, at least this is all within the public sector).</li> <li>• Studies estimate £XXm for remediation.</li> <li>• [REDACTED] gap in remediation fund which is constraining the sites' ability to move forward.</li> <li>• SMBC land generates positive land value – WMCA land generates negative land value. Overall scheme generates negative return, requiring substantial subsidy.</li> </ul>

<p>Appraisal &amp; Sensitivity Comments</p>	<ul style="list-style-type: none"> <li>• Assumptions that BNG mitigation cannot be met on site.</li> <li>• Appraisal has current deficit of [REDACTED] which equates to [REDACTED] per hectare.</li> <li>• This is inclusive of [REDACTED] in levelling up funding which amounts to [REDACTED] per unit.</li> <li>• With this funding the appraisal is shown to be marginally viable.</li> <li>• In order for the scheme to be delivered, a reduction in developer profit to 17.5 % would create viability.</li> <li>• A slight reduction in build costs (2%) would also create viability on this site.</li> </ul>
<p>Risk Mitigation</p>	<ul style="list-style-type: none"> <li>• If the scheme receives grant funding which would cover the cost of remediation, our appraisals show that there will be marginal viability on the site, enabling the delivery of the site.</li> <li>• We believe that Sandwell’s regeneration strategy and secured funding has the potential to regenerate the area in the coming years, enabling market changes. As such, we believe it is likely that the scheme will become more viable as residential sales value growth progresses as a result of the wider regeneration in the borough.</li> </ul>
<p>RAG Rating</p>	<p>Viability appraisal shows scheme as marginally viable with the incorporation of the grant funding.</p> <p>With Sandwell’s track record of receiving funding, we believe the scheme is likely to gain sufficient grant funding and be brought forward for development within the Local Plan period.</p> <p>Once the grant funding is confirmed, this would be a ‘green’ RAG rating.</p>

## Rattlechain

<p>Location Plan/ Land Plan</p>	<p><b>LEGEND</b>          Application Boundary          Area:-          232,825.705Am<sup>2</sup>          23,3825 hectares          57,5312 acres</p> <p><b>LOCATION PLAN</b>          1 of 4</p>
<p>Strengths / Opportunities</p>	<ul style="list-style-type: none"> <li>• This is a 550-unit scheme.</li> <li>• In close proximity to Dudley Port Railway Station.</li> <li>• This site has been shelved for many years due to the contaminated lagoons.</li> </ul>

	<ul style="list-style-type: none"> <li>• The nearby canal could be an asset, being next to the site.</li> <li>• Developer/promotor is working with WMCA to secure funding.</li> <li>• Fully policy compliant scheme proposed.</li> </ul>
Weaknesses / Constraints	<ul style="list-style-type: none"> <li>• There is a contaminated lagoon being used as a waste dump at the Northern end of the site (green land on the plan). When undertaking levelling works, soil from the site will be put in the lagoon.</li> <li>• The major challenge is historically the foundry tip. Ground investigations have just concluded; the site is a mountain of fuel ash fill.</li> <li>• No collaboration agreement exists between the owners of the small parcels of land. Conversations are being held.</li> <li>• £XXXXXXXX remediation required.</li> </ul>
Appraisal Sensitivity Comments	<ul style="list-style-type: none"> <li>• Appraisal has current deficit of ██████████ which amounts to ██████████ per hectare. This is inclusive of £XXXXXXXXXX grant funding to remediate the site.</li> <li>• With the sufficient grant funding, this scheme is shown to be viable with a 5% reduction in build costs at 25% affordable housing. Reduction in profit from 20% to 17.5% also creates viability in this scheme, should it receive grant funding.</li> </ul>
Risk Mitigation	<ul style="list-style-type: none"> <li>• We are aware that the site promotor / developer are in conversation with WMCA / Homes England to secure grant funding to cover the remediation costs.</li> </ul>
RAG Rating	<p>Viability appraisal shows scheme is unviable in a purely commercial sense.</p> <p>However, with sufficient grant, we believe it is likely the scheme will be delivered.</p> <p>The site promoter has been transparent in providing information including land values and is working with the Council, WMCA, Homes England and the other land owners to enable the site to be developed.</p>

## Lion Farm

Masterplan	N/A
Strengths / Opportunities	<ul style="list-style-type: none"> <li>• Strategic value and access just off J2 of the M5.</li> <li>• Council owned site.</li> <li>• Limited remediation required to deliver the site, which places the site strongly compared to many heavily contaminated sites across Sandwell.</li> <li>• Close to existing and emerging employment areas.</li> </ul>
Weaknesses / Constraints	<ul style="list-style-type: none"> <li>• Option agreement with developer signed in 2013. We understand that the option agreement was renegotiated to include a long stop date of March 2024 if planning permission was not obtained prior to this deadline.</li> <li>• Political agreements need to be made with politicians over the site.</li> <li>• Scope of residential development has not been looked at in too much detail.</li> <li>• Covenant with sport England – this can be lifted as long as the development includes like for like compensatory provision. Developer has created an alternative plan for where the new sport pitch / playing field provision should be. As long as the compensatory provision is agreed then Sandwell Council can move through the process of lifting the covenant.</li> <li>• Electricity pylon to the north of the site, would have to remain undeveloped.</li> <li>• Balance between putting residential near to a busy roundabout with commercial. POS needs to be available for the existing Lion Park estate and should be designed to be shared with the new estate.</li> <li>• No costs were stated.</li> </ul>
Appraisal Sensitivity Comments	<ul style="list-style-type: none"> <li>• Appraisal has current deficit of ██████████ which equates to ██████████ per hectare.</li> <li>• In order for this scheme to be delivered, we expect a grant of over ██████████ per unit will be required.</li> </ul>
Risk Mitigation	<ul style="list-style-type: none"> <li>• Sandwell’s regeneration plans and successfully secured funding puts them in a good position to bring this site forward on the basis grant funding is secured.</li> </ul>
RAG Rating	<p>Viability appraisal shows scheme is unviable in a purely commercial sense.</p> <p>However, this is one of Sandwell’s best sites due to the limited remediation required to bring the site forward, and the fact it is council owned. The agreement with the site promotor needs to be progressed.</p>

## RAG Rating Summary

7.40 The table below collects the RAG ratings from the above deliverability analysis for ease of comparison.

**Table 7.4 – Regeneration Areas RAG Rating Summary**

Friar Park	<p>Viability appraisal shows scheme as marginally viable with the incorporation of the grant funding.</p> <p>With Sandwell’s track record of receiving funding, we believe the scheme is likely to gain sufficient grant funding and be brought forward for development within the Local Plan period.</p>
Lion Farm	<p>Viability appraisal shows scheme is unviable in a purely commercial sense.</p> <p>However, this is one of Sandwells best sites due to the limited remediation required to bring the site forward, and the fact it is council owned.</p>
Rattlechain	<p>Viability appraisal shows scheme is unviable in a purely commercial sense.</p> <p>However, with sufficient grant, we believe it is likely the scheme will be delivered.</p> <p>The site promoter has been transparent in providing information including land values and is working with the Council, WMCA and other land owners to enable the site to be developed.</p>

## 8 Summary and Recommendations

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8.1 In this section we draw together the conclusions and recommendations from the viability modelling.

### Residential Viability Results

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8.2 This section sets out the viability results of our financial appraisals for the residential typologies.

8.3 Our viability assessments, have been through an iterative process with SMBC, to inform our recommendations about the scope to align the affordable housing in the context of the emerging Sandwell Local Plan policies and infrastructure requirements across the borough.

8.4 We have appraised the typologies based upon the baseline assumptions described above and included extensive sensitivity testing for each appraisal.

8.5 As described above in section 4, the appraisals are fully policy compliant where all the policy costs are 'layered-on'. They also include generous allowances for land value and profit.

8.6 We set out the results in the order of the Typologies Matrix from low value zone - brownfield; to high value zone greenfield. The residential appraisals are appended in full at Appendix 7. These include a summary table at the end of each batch of appraisals.

8.7 Particular attention should be paid to the sensitivity tables across all typologies. These are shown at the bottom of each appraisal at Appendix 5. We have provided sensitivity analysis for:

- Table 1 – CIL v Affordable Housing %
- Table 2 – Site Specific S106 v Affordable Housing %
- Table 3 – Profit v Affordable Housing %
- Table 4 – BLV v Affordable Housing %
- Table 5 – Build Cost v Affordable Housing %
- Table 6 – Net Zero Costs v Affordable Housing %
- Table 7 – Market Values v Affordable Housing %
- Table 8 – Grant v Affordable Housing %

8.8 We set out below the results of viability appraisal scenarios. These are appraised in batches. The full appraisals are provided in Appendix 7. The results tables should be read in conjunction with the Typologies Matrix (Appendix 2).

## Sandwell Brownfield

8.9 The following table summarises the viability results of the brownfield typologies in Sandwell (San 1-27). The letters H, M, L in the Typologies column represent High, Medium and Low value zones typologies. Letters HD represent the High-Density Typologies.

**Table 8.1 - Sandwell Brownfield Viability Results Summary**

RAG Rating	Typologies with this Rating	Comments on Viability / Sensitivities
Green = Viable		Across all of the Brownfield typologies, no schemes are shown to be viable.
Amber = Marginal	San19 – 8 Units H San24 – 150 Units H	Both San19 and San24 are shown to have marginal viability. San19 is a baseline typology, so therefore does not have any affordable housing, so is used as more of a comparison to show viability without any affordable housing provision, and also a lower CIL contribution, as well as no s106 / planning obligations. San24 is shown to be viable with a reduction in build costs by 15% or an increase in residential market values by 14%.
Red = Unviable	San1 – 8 Units L San2 – 15 Units L San3 – 30 Units L San4 – 45 Units L San5 – 80 units L San6 – 150 Units L San7 – 225 Units L San8 – 350 Units L San9 – 45 Units (HD) L San10 – 8 Units M San11 – 15 Units M San12 – 30 Units M San13 – 45 Units M San14 – 80 units M San15 – 150 Units M San16 – 225 Units M San17 – 350 Units M	<p>All typologies in low, medium and higher value zones, are not viable, even with 0% affordable housing. With the exception of San19 and San24 which are shown to be marginally viable, meaning that most schemes across all the zones are unable to achieve the build cost quantum with the current BLV's, affordable housing provision and other costs on top of that such as the Future Homes Standard Part L.</p> <p>Viability is achieved in the higher value zones with a reduction of build costs of approximately 15-25% at 25% affordable housing (assuming the same profit and BLV). This is evidence in Table 6 of our sensitivity analysis.</p> <p>Across the medium value typologies, further reductions in both build costs and affordable housing are required to create viability within Sandwell. The sensitivities indicate a reduction of approximately 25-30% in build costs to show viability at 25% affordable housing. Our typologies also measure below 25% affordable housing, in which a lower affordable housing rate coupled with</p>

	<p>San18 – 45 Units (HD) M</p> <p>San20 – 15 Units H</p> <p>San21 – 30 Units H</p> <p>San22 – 45 Units H</p> <p>San23 – 80 units H</p> <p>San25 – 225 Units H</p> <p>San26 – 350 Units H</p> <p>San27 – 45 Units (HD) H</p>	<p>lower build costs creates viability. San11 for example is shown to be viable at 15% affordable housing and a 30% reduction in build costs.</p> <p>It is important to note that an increase in market values at a similar percentage to the decrease in build costs will lead to viability. This is evidenced in Table 8 of our sensitivities.</p>
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## Sandwell Greenfield

8.10 The following table summarises the viability results of the greenfield typologies in Sandwell (San 28-51).

**Table 8.2 – Sandwell Greenfield Viability Results Summary**

RAG Rating	Typologies with this Rating	Comments on Viability / Sensitivities
Green = Viable	San44 – 8 Units H	San44 is the only viable scheme across both the greenfield and brownfield typologies. San44 represents an 8-unit scheme which is used a comparative typology as 8-units will not include any affordable housing, or any S106 costs.
Amber = Marginal	<p>San49 – 150 Units H</p> <p>San50 – 225 Units H</p> <p>San51 – 350 Units H</p>	<p>San50 is shown to be viable with a 10% decrease in build costs at 25% affordable housing. Alternatively, an increase in market values of 12% also creates viability for this scheme.</p> <p>San49 is shown to be viable with a 10% decrease in build costs at 25% affordable housing. Alternatively, an increase in market values of 12% also creates viability for this scheme.</p> <p>San51 shows viability with a 10% decrease in build costs or an 8% increase in market values. This is evidenced in sensitivity tables 6 and 8. At 25% affordable housing, this scheme is shown to be viable with [REDACTED] in grant funding per unit.</p>
Red = Unviable	<p>San28 – 8 Units L</p> <p>San29 – 15 Units L</p>	All typologies in the low and medium value zones are shown to be unviable. In order to for these schemes to be viable at 25% affordable housing

	San30 – 30 Units L San31 – 45 Units L San32 – 80 Units L San33 – 150 Units L San34 – 225 Units L San35 – 350 Units L San36 – 8 Units M San37 – 15 Units M San38 – 30 Units M San39 – 45 Units M San40 – 80 Units M San41 – 150 Units M San42 – 225 Units M San43 – 350 Units M San45 – 15 Units H San46 – 30 Units H San47 – 45 Units H San48 – 80 Units H	a decrease in build costs of 25-30% in the medium and higher value zones, a further reduction would be required in the low value areas.
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## Summary Maximum Affordable Housing

8.11 The affordable housing targets are derived from the viability analysis herein. For each of the value zones and site typologies, the table below maps the current adopted policy requirements against the maximum potential.

**Table 8.3 - Residential Viability Results Summary – Maximum Position**

Value Zone (new Zones)	Greenfield	Brownfield
High Value Zone	High Value / Greenfield typologies cannot support affordable housing at the proposed affordable housing rate (25%).	High Value / Brownfield typologies cannot support affordable housing at the proposed affordable housing rate (25%).
Medium Value Zone	Medium Value / Greenfield typologies are similarly more nuanced depending on the size of the scheme.	Medium Value / Brownfield typologies are similarly more nuanced depending on the size of the scheme

	We would recommend targeting a rate of <b>15%</b> affordable housing in the Medium Value Zone (on greenfield sites)	We would recommend targeting a rate of <b>10%</b> affordable housing in the Medium Value Zone (on brownfield sites)
Lower Value Zone	For lower value / Greenfield typologies we would recommend a rate of <b>10%</b> affordable housing	Decrease from 25% down to 0% (to encourage efficient use of land and regeneration).

- 8.12 The table above shows the *maximum potential* affordable housing which has the potential to be viable for the majority of scheme sizes (based upon the appraisal assumptions herein) on both greenfield and brownfield sites in high, medium and low value zones. Our recommended affordable housing targets are as set out on Table 8.2 Recommended Affordable Housing Targets (section 8 below).
- 8.13 This maximum potential is subject to significant limitations, primarily relying on two key factors: a reduction in construction costs or a c.10% increase in property market values across different zones to make the proposed maximum affordable housing viable for Sandwell. Sandwell's regeneration strategy is a step in the right direction to initiate this process. However, SMBC must diligently track market trends and property values to ensure the viability of their affordable housing initiatives, particularly if they intend to maintain the 25% affordable housing target throughout the entire borough during the plan period.
- 8.14 In the Lower Value zones where the affordable housing threshold for viability is below 10% the Council could rely on the NPPF paragraph 64 (February 2019) which requires that, '*planning policies... should expect at least 10% of the homes to be available for affordable home ownership*' (subject to exemptions for: a) Build to Rent homes (see below); b) specialist accommodation for specific needs (such as purpose-built accommodation for the elderly or students); c) custom self-build; or d) is exclusively for affordable housing, an entry-level exception site or a rural exception site). SMBC could therefore set the affordable housing target to 10% in-line with the minimum in national policy and consider other proactive interventions in the market to support the delivery of housing and affordable housing. The recent changes to PPG confirm that this 10% requirement will continue alongside the policy in respect of First Homes.

## Residential Typologies Summary

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- 8.15 We summarise on the table page over the results of our typology appraisals in Table 8.1. This table summarises the viability results.
- 8.16 Note, that in the appraisals many of the assumptions are now considered to be cumulatively negative and there is scope for some flexibility and pragmatism to the application of the policies in the Plan. The appraisals do not take into account the growth in values created by new markets as a result of the regeneration strategy and £2.9 bn regeneration funding due to be deployed across the borough. Neither do they take into account construction cost savings as new low-carbon/energy building technologies become embedded in the construction sector.

Table 8.4 Residential Typologies Results Summary

Site Typology					Affordable Housing Requirements	Scheme Typology	Viability
Ref.	# Resi Units	Location / Value Zone	Greenfield / Brownfield	Development Density (dph)	AH Target (%)	Unit Types	Viability
1	8	Lower Value Zone	Brownfield	40	0%	Houses	Unviable
2	15	Lower Value Zone	Brownfield	40	25%	Houses	Unviable
3	30	Lower Value Zone	Brownfield	40	25%	Houses	Unviable
4	45	Lower Value Zone	Brownfield	40	25%	Houses	Unviable
5	80	Lower Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
6	150	Lower Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
7	225	Lower Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
8	350	Lower Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
9	45	Lower Value Zone	Brownfield	60	25%	Flats	Unviable
10	8	Medium Value Zone	Brownfield	40	0%	Houses	Unviable
11	15	Medium Value Zone	Brownfield	40	25%	Houses	Unviable
12	30	Medium Value Zone	Brownfield	40	25%	Houses	Unviable
13	45	Medium Value Zone	Brownfield	40	25%	Houses	Unviable
14	80	Medium Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
15	150	Medium Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
16	225	Medium Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
17	350	Medium Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
18	45	Medium Value Zone	Brownfield	60	25%	Flats	Unviable
19	8	High Value Zone	Brownfield	40	0%	Houses	Marginal

20	15	High Value Zone	Brownfield	40	25%	Houses	Unviable
21	30	High Value Zone	Brownfield	40	25%	Houses	Unviable
22	45	High Value Zone	Brownfield	40	25%	Houses	Unviable
23	80	High Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
24	150	High Value Zone	Brownfield	40	25%	Houses & Flats	Marginal
25	225	High Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
26	350	High Value Zone	Brownfield	40	25%	Houses & Flats	Unviable
27	45	High Value Zone	Brownfield	60	25%	Flats	Unviable
28	8	Lower Value Zone	Greenfield	40	0%	Houses	Unviable
29	15	Lower Value Zone	Greenfield	40	25%	Houses	Unviable
30	30	Lower Value Zone	Greenfield	40	25%	Houses	Unviable
31	45	Lower Value Zone	Greenfield	40	25%	Houses	Unviable
32	80	Lower Value Zone	Greenfield	40	25%	Houses & Flats	Unviable
33	150	Lower Value Zone	Greenfield	40	25%	Houses & Flats	Unviable
34	225	Lower Value Zone	Greenfield	40	25%	Houses & Flats	Unviable
35	350	Lower Value Zone	Greenfield	40	25%	Houses & Flats	Unviable
36	8	Medium Value Zone	Greenfield	40	25%	Houses	Unviable
37	15	Medium Value Zone	Greenfield	40	0%	Houses	Unviable
38	30	Medium Value Zone	Greenfield	40	25%	Houses	Unviable
39	45	Medium Value Zone	Greenfield	40	25%	Houses	Unviable
40	80	Medium Value Zone	Greenfield	40	25%	Houses & Flats	Unviable
41	150	Medium Value Zone	Greenfield	40	25%	Houses & Flats	Unviable
42	225	Medium Value Zone	Greenfield	40	25%	Houses & Flats	Unviable

<b>43</b>	350	Medium Value Zone	Greenfield	40	<b>25%</b>	Houses & Flats	<b>Unviable</b>
<b>44</b>	8	High Value Zone	Greenfield	40	<b>0%</b>	Houses	<b>Viable</b>
<b>45</b>	15	High Value Zone	Greenfield	40	<b>25%</b>	Houses	<b>Unviable</b>
<b>46</b>	30	High Value Zone	Greenfield	40	<b>25%</b>	Houses	<b>Unviable</b>
<b>47</b>	45	High Value Zone	Greenfield	40	<b>25%</b>	Houses	<b>Unviable</b>
<b>48</b>	80	High Value Zone	Greenfield	40	<b>25%</b>	Houses & Flats	<b>Unviable</b>
<b>49</b>	150	High Value Zone	Greenfield	40	<b>25%</b>	Houses & Flats	<b>Marginal</b>
<b>50</b>	225	High Value Zone	Greenfield	40	<b>25%</b>	Houses & Flats	<b>Marginal</b>
<b>51</b>	350	High Value Zone	Greenfield	40	<b>25%</b>	Houses & Flats	<b>Marginal</b>

Source: filename 230905\_Sandwell Residential Typologies summary with viability v1

## Strategic Sites Summary

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8.17 Section 8 provides a comprehensive evaluation of three strategically significant development sites: Friar Park, Rattlechain, and Lion Farm. Our assessment focuses on determining the viability and potential for successful delivery of each of these key projects. This analysis takes into account a range of factors, including site-specific conditions, remediation requirements, grant funding prospects, and the broader context of each site within Sandwell's development landscape. These findings provide essential insights into the challenges and opportunities associated with these strategic locations, contributing to informed decision-making and planning for the future of Sandwell.

### Friar Park:

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8.18 Friar Park presents several notable strengths and opportunities, including its capacity for 630 units, a policy-compliant affordable housing scheme, open spaces, and close proximity to existing residential areas. Moreover, the Council has secured [REDACTED] in levelling up funding for this site. However, there are significant weaknesses and constraints due to its history as a former sewage treatment works, with substantial contamination and high remediation costs. Land ownership complexities between the West Midlands Combined Authority (WMCA) and the council further complicate matters, and there exists a [REDACTED] gap in funding for the necessary remediation. The site's appraisal reveals a current deficit, but with the prospect of grant funding, it becomes marginally viable. Additionally, a reduction in developer profit or build costs could contribute to its viability. To mitigate risks, securing grant funding for remediation is critical, while the broader regeneration strategy in the area may bolster its long-term viability. As it stands, the RAG rating for Friar Park suggests it is marginally viable, with the expectation of attaining a "green" rating upon confirmation of grant funding.

### Rattlechain:

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8.19 The Rattlechain site, featuring a 550-unit scheme, has its strengths, including its proximity to Dudley Port Railway Station and potential for securing funding for remediation. However, it faces notable weaknesses and constraints, chiefly related to a contaminated lagoon, a foundry tip with associated ground challenges, and the imperative need for funding to support site remediation. The appraisal for Rattlechain shows a current deficit, but with the acquisition of grant funding and possible reductions in build costs or developer profit, its viability is attainable. Conversations are ongoing to secure grant funding for remediation, thus mitigating risks. Despite its current unviability without grant funding, it is likely to be delivered successfully with sufficient grant support.

## Lion Farm:

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8.20 Lion Farm's strengths and opportunities include its strategic location near the M5, minimal remediation requirements, and proximity to employment areas. However, it grapples with challenges such as a long-standing option agreement, pending political agreements, and uncertainties regarding the scope of residential development. The site's appraisal highlights a significant deficit, necessitating substantial grant funding per unit for viability. To mitigate risks, Sandwell's regeneration plans and secured funding position the site favorably for future development, contingent on securing grant funding. While it is currently considered unviable from a purely commercial perspective, Lion Farm stands as one of Sandwell's more promising sites due to limited remediation requirements and Council ownership. Progress with the site promoter remains crucial for its successful development.

## Grant Funding:

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8.21 In addition to the site evaluations, we emphasize the role of grant funding in facilitating the progress of Sandwell's development projects. The Council has received support from the Department for Levelling Up, Housing, and Communities, which is expected to provide essential financial backing. The anticipated grant funding figures for the assessed sites are as follows: Friar Park [REDACTED], Rattlechain [REDACTED] and Lion Farm [REDACTED]. While initial phases of larger schemes may necessitate grant funding, the potential for value increases resulting from regeneration may reduce this requirement in later phases. Importantly, the appraisals are based on standard residential development models without considering commercial elements, but developers may employ various methods to ensure viability and enhance profit margins.

## Recommendations for Policy

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- 8.22 Based on the residential viability results above, we recommend that the policy should be differentiated by housing market zone and greenfield/brownfield land. This reflects the range of values across Sandwell and the different risks/costs associated with greenfield and brownfield development. This approach optimises the ability of SMBC to deliver affordable housing and fund infrastructure (through land value capture) with-out undermining delivery.
- 8.23 Table 8.2 below sets out our recommendations for the affordable housing targets (derived from the viability analysis herein). These targets assume no grant. These are in line with Sandwell's affordable housing policy.

**Table 8.5 Recommended Affordable Housing Targets**

(New) Value Zones	Greenfield	Brownfield
	Affordable Housing (baseline 25%)	Affordable Housing (baseline 25%)
<b>High Value Zone</b>	25%	25%
<b>Medium Value Zone</b>	15%	10%
<b>Lower Value Zone</b>	10%	0%

Source: Aspinall Verdi

- 8.24 The above recommended rates are based upon: the detailed research and analysis here-in; consultation with industry and Sandwell Council Officers; the appraisal results and particularly the series of sensitivity scenarios which we have prepared for each of the typologies. The sensitivity tables (see Viability Modelling Best Practice and ‘How to Interpret the Viability Appraisals in Section 4 above) in particular assist in the analysis of viability and to appreciate the sensitivity of the appraisals to key variables such as: Affordable Housing %; infrastructure costs; density; BLV and profit; and, to consider the impact of rising construction costs. This is to de-emphasise the BLV in each typology and help consider viability ‘in-the-round’ i.e., in the context of sales values, development costs, contingency, developer’s profit which make up the appraisal inputs. One has to appreciate that the typologies cannot possibly model every single actual development scheme that may come forward, and the sensitivity tables show where the margins of viability are (based on the baseline appraisal assumptions) and where buffers can be found e.g., developer profit, BLV, contingency etc.
- 8.25 In the Lower Value zones where the affordable housing threshold for viability is below 10% the Council could rely on the NPPF paragraph 64 (February 2019) which requires that, ‘*planning policies... should expect at least 10% of the homes to be available for affordable home ownership*’ (subject to exemptions for: a) Build to Rent homes (see below); b) specialist accommodation for specific needs (such as purpose-built accommodation for the elderly or students); c) custom self-build; or d) is exclusively for affordable housing, an entry-level exception site or a rural exception site).
- 8.26 We therefore suggest SMBC *could* therefore keep the affordable housing target at **10%** in-line with national policy and consider other proactive interventions in the market to deliver the housing. SMBC will need to be more proactive to deliver housing and regeneration in these areas. In this respect consideration could be given to, inter alia:
- facilitating development on Authority owned land e.g., with deferred land payments and/or overage;
  - direct development of housing by SMBC (for lower profit margins);

- partnering with Registered Providers;
  - establishing an Urban Development Company to act as master-developer and de-risk sites;
  - delivery of brownfield/regeneration sites (e.g., in the strategic centres) through partnership and delivery funding schemes;
  - use of grant (e.g., potentially up to £100,000 per affordable unit) and soft-loans etc. This could be linked to targets for lower carbon homes as well as affordable housing.
- 8.27 We also propose a nuanced adjustment in SMBC's M4(3) accessibility policy, emphasising a tailored approach that considers the unique characteristics of different value zones, thereby addressing cost mitigation. Specifically, we recommend that 15% of units situated in medium and higher value zones adhere to M4(3) accessibility standards, while no such obligation is imposed on units located in the lower value zones. This approach not only ensures the equitable allocation of resources but also aligns with the distinct requirements and priorities within each value zone.
- 8.28 It is important to mention that fundamentally the policies and the proposals create an unviable plan and housing delivery will be difficult during the plan period unless Sandwell benefits from two key factors: a reduction in construction costs or a c.10% increase in property market values across different zones to make the proposed maximum affordable housing viable for Sandwell. Sandwell's regeneration strategy is a step in the right direction to initiate this process. However, SMBC must diligently track market trends and property values to ensure the viability of their affordable housing initiatives, particularly if they intend to maintain the 25% affordable housing target throughout the entire borough during the plan period.
- 8.29 Reiterating Sandwell's regeneration strategy, along with their well-established track record in securing funding, underscores the imminent transformation of the area during the plan period. This evolution not only benefits local residents but is also likely to enhance property values, positioning Sandwell Council favourably to drive growth and prosperity in the region through its multifaceted regeneration initiatives and strategic approach.

## Best Practice

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- 8.30 In addition, we recommend that, in accordance with best practice, the Sandwell plan wide/CIL viability is reviewed on a regular basis to ensure that the Plan/CIL remains relevant as the property market cycle(s) change. We recommend that the Plan and CIL viability is reviewed simultaneously and that steps are made towards aligning the Sandwell Local Plan and the CIL charging schedule
- 8.31 Furthermore, to facilitate the process of review, we recommend that the SMBC monitor the development appraisal parameters herein, but particularly data on land values, delivery rates and grant funding within the borough.

## Appendix 1 – Policies Matrix

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## Sandwell Local Plan Viability and Delivery Assessment

### Sandwell Metropolitan Borough council

\* Those policies with a Direct impact on viability include policies such as affordable housing, minimum housing standards etc. that have a quantifiable impact on viability. These have been explicitly factored into our economic viability appraisals through cost and value assumption etc.

Those policies with an Indirect impact have been incorporated into the viability study indirectly through the property market cost and value assumptions adopted e.g. market values, benchmark land value and BICS costs etc. It is important to note that all the policies have an indirect impact on viability. The Sandwell Local Plan sets the ‘framework’ for the property market to operate within. All the spatial policies have an indirect impact on viability through the operation of the property market (price mechanism).

Some policies are for very narrow specific circumstances of Development Management. These policies have no material impact on the value and cost assumptions for the viability Plan-making viability assessment.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
<b>3. Development Strategy</b>			
Policy SDS1 – Development Strategy	To deliver strategic and sustainable economic and housing growth to meet local planning aspirations. Sandwell will work with local communities, and key stakeholders to: <ul style="list-style-type: none"> <li>- Deliver a minimum Xno. new homes and create sustainable mixed communities, including a range of new homes supported by adequate infrastructure.</li> <li>- To deliver a minimum Xha. Of employment land.</li> <li>- To ensure sufficient physical, social and environmental infrastructure is delivered.</li> </ul> The spatial strategy seeks to deliver this growth in sustainable patterns of development by: <ul style="list-style-type: none"> <li>- Delivering development on brownfield sites</li> </ul>	[assumed no impact]	This is an overarching policy in which we have assumed no impact for this study.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- Supporting and enhancing the sustainability of existing communities by focussing on growth and regeneration in West Bromwich and other town centres/ regeneration areas.</li> <li>- Protecting and enhancing the quality of existing towns and rebalancing the housing stock by delivering homes supported by jobs and local services.</li> <li>- Protecting the integrity and function of Sandwell’s designated green belt by resisting inappropriate development (exception for special circumstances).</li> <li>- Protecting and enhancing Sandwell’s character and environmental assets (heritage, natural habitats and open spaces).</li> <li>- Minimising and mitigating effects of climate change, recognising the benefits of open spaces, landscaping, trees, nature conservation habitats and green and blue infrastructure.</li> </ul> <p>Table X shows housing and employment land ambitions- development needs which cannot be accommodated in the borough will be exported to sustainable locations in neighbouring local authority areas.</p>		
<p>Policy SDS2 – Regeneration in Sandwell</p>	<p>West Bromwich will be the focus for new development, regeneration and public and private investment in the borough. Proposals will be subject to relevant policies and the form and location of regeneration will be guided by SPDs, masterplan and design briefs- prepared by the Council.</p> <p>West Bromwich</p> <ul style="list-style-type: none"> <li>- Will benefit from change in the quality of its public realm. Residential and employment growth will create a vibrant and sustainable town centre with a range of uses (commercial, educational, cultural, recreational, leisure and community facilities), Sustainable and active travel mods will be defaulting choice for accessing and moving within the town – new green links, squares and parks.</li> </ul> <p>Carter’s Green</p> <ul style="list-style-type: none"> <li>- Will accommodate new residential development on under-used land, scale of growth will be complementary and subordinate to West Bromwich.</li> </ul> <p>Dudley Port</p>	<p>[assumed no impact]</p>	<p>This is an overarching policy in which we have assumed no impact for this study</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- Employment development and construction of new residential communities developed along garden city principles. New public transport hub will be developed around the interchange of the Midland Metro Extension and Dudley Port railway station.</li> </ul> <p>Smethwick</p> <ul style="list-style-type: none"> <li>- Smethwick to Birmingham canal will accommodate new green neighbourhoods on re-purposed employment land with accessible, active transport routes.</li> <li>- Regeneration at Grove Lane will be focused around the Midland Metropolitan Hospital and include new homes, employment and education facilities.</li> <li>- Industrial land at Rolfe Street will be regenerated to create a well-designed residential community that respects its heritage and canal-side setting.</li> </ul> <p>Wednesbury to Tipton Metro Corridor</p> <ul style="list-style-type: none"> <li>- Proposals for regeneration of industrial land along the corridor of the Midland Metro Extension will be supported – new employment development on vacant and undeveloped land.</li> <li>- Mix-use development will be encouraged in Wednesbury town centre, Great Bridge town centre and Owen Street District Centre in line with their position within the hierarchy of centres and the requirements of policies CEN.</li> </ul> <p>Development within Regeneration Areas</p> <p>West Bromwich will provide:</p> <ul style="list-style-type: none"> <li>- A focussed core commercial area providing a mix of uses, set in high quality built and natural environment;</li> <li>- A minimum of Xno. new homes- majority to be built at high densities and mixed-use where suitable;</li> <li>- The principal location for major commercial, educational, cultural, leisure and community facilities;</li> <li>- The widest possible range of services appropriate for their location;</li> <li>- Excellent public transport links- making it highly accessible;</li> <li>- Additional landscaping and green infrastructure.</li> </ul>		

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	Regeneration areas to provide: <ul style="list-style-type: none"> <li>- Principal locations for strategic employment areas and new industrial and logistics development – Xha. Of developable employment land to meet growth needs;</li> <li>- High quality employment areas to support Sandwell's economy;</li> <li>- Minimum Xno. new homes of mixed type and tenure in sustainable locations, supported by infrastructure;</li> <li>- Investment in all transportation infrastructure- focus on public transport routes and hubs to maximise use by residents and visitors;</li> <li>- Strong links with surrounding communities;</li> <li>- Green infrastructure.</li> </ul>		
Policy SDS3 – Towns and Local Areas	Towns and local communities outside West Bromwich and regeneration areas identified in Figure 3 will provide: <ul style="list-style-type: none"> <li>- Xno. new homes delivered through: allocation of previously identifies housing sites, or ones submitted as part of 'call for sites'; repurposing of brownfield employment sites or surplus land for new housing; small-scale residential development opportunities in highly sustainable locations; and housing renewal areas.</li> <li>- Local employment land that provides land and premises to meet local business needs.</li> <li>- Xha. Of additional employment land to meet employment needs, Xha. Of this to be provided on sites within (location types).</li> <li>- Integrated and continuous network of green infrastructure and walking/ cycling routes where possible, as well as a network of centres, health, leisure, sports, recreation and community facilities</li> <li>- Improved access/ infrastructure links between regeneration projects, local areas and West Bromwich.</li> </ul>	[assumed no impact]	This is an overarching policy in which we have assumed no impact for this study
Policy SDS4 – Achieving well-designed places	Building designs will be sought that are appropriate for Sandwell.	Direct	For the purposes of our viability assessments, we

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>All development required to demonstrate a clear understanding of local/ wider context, character, heritage and local distinctiveness of its location and show how proposals make a positive contribution to place-making and environmental improvement.</p> <p>Development proposals to employ innovative design and sustainable technologies to help climate change mitigation – The Council will support schemes adopting a climate-sensitive approach.</p> <p>Transport proposals of high design quality and utility will be sought to:</p> <ul style="list-style-type: none"> <li>- Include connections to and between transport hubs;</li> <li>- Promote active travel;</li> <li>- Ensure that transport and travel infrastructure make a positive contribution to placemaking; and</li> <li>- Increase connectivity for all modes of travel.</li> </ul> <p>Development should contribute positively to create high quality, active, safe and accessible places. Design approaches incorporated in developments should contribute to healthier communities and reduce health inequalities.</p> <p>To support the development of safe neighbourhoods, ensure quality of life and community cohesion are not undermined and minimise fear of crime, new developments should create secure and accessible environments where opportunities for crime are reduced.</p> <p>An integrated and well-connected multifunctional open space network will be pursued throughout Sandwell, linking to the wider Black Country where possible, including design/ layout of new developments.</p> <p>A design code will be produced for Sandwell- providing a framework for creating high-quality places.</p>		<p>have assumed that the relevant cost of professional designers etc. to achieve high-quality design is included in the professional fee budget.</p> <p>It is in developers own interests to achieve high-quality, well-placed design as this adds value (as is demonstrated by the Building Better, Building Beautiful Commission report (January 2020). Well-designed place should therefore add to value and make development more viable.</p> <p>This policy sets out design principles that new development should follow in order to ensure that Sandwell's different characteristics and qualities are maintained and enhanced. There is therefore a direct impact on the construction cost.</p> <p>Notwithstanding this, the minimum design standard is the Building Regulations and therefore the cost of</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			<p>compliance is reflected in the BCIS costs that we have used within our appraisals. Note also that good design leads to high quality environments which are reflected in the value of real estate. We have used current values (and costs) within our appraisals.</p>
<p>Policy SDS5 – Cultural Facilities and the visitor economy</p>	<p>Development Proposals</p> <p>Cultural, tourist and leisure facilities within Sandwell will be protected, enhanced and expanded in partnership with key delivery stakeholders/ partners.</p> <p>Proposals for ne development/ uses that contribute to the attractiveness of Sandwell as a visitor destination (incl. business tourism) will be supported in principle, subject to national guidance/ local policy requirements.</p> <p>Proposals for new facilities/ uses/ extensions to existing ones should:</p> <ul style="list-style-type: none"> <li>- Be of high-quality design</li> <li>- Be highly accessible, located within centres where possible</li> <li>- Not adversely impact on residential amenity or the operation of existing businesses</li> <li>- Be designed to be flexible, adaptable and capable of an alternative/ community use.</li> </ul> <p>Well-designed and accessible ancillary facilities in appropriate locations will be supported, encouraged and promoted.</p> <p>An assessment should be undertaken to demonstrate and document how potential security and crime-related vulnerabilities have been identified, assessed and addressed where appropriate.</p> <p>Development that would lead to loss of an existing cultural/ tourism facility in Sandwell will be resisted unless:</p>	<p>Indirect</p>	<p>A vibrant cultural and visitor economy will help to underpin the attractiveness of Sandwell as a place to live, work and visit. This will manifest indirectly through the price mechanism for land and property values.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- It will be replaced with an improved cultural/ tourism facility; or</li> <li>- It can be demonstrated that there would be significant benefits to the local and wider community in removing the use and/or redeveloping the site.</li> </ul> <p>The Visitor Economy</p> <p>The improvement and development of visitor attractions will be supported where appropriate, ensure that accessibility is maximised to raise the quality of the visitor experience, this can be achieved by:</p> <ul style="list-style-type: none"> <li>- Enhancing/ extending current attractions;</li> <li>- Providing inclusive access;</li> <li>- Enhancing the visitor experience; and</li> <li>- Delivering necessary infrastructure.</li> </ul> <p>Links should be made to centres and the parts of Sandwell that are well-connected by public transport, considering the needs of business and leisure visitors to encourage local use of cultural/ tourist attractions.</p> <p>Facilities adjoining and serving the canal network should be maintained and expanded to help provide a network of linked amenities and visitor hubs.</p> <p>Physical and promotional links to visitor attractions close to Sandwell will be enhances and encouraged, particularly in relation to Birmingham as a Global City and a business economy destination.</p> <p>Proposals for heritage-related tourism will be supported where they provide positive opportunities for social, educations and/ or economic activity that doesn't adversely impact on heritage assets themselves or their environment.</p> <p>Cultural Facilities and Events</p> <p>The provision of new venues and facilities will be welcomes and supported, particularly within centres.</p> <p>Where new development has potential to prejudice the successful ongoing operation of an adjacent cultural/ performance venue, the 'agents of change' principle will be applied.</p> <p>The promotion and protection of attractions and events that represent and celebrate the wide cultural and ethnic diversity across Sandwell will be encouraged, including spectator sports and other activities. This</p>		

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	includes the protection of valuable cultural and religious buildings and the promotion of cultural, religious and community festivals.		
Policy SDS6 – Sandwell’s Green Belt	<p>Sandwell Council will maintain a defensible green belt boundary around the Sandwell green belt to promote urban renaissance, maximise its role in mitigating climate change impacts and support easy access to the countryside for residents.</p> <p>Sandwell’s green belt nature conservation, landscape, heritage and agricultural value will be protected and enhanced.</p> <p>Opportunities will be taken to improve the value and recreational role of the green belt in Sandwell Valley:</p> <ul style="list-style-type: none"> <li>- Through improving safe accessibility for all users;</li> <li>- By providing facilities for active and passive recreation;</li> <li>- By protecting tranquil areas and location with ecological/ historic value.</li> </ul> <p>Extensions to existing buildings, the re-use of buildings or limited infilling/ redevelopment/ replacement of them within the footprint of an existing developed site within Sandwell’s green belt will be considered for approval provided:</p> <ul style="list-style-type: none"> <li>- Extensions are not disproportionately over and over the size of the existing building as originally constructed;</li> <li>- For replacement buildings, the new building is in the same use and not materially larger than the one it replaces;</li> <li>- The scale, materials and general design of the proposed development or redevelopment are in keeping with the character of their surroundings to avoid impact/ harm to the openness of the green belt; and</li> <li>- It does not lead to an increase in the developed proportion of the overall site.</li> </ul>	Indirect	<p>Green Belt land is currently constrained by the green belt policy. They therefore have a very low Existing Use Value (EUUV) as agricultural land etc. Where green belt sites are released for development, there is a significant uplift in land value for the proposed use (e.g., residential development). The loss mitigation is to be paid for out of this land value uplift.</p> <p>For the purpose of this study, we have not applied a specific cost for the green belt policy as this should be assessed on an individual basis, should special circumstances for development be made.</p>
Policy SDS7 – Green and Blue infrastructure in Sandwell	<p>The Council will support a strategic approach to green and blue infrastructure by:</p> <ul style="list-style-type: none"> <li>- Working with relevant partners to prepare, adopt and implement a strategic green infrastructure strategy for the borough;</li> </ul>	Direct Impact	This policy identifies the importance of major developments to incorporate green infrastructure. This

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- Planning, designing and managing green infrastructure in an integrated way to achieve multiple benefits;</li> <li>- Identifying key green infrastructure assets, their functions and potential contributions;</li> <li>- Identifying opportunities for addressing environmental and social challenges through strategic green infrastructure interventions.</li> </ul> <p>Sandwell's green and blue infrastructure networks (incl. green spaces, open spaces, nature conservation sites, habitats, rivers, canals, trees and green features) to be enhanced where possible.</p> <p>Development in Sandwell expected to maintain existing network of green infrastructure across the borough. Major developments required to ensure green spaces/ urban features (tree planting, vegetation, gardens, green roofs/ walls, SUDs etc) are planned, designed and managed in an integrated way to deliver benefits over the lifetime of the development.</p> <p>Proposals which would result in a loss of existing green infrastructure will be resisted unless it's demonstrated that new opportunities will be provided that mitigate/ compensate for this loss, ensuring the ecosystem services of the area are retained.</p> <p>Major developments will be expected to maximise opportunities for enhancing green spaces and waterways by incorporating appropriate urban greening to improve visual quality and ecological functions of the site.</p>		<p>has a direct impact on viability, as green infrastructure has an additional cost to development. For the purpose of this study, we believe that this should be assessed at a site-specific level to meet the needs of the existing network and assess any loss in existing green infrastructure.</p> <p>However, this policy also relates to the implementation of Public Open Space and Biodiversity Net Gain, in which we have applied a cost of £1372.46 per flat and £2468.48 per house for POS and Recreation and the DEFRA (2019) metric for BNG at £268 per unit on brownfield sites and £1003 on greenfield sites.</p>
<b>4. Sandwell's Natural and Historic Environment</b>			
Policy SNE1 – Nature conservation	<p>Development will not be permitted where it would have adverse impacts on the integrity of an internationally designated site e.g., Cannock Chase Special Area of Conservation.</p> <p>Development will not be permitted where it would harm nationally (sites of special scientific interest and national nature reserves) or regionally (local nature reserves etc) designated nature conservation sites.</p>	Direct	For the purposes of our viability assessment, we have assumed that the relevant cost of professional reports (e.g., Biodiversity

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Species that are legally protected, in decline/ rare within Sandwell/ the Black Country or that are covered by Biodiversity Action Plans will be protected when development occurs in accordance with Part I of the wildlife and Countryside Act 1981.</p> <p>Where, exceptionally, the strategic benefits of a development outweigh the importance of a local nature conservation site, species, habitat or geological feature, damage must be minimised. Any remaining impacts must be fully mitigated. A mitigation strategy must accompany relevant planning permissions. Compensation will only be accepted in exceptional circumstances.</p> <p>The movement of wildlife within Sandwell and surrounding areas should not be impeded by development. Developers must take account of the Local nature recovery network strategy when preparing their schemes and should plan for the maintenance and where possible enhancement of such linkages.</p> <p>Details of how improvements will contribute to the natural environment, and the ongoing management for the benefit of biodiversity and geodiversity, will be expected to accompany planning applications. Adequate information must be submitted with applications for proposals that may affect any designated site or important habitat, species, or geological feature to ensure impacts of the proposal can be fully assessed. Where information is not made available, there will be a presumption against granting planning permission.</p> <p>Sandwell will update evidence on designated nature conservation sites and local nature reserves as necessary, amending existing designations. Consequently, sites may receive new or increased protection.</p>		<p>Action Plans (BAPs) and / or Geodiversity Action Plans (GAPs) and mitigation strategies etc.) is included in the professional fee budget.</p> <p>We have assumed that the cost of relevant mitigation is included in:</p> <ul style="list-style-type: none"> <li>• the net-to-gross site area assumption in terms of land take;</li> <li>• the external works cost and the net-biodiversity gain costs etc;</li> </ul> <p>Where there are particularly nature conservation issues that arise from particularly sensitive development sites, that this is known to the developer as part of their site due diligence, the costs of mitigation should be factored into the price paid for the land.</p>
<p>Policy SNE2 – Protection and Enhancement of Wildlife Habitats</p>	<p>Biodiversity Net Gain</p> <p>1. All development proposals in Sandwell shall deliver a minimum 10% net gain in biodiversity value when measured against baseline site information. Where achievable, a higher net gain may be agreed. Losses and gains will be calculated using the extant national Biodiversity Metric.</p>	<p>Direct</p>	<p>Costs associated with these requirements are included within our use of appropriate local construction cost benchmarks and external works cost benchmarks</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>2. Where site clearance or other activities have lowered the biodiversity value of an on-site habitat after 30 January 2020, an estimate of the biodiversity units on site prior to those activities will be used as its baseline for calculating the site's initial BNG value. This estimate will be based on habitat surveys, aerial photos and / or other appropriate evidence of the condition of the site, applying the precautionary principle.</p> <p>3. Biodiversity net gain must be provided in line with the following principles:</p> <p>a) there will be a requirement for on-site habitat provision / enhancement wherever practicable, followed by improvements to sites within the local area, and then other sites elsewhere within Sandwell;</p> <p>b) where off-site measures are needed to meet biodiversity net gain requirements, it is expected that the off-site habitat enhancement or creation will be located as close to the development site as possible;</p> <p>c) the maintenance and enhancement of the ability of plants and animals (including pollinating insects) to move, migrate and genetically disperse across Sandwell and the wider Black Country must be supported;</p> <p>d) the provision / enhancement of priority habitats identified at the national, regional, or local level, having regard to the scarcity of that habitat within Sandwell, will be expected.</p> <p>4. Compensation in the form of national biodiversity credits will only be accepted as a fall-back if mitigation is not possible within the development site boundary, elsewhere in its immediate vicinity or in the wider Sandwell area.</p> <p>5. Provision of on- or off-site compensation on other sites should not replace or adversely impact on existing alternative / valuable habitats in those locations; compensatory works on them should be established via a legal agreement or under way prior to the related development being undertaken.</p> <p>6. Monitoring of BNG compensation measures will be required to ensure its successful delivery, with further compensation being required in the event of initial measures being ineffective. Ongoing management of any new or improved BNG habitats together with monitoring and reporting will need to be planned for and funded for 30 years by developers, through the use of a conservation covenant or s106 agreement as necessary.</p> <p>7. Sandwell Council has identified the following site(s) and recorded them on the national register as suitable for the provision of biodiversity units to developers unable to provide a minimum 10% net gain on their own development sites: *To be updated*</p>		<p>which developers will take into consideration biodiversity requirements (which developers have been delivering).</p> <p>Note that in the future the government is committed to mandating biodiversity net gain on sites.</p> <p>For the purposes of our plan viability assessment the Biodiversity net gain/habitats charge has been explicitly included in our appraisals. We have included a Net gain delivery cost of £1,003 per housing unit for greenfield development and £268 per housing unit for brownfield development. This is based upon the West Midlands regional cost (central estimate) in the Net gain delivery cost tables (Tables 16 and 17) from the DEFRA Biodiversity net gain and local nature recovery strategies Impact Assessment 15/10/2019.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Local Nature Recovery Network Strategy</p> <p>8. All development should help deliver the Local Nature Recovery Network Strategy in line with the following principles:</p> <p>a) take account of where in the Local Nature Recovery Network the development is located and deliver benefits appropriate to that zone, in accordance with section 3d above;</p> <p>b) follow the mitigation hierarchy of avoidance, mitigation and compensation, and provide for the protection, enhancement, restoration and creation of wildlife habitat and green infrastructure;</p> <p>c) follow the principles of Making Space for Nature - recognise that spaces are needed for nature and that these should be of sufficient size and quality and must be appropriately connected to other areas of green infrastructure, to address the objectives of the local Nature Recovery Network Strategy.</p> <p>9. Priority locations for habitat creation and enhancement are as shown on the Sandwell Nature Recovery Network Map (Appendix A). Development sites within the identified zones will be expected to contribute towards the creation of appropriate habitat linkages and types to support those priority areas.</p> <p>10. Development should be designed to protect and enhance existing habitats and ecological networks, including wildlife corridors and stepping stones. Development should minimise any potential disturbance to species and habitats, including from site lighting.</p> <p>11. Exemptions to the need to provide biodiversity net gain on development sites will be as set out in the relevant legislation and national guidance.</p> <p>Local opportunities for habitats and wildlife</p> <p>12. All development shall secure the eradication of invasive species within site boundaries, where opportunities to do so arise.</p> <p>13. All major development proposals with an eaves height or roof commencement height of 5m and above are required to provide integrated nesting bricks / boxes for swifts, house martins, house sparrows, starlings, and / or bats as appropriate, to help preserve endangered species and urban biodiversity in Sandwell.</p> <p>- All applicants, including those undertaking householder schemes and smaller-scale developments are asked to consider including additional enhancement opportunities for wildlife and conservation</p>		

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	in their proposals; the Council will consider such contributions positively when determining planning applications.		
<p>Policy SNE3 – Provision, retention and protection of trees, woodlands and hedgerows</p>	<p>Retention and protection of ancient woodland and veteran or ancient trees.</p> <p>Development that would result in loss of/ damage to ancient woodland/ trees will not be permitted.</p> <p>Development adjacent to ancient woodland/ trees will be required to provide a landscaping buffer- minimum depth of 15m, preferred depth of 50m.</p> <p>Provision should be made for the protection of individual veteran/ ancient trees likely to be impacted by development, by providing a buffer around such trees of a minimum of 15X the diameter of the tree. Buffer zone should be 5m from the edge of the trees canopy.</p> <p>Habitat Creation</p> <p>Opportunities for increasing tree cover across Sandwell through habitat creation and the enhancement of ecological networks, including ancient woodland should be maximised in public/ private sector development layouts and landscaping, in particular through BNG and nature recovery network initiatives.</p> <p>Replacement trees must not be planted where they would impact on sites identified/ designated as ecologically important, unless specifically agreed with the Council.</p> <p>Climate Change</p> <p>New houses and other buildings must be carefully designated and situated to prevent an incompatible degree of shade being cast on them by both existing/ new trees which may generate pressure for the trees to be removed.</p> <p>The positioning of trees in relation to streets and buildings should not worsen air quality. Care should be taken when choosing/ positioning new street trees and designing streets and buildings, to allow for street-level ventilation to occur and to avoid trapping pollution between ground level and tree canopies.</p> <p>Canopy Cover</p> <p>Planting of new, native trees and woodlands will be sought, to increase canopy cover in Sandwell by c. 6% by 2030, and to around XX% over the period to 2041.</p>	Direct	<p>For the purposes of our viability assessment, we have assumed that the relevant cost of professional (accredited arboriculturist) is included in the professional fee budget.</p> <p>We have assumed that the cost of relevant tree a hedgerow planting etc is included in:</p> <ul style="list-style-type: none"> <li>- the net-to-gross site area assumption in terms of land take;</li> <li>- the external works cost and the net-biodiversity gain costs include for the relevant landscaping and tree planting etc;</li> </ul> <p>Where there are particularly mature trees (TPOs etc) and hedgerow to be protected, that this is known to the developer as part of their site due diligence and the</p>

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	<p>Tree planting on new development sites should make a minimum contribution of 20% canopy cover, and recommended contribution of 30% canopy cover across the site, especially where canopy cover is lower than local average.</p> <p>Where possible, development proposals should use large-canopied species.</p> <p><b>Trees and Design</b></p> <p>Development proposals should be designed around the need to incorporate trees already present on sites, using sensitive and well-designed site layouts to maximise retention. Mature, healthy trees and ancient/ veteran trees should be retained and integrated into landscaping schemes- recognising the importance they make and to local biodiversity networks.</p> <p>For every tree removed from a development site, a minimum three replacement trees are required to be planted.</p> <p>The species, size and amenity value of replacement trees must be commensurate to the characteristics of the trees removed. Where trees to be replaced form a group of amenity value, replacements must also be in the form of a group commensurate with the area covered, size and species of trees and established quality of the original group. If possible, must be planted in a position that will mitigate the loss of visual amenity associated with the original group.</p> <p>New trees on development sites should be planted in accordance with arboriculture best practice, incl. the use of suitably-sized planting pits, supporting stakes, root barriers, underground guying, and appropriate protective fencing during the construction.</p> <p><b>Hedgerows</b></p> <p>Presumption against the removal of hedgerows for development purposes, especially where ecological surveys have identified them to be species-rich and where they exist on previously undeveloped land.</p> <p>New hedgerows will be sought as part of site layouts and landscaping schemes.</p> <p>Protection of existing hedgerows before and during development must be undertaken.</p>		<p>costs of mitigation is factored into the price paid for the land. I.e., one cannot pay the same price for land which is cleared as a developer platform, compared to land which is constrained by mature trees and hedgerows.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
Policy SNE4 – Geodiversity and the Black country UNESCO global geopark	<p>Development proposals which will significantly adversely impact of the Black country UNESCO Global Geopark will not be supported except:</p> <ul style="list-style-type: none"> <li>- Where suitable mitigation/ compensation is provided to address the adverse impacts; or</li> <li>- Where any residual harm following mitigation/ compensation, along with any other harm is outweighed by the benefits of the development.</li> </ul> <p>Development proposals in Sandwell should:</p> <ul style="list-style-type: none"> <li>- Make a positive contribution to protection/ enhancement of geodiversity within the boundaries of the Back Country UNESCO global geopark and in relation to the Geosites identified within it;</li> <li>- Give locally significant geological sites a level of protection commensurate with their importance;</li> <li>- Consider and avoid disruption to the importance of inter-connectivity of greenspace and public access between Geosites within the boundary of the UNESCO geopark;</li> <li>- Ensure geological sites of importance are clearly identified where they are within or close to development proposals;</li> <li>- Make it easy to access Geoheritage features – incl. temporary exposures – for research/ educational purposes;</li> <li>- Enable access to records/ samples as part of local and national geological record keeping.</li> </ul> <p>Where necessary, conditions in place on approvals for planning permission to ensure appropriate monitoring is undertaken and to make sure mitigation, compensation and offsetting is delivered effectively.</p>	[assumed no impact]	
Policy SNE5 – The Rowley Hills	Blank in the draft policies		
Policy SNE6 - Canals	Sandwell's canal network comprises the canals and their surrounding landscape corridors designated and non-designated heritage assets, character, settings, views and interrelationships. All development proposals likely to affect the canal network must:	Direct	This policy has a direct impact, however would need to be assessed at a site-specific level, we have

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- Demonstrate that they will not adversely affect the structural integrity of canal infrastructure to avoid increased flood risk, land instability and harm to the usability of the canal (incl. its towpath).</li> <li>- Ensure that proposals for reinstatement or reuse would not adversely impact on locations of significant environmental value where canals are not currently navigable;</li> <li>- Protect and enhance its special historic, architectural, archaeological and cultural significance and its setting, incl. potential to record, preserve and restore such features;</li> <li>- Protect and enhance its nature conservation value inc. habitat creation and restoration along the waterway and its surrounding environs;</li> <li>- Protect and enhance its visual amenity, key views and setting;</li> <li>- Protect and enhance water quality in the canal and protect water resource availability both in the canal and wider environment.</li> <li>- Reinststate/ upgrade towpaths including introduction of suitably designed and sized wayfinding info, linking them to high quality, wider, integrated pedestrian and cycle networks, particularly where they can provide links to transport hubs, centres and opportunities for employment.</li> </ul> <p>Where opportunities exist, all development proposals within the canal network must:</p> <ul style="list-style-type: none"> <li>- Support and complement its role in providing opportunities for leisure, recreation and tourism activities;</li> <li>- Enhance/ promote opportunities for off-road walking, cycling and boating access, incl. small-scale freight activities;</li> <li>- Protect/ enhance the historical, geological and ecological value of the canal network and its associated infrastructure;</li> <li>- Relate positively to the adjacent waterway by promoting high quality design, including active frontages onto the canal and improving the public realm;</li> <li>- Integrate sensitively with the canal and any associated canal-side features and, where the chance to do so arises, incorporate canal features into new development;</li> </ul>		<p>therefore not applied a cost to this policy.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- Explore opportunities associated with alternative/ new uses for the canals/ towpaths to help mitigate climate change or support the delivery of fibre networks and communications technology.</li> </ul> <p>Development proposals must be supported by evidence that the above factors have been fully considered and properly incorporated into their design and layout.</p> <p>Where proposed development overlays any disused canal features, the potential to record, preserve and restore such features must be fully explored unless canals have been removed in their entirety.</p> <p>Development on sites that include sections of disused canals should protect the line of the canal through the detailed layout of the proposal.</p> <p>Development will not be permitted that would sever the route of a disused canal or prevent the restoration of a canal link where there is a realistic possibility of restoration, wholly or in part.</p> <p>Proposals must safeguard the amenity of existing residential moorings when planning consent is sought on sites adjacent to them.</p> <p><b>Residential Canal Moorings</b></p> <p>For residential moorings, planning consent will only be granted for proposals that include the provision of:</p> <ul style="list-style-type: none"> <li>- all necessary boating facilities;</li> <li>- appropriate access to cycling and walking routes;</li> <li>- an adequate level of amenity for boaters, not unduly impacted upon by reason of noise, fumes or other nearby polluting activities.</li> </ul>		

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>In determining a planning application for residential moorings, account will be taken of the effect that such moorings and their associated activities may have on the amenities or activities of nearby residential or other uses.</p>		
<p>Policy SHE1 – Listed Buildings and Conservation Areas</p>	<p>The impact of development proposals on the significance of Sandwell's heritage assets and their settings will be considered in accordance with case law, legislation, and the NPPF.</p> <p>Development proposals are required to preserve/ enhance local character and those aspects of the historic environment together with their settings that are recognised as being of special historic, archaeological, architectural, landscape or townscape quality.</p> <p>All proposals for development that may affect a heritage asset or its setting must be accompanied by an Assessment of Significance that should form part of a Design and Access Statement / a Heritage Impact Assessment. It should set out clearly the significance of the heritage asset, including any contribution made by its setting. The proposals should demonstrate how they respond to the significance of the asset.</p> <p>Sandwell Council will seek to preserve and enhance the settings of listed buildings by exercising appropriate control over the design of new development in their vicinity and the use of adjacent land; and, where appropriate, by the preservation of trees and landscape features.</p> <p>Proposals for new build, alterations or extensions within Sandwell's conservation areas must respect the local historic character and architectural styles. This will include considering building scale, grouping, materials and fenestration. Design and Access Statements should highlight the significant components of the conservation area in relation to the proposal and clearly demonstrate how these proposals preserve or enhance the character and appearance of the conservation area.</p>	<p>Direct</p>	<p>Sandwell, through planning and development decisions, will work with partners to proactively preserve, protect and enhance the character, appearance, archaeological and historic value and significance of Sandwell's designated and undesignated heritage assets and their settings. This is to be achieved to various mechanisms listed in the policy.</p> <p>This policy has a direct impact on our viability assessment given that there is a cost associated with these policy requirements from developments in conservation areas and other historic environment assets.</p> <p>We have used current costs based on the BCIS and rebased them to West Midlands which take into</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Proposals for enabling development that support securing a viable future use or improvement to a historic asset may be supported.</p>		<p>consideration costs of 'typical' development across Sandwell. We acknowledge that construction costs are likely to be higher within designated heritage environments, but values are also likely to be higher. Furthermore, developments involving heritage assets are likely to require a bespoke approach to viability e.g., enabling development and/or grants.</p> <p>The policy on safeguarding and enhancing Conservation Areas can have a direct impact on local plan viability assessments by potentially increasing development costs. The requirement to use building materials appropriate to the Conservation Area in new development and alterations, as well as respecting the historical or vernacular building character and relationship between buildings and their setting, may result in higher construction costs. Additionally, the need to</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			ensure an appropriate level of archaeological buildings recording prior to demolition of structures of historic interest can also add to development costs. However, the policy can also indirectly impact viability assessments by potentially increasing the value of properties within Conservation Areas due to their protected status, leading to higher sales or rental values.
Policy SHE2 – Development in the Historic Environment	New development in Sandwell that impacts the historic environment should demonstrate that: <ul style="list-style-type: none"> <li>- all aspects of historic character and distinctiveness of the locality, incl. any contribution made by their setting, and (where applicable) views into, from, or within them, have been fully assessed and used to inform proposals; and</li> <li>- proposals have been prepared with full reference to the Black Country Historic Landscape Characterisation Study (BCHLCS) (Oct 2019), the Historic Environment Record (HER), relevant conservation area appraisals and national and local policy.</li> </ul>	Direct	This policy has a direct impact on our viability assessment, given that there is a cost associated with these policy requirements from development in historic environments.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Development proposals that could have an impact on the historic significance<sup>1</sup> of either designated heritage assets or non-designated heritage assets<sup>2</sup> should be supported by evidence that their historic character and distinctiveness has been fully assessed and used to inform proposals.</p> <p>Historic assets that contribute positively to the local character and distinctiveness of Sandwell’s specific townscapes should be retained and, wherever possible, enhanced and their settings respected.</p> <p>The locally-specific urban grain, vernacular and other architectural and historic details that contribute to local character and distinctiveness should be used to inform the form, scale, appearance, details, and materials of new development.</p> <p>All proposals should aim to sustain and reinforce special character and conserve the locally distinctive historic aspects of Sandwell, for e.g.:</p> <ul style="list-style-type: none"> <li>- The surviving pre-industrial settlements of medieval origin (Wednesbury and Oldbury);</li> <li>- Areas of Victorian and Edwardian higher-density development, which survive with a high degree of integrity, including terraced housing and its associated amenities, such as residential areas within West Bromwich Conservation Area;</li> <li>- Areas of extensive lower density suburban development of the early and mid-20th century, including public housing and private developments of semi-detached and detached housing;</li> </ul>		

<sup>1</sup> NPPF Annex 2 Significance: The value of a heritage asset to this and future generations because of its heritage interest. The interest may be archaeological, architectural, artistic, or historic. Significance derives not only from a heritage asset’s physical presence, but also from its setting.

<sup>2</sup> NPPF 2 2021 Annex 2 Heritage asset: A building monument, site, place, area, or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. It includes designated heritage assets and assets identified by the local planning authority (including local listing).

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- Public open spaces, including Victorian and Edwardian municipal parks, often created upon land retaining elements of relict industrial landscape features such as Windmill End;</li> <li>- The canal network and its associated infrastructure, surviving canal-side pre-1939 buildings and structures, and archaeological evidence of the development of canal-side industries and former canal routes;</li> <li>- Buildings, structures and archaeological remains of the traditional industries of Sandwell, including metal trades such as chain-making and extractive industries such as quarrying such as on the Rowley Hills;</li> <li>- The Rowley Hills (Turners Hill) and other largely undeveloped high prominences and views to and from these locations.</li> </ul>		
<p>Policy SHE3 – Locally Listed Buildings</p>	<p>Proposals for alteration, extension and change of use to locally listed buildings or structures should clearly demonstrate that they will positively contribute towards the architectural or historical significance of the heritage asset.</p> <p>Demolition of locally listed buildings will be resisted unless it can be demonstrated that no viable use can be found for the building or that the proposed development will have a substantial public benefit.</p> <p>When demolition of a locally-listed building is unavoidable as part of a wider development, the Council will require an appropriate level of building recording prior to demolition taking place through the imposition of planning conditions. The approved recording shall be incorporated within the Historic Environment Record (HER).</p>	<p>Direct</p>	<p>The policy entails additional costs for developers as they are expected to provide adequate information for assessing the impact on archaeological remains through desk-based appraisals, site evaluations, and building recording. If a development proposal is deemed to have a damaging impact on significant archaeological remains, the developer must undertake mitigation measures to preserve the remains in situ.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			These requirements and costs directly affect the viability of development proposals by introducing additional considerations, obligations, and potential expenses related to archaeological preservation and impact mitigation
Policy SHE4 - Archaeology	<p>Development should safeguard both designated and non-designated heritage assets and the character and setting of areas of acknowledged significance.</p> <p>In considering proposals for development, Sandwell Council will seek to ensure that designated archaeological assets are preserved in situ, avoiding loss or harm to their significance, and their settings are also preserved and enhanced, to fully understand and utilise their archaeological, recreational and educational value.</p> <p>Development proposals that are likely to have a significant adverse impact on designated archaeological assets and their settings that cannot be avoided, or where the asset cannot be preserved in situ, will be resisted.</p> <p>Non-designated archaeological assets must be preserved wherever possible. Where it would be unreasonable to withhold planning permission for the development of such sites, provision will be made through agreements and conditions of planning permissions for an appropriate level of archaeological evaluation and recording to be undertaken, prior to impact on or loss of the asset. Evaluations / recordings will be included within Sandwell's Historic Environment Record.</p>	Direct	The policy entails additional costs for developers as they are expected to provide adequate information for assessing the impact on archaeological remains through desk-based appraisals, site evaluations, and building recording. If a development proposal is deemed to have a damaging impact on significant archaeological remains, the developer must undertake mitigation measures to preserve the remains in situ. These requirements and costs directly affect the viability of development proposals by introducing additional considerations, obligations, and potential expenses related to

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	For sites with known archaeological potential, Sandwell Council may require developers to provide archaeological assessments and / or field evaluation to support their proposals. This information will be used to assess the archaeological implications of the development and to identify requirements for archaeological preservation or investigation.		archaeological preservation and impact mitigation
<b>5. Climate Change</b>			
Policy SCC1 – Increasing efficiency and resilience	<p>Development should be designed to mitigate climate change impacts and provide adaptations that will help communities and individuals to continue to avoid or mitigate adverse effects on human health.</p> <p>Proposals for development will need to demonstrate how they have been designed to maximise resistance and resilience to climate change through addressing the following requirements: -</p> <ul style="list-style-type: none"> <li>- new buildings will be located, orientated and designed to maximise opportunities for both natural heating and ventilation and to reduce exposure to wind and other elements;</li> <li>- development proposals will need to meet the needs of all sections of the community by including a range of sustainable and low carbon transport modes as alternatives to private car use (see Policy STR6);</li> <li>- use of trees and other planting in landscaping schemes will be required throughout Sandwell, to provide for the shading of amenity areas, buildings and streets, mitigate against poor air quality and help connect fragmented habitats and protect and support biodiversity networks;</li> <li>- landscaping schemes should be designed using a mix of native tree species and plants where appropriate and should also use species that are able to adapt to changing climate conditions (see Policy SNE3 provision, retention and protection of trees, woodlands and hedgerows);</li> </ul>	Direct Impact	This is an overarching policy and costs have been associated with the relevant policies listed within

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- all development will need to minimise the impact of surface water runoff through the design of proposed drainage systems, including where possible grey water recycling and rainwater collection, and the use of permeable surfaces;</li> <li>- development should make provision for sustainable drainage infrastructure, which should be built into landscaping schemes / open space provision as appropriate (see Policy SCC5);</li> <li>- development will be required to incorporate mitigation and resilience measures designed to reduce the risk of river, surface and other potential water flooding (see Policy SCC4);</li> <li>- the conversion of non-domestic buildings to residential use will be expected to employ high environmental standards, incorporating improved thermal insulation, appropriate levels of natural ventilation and measures to improve water efficiency;</li> <li>- proposals for increasing the energy efficiency and resilience to climate change of designated heritage assets will be supported only where this will not cause an unacceptable level of harm to the historic fabric, character, setting or appearance of the asset.</li> </ul>		
Policy SCC2 – Energy Infrastructure	<p>Decentralised energy networks and district heating provision</p> <p>Any development including ten homes or more, or non-residential floorspace of 1,000 sq m or more must include opportunities for decentralised energy provision within the site, unless it can be demonstrated that the development is not suitable, feasible or viable for district heat or decentralised energy networks.</p>	Direct	<p>There are currently no policy requirements in the plan.</p> <p>The policy only requires decentralised energy where this is suitable, feasible or viable.</p> <p>We this is not the case and where developers can demonstrate to the satisfaction of SMBC that a</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Where there is existing decentralised energy provision available close to the site, the development will be expected to link into it, or should be designed to accommodate a subsequent connection<sup>3</sup> if a source has not yet become operational.</p> <p>Where developers can demonstrate to the satisfaction of the Council that a link to an existing or committed decentralised energy source nearby is not viable, the local authority will support the provision of alternative onsite carbon elimination measures that can be incorporated into the scheme (see Policy SCC6).</p> <p>Proposals intended to deliver decentralised networks and related infrastructure will need to prevent or minimise any adverse impacts on the historic environment by ensuring that they protect the significance of heritage assets, including their setting.</p> <p>Onsite energy provision</p> <p>Developers should engage with relevant energy companies and bodies at an early stage in the development process to establish the likely future energy and infrastructure requirements arising from large-scale development proposals including 100 homes or more, or non-residential floorspace of 10,000m<sup>2</sup> or more.</p> <p>Proposals for addressing energy provision on such sites should be developed and agreed between the local planning authority and developer(s) to establish the lowest lifetime carbon energy provision.</p> <p>Information to support the preferred solution(s) should identify and address:</p> <ul style="list-style-type: none"> <li>- current and future major sources of demand for heat (e.g., sites such as industrial / manufacturing sites, universities, large-scale sporting or leisure development, hospitals and social housing);</li> </ul>		<p>link to a decentralised energy source is not viable, the local authority will support the provision of alternative carbon reduction measures that can be incorporated into the scheme.</p> <p>In this respect we have incorporated the interim uplift to the Future Homes Standard 2019 Consultation on changes to Part L (conservation of fuel and power) of the building regs, which have been implemented from June 2022. Regulations for new dwellings: According to major housebuilders and MHCLG estimates of additional costs required to implement the uplift to part L standards ranges from £3,000 to £5,000 per unit, as all new homes will be required to produce 31% fewer carbon emissions, representing the upper end of the proposed range in the</p>

<sup>3</sup> Where a decentralised energy source is extant or will become operational during the construction of the development, and a proposed linkage has been agreed, suitable means of access / connection should be provided along roads / footpaths as a minimum form of infrastructure.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- demands for heat from existing buildings that can be connected to future phases of a heat network;</li> <li>- major heat supply plant;</li> <li>- possible opportunities to utilise energy from waste or waste heat from industrial processes;</li> <li>- opportunities for heat networks;</li> <li>- opportunities for private wire electricity supply;</li> <li>- possible land for energy centres and / or energy storage;</li> <li>- possible heating and cooling network routes;</li> <li>- infrastructure and land requirements for electricity and gas supplies;</li> <li>- feasibility of built-in renewable energy generation (see Policy SCC6); and</li> <li>- implementation options for delivering feasible projects, considering issues of procurement, funding and risk, and the role of the public sector.</li> </ul> <p>Heating / hot water systems</p> <p>Heat sources for a district heating system should be chosen to minimise likely emissions and to make best use of any local decentralised networks, in preference to other solutions.</p>		<p>consultation. In 2025 all new homes will be required to produce 75-80% fewer carbon emissions than those delivered under older regulations.</p> <p>We have adopted a cost of £6500 to incorporate the 2025 standard.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	Where a district heating system is provided, development proposals must provide evidence to show that NOx emissions related to energy generation will be equivalent to or lower than those of an ultra-low NOx4 gas boiler.		
Policy SCC3 – Managing Heat Risk	<p>Development proposals should minimise both internal heat gain and the impacts of urban heat islands by using appropriate design, layout, orientation and materials.</p> <p>Opportunities to benefit from the proximity of existing heat sinks such as canals and other bodies of water should be explored and incorporated into proposals where available.</p> <p>Development proposals will be expected to demonstrate how their potential for overheating and reliance on artificial cooling systems will be reduced, in accordance with the following cooling hierarchy:</p> <ul style="list-style-type: none"> <li>- minimise internal heat generation through energy-efficient design;</li> <li>- reduce the amount of heat entering a building through orientation, shading, albedo, fenestration, insulation and the provision of green roofs and walls (see also Policies SDS4 and SDM1);</li> <li>- manage heat within a building through exposed internal thermal mass and high ceilings;</li> <li>- provide passive ventilation;</li> <li>- provide mechanical ventilation;</li> <li>- provide active cooling systems.</li> </ul>	Direct	It is important for all developers to address managing heat risk for their buildings to be marketable. We assume that the heat mitigation can be built into the design at no additional cost.

<sup>4</sup> Ultra-low NOx boiler Standard specified in the Black Country Air Quality Supplementary Planning Document.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
Policy SCC4 – Flood Risk	<p>Sandwell Council will seek to minimise the probability and consequences of flooding from all sources by adopting a strong risk-based approach to site allocations and the granting of planning permission, in line with the NPPF.</p> <p>The Sequential Test will:</p> <ul style="list-style-type: none"> <li>- be applied to all developments to ensure that development takes place in areas with the lowest flood risk, in line with NPPF requirements;</li> <li>- take account of the most up-to-date information available on river flooding and all other sources of flooding, making use of the information provided in the 2020 Strategic Flood Risk Assessment (SFRA) updated in 2021 and any future updates; and</li> <li>- consider the impact of climate change over the lifetime of that development.</li> </ul> <p>- Developers should apply the Sequential Test to all development sites, unless the proposal is for:</p> <ul style="list-style-type: none"> <li>- a strategic allocation and the test has already been carried out by the LPA; or</li> <li>- a change of use (except to a more vulnerable use); or</li> <li>- a minor development (householder development, small non-residential extensions with a footprint of less than 250m<sup>2</sup>); or</li> <li>- a development in Flood Zone 1, unless there are other flooding issues in the area of the development (i.e., surface water, ground water, sewer flooding). The SFRA can be used to identify where there are flooding issues from sources others than rivers.</li> </ul> <p>Developers should provide evidence to the Council that they have considered all reasonably available alternative sites that are at a lower risk of flooding prior to determining the suitability of the chosen site for the proposed development type, in relation to all sources of flood risk on it.</p> <p>For all developments the vulnerability of the development type to flooding should be assessed using the most up-to-date flood zone information in accordance with the NPPF, as set out below:</p>	Direct	<p>For the purposes of our viability assessment, we have assumed that the cost of professional fees for the relevant Flood Risk Assessments and Drainage Strategy reports etc are included within our overall professional fee budget.</p> <p>This policy is to ensure the appropriate management and treatment of surface and foul water disposal to reduce the flood risk in Sandwell. It states that development proposals should include the use of sustainable drainage systems. There are associated costs with this policy and therefore it has a direct impact on viability.</p> <p>It is important to stress that developers should consider drainage solutions at the outset of their scheme design and factor in the costs when acquiring sites.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Flood Zone 3</p> <ul style="list-style-type: none"> <li>i. Where the site is in Flood Zone 3b (Functional Floodplain), all development other than essential infrastructure (subject to the Exception Test) will be refused (including extensions and intensification of use and changes of use) and opportunities to relocate development out of the floodplain should be sought;</li> <li>ii. Where the site is in Flood Zone 3a (High Probability), new homes can only be permitted subject to the Exception Test.</li> </ul> <p>Flood Zone 2</p> <ul style="list-style-type: none"> <li>i. Where the site is in Flood Zone 2 (Medium Probability), most development can be permitted, subject to a site-specific flood risk assessment;</li> <li>ii. Highly vulnerable developments, such as caravans, mobile homes and park homes with permanent residential use can be permitted, subject to the Exception Test;</li> </ul> <p>Flood Zone 1</p> <ul style="list-style-type: none"> <li>i. Where the site is in Flood Zone 1 (Low Probability), the information in the 2020 SFRA should be used to assess if a development is at risk from other sources of flooding and / or if there is an increased risk of flooding in the future due to climate change. If this site is shown to be at risk, a site-specific flood risk assessment should accompany a planning application.</li> </ul> <p>To pass the Exception Test, developments will need to:</p> <ul style="list-style-type: none"> <li>- demonstrate that wider sustainability benefits to the community outweigh flood risk. Matters such as biodiversity, green infrastructure, historic environment, climate change adaptation, flood risk, green energy, pollution, health and transport should be considered;</li> <li>- prove that the development will be safe from flooding for its lifetime, taking account of the vulnerability of its users; and</li> </ul>		<p>These are not new and unknown costs.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>- prove that the development can be achieved without increasing flood risk elsewhere, and, where possible, will result in a reduced flood risk overall.</p> <p>All new developments in the following locations should be accompanied by a flood risk assessment and surface water drainage strategy that sets out how the development will provide a betterment in flood risk terms i.e., help to reduce flood risk both on and off site: -</p> <ul style="list-style-type: none"> <li>- where any part of the site is within Flood Zone 2 or Flood Zone 3;</li> <li>- where the site is greater than one hectare and is within Flood Zone 1;</li> <li>- where the site is a minerals or waste development;</li> <li>- where the site is within five metres of an ordinary watercourse;</li> <li>- where the site is within 20m of a known flooding hotspot; or</li> <li>- where the site is within the 1 in 100-year flood extent based on the Risk of Flooding from Surface Water Map.</li> </ul> <p>Surface water drainage strategies are also required for all major developments. These should consider all sources of flooding to ensure that future development is resilient to flood risk and does not increase flood risk elsewhere.</p> <p>Groundwater Source Protection Zones</p> <p>No development will be permitted within a groundwater Source Protection Zone that would physically disturb an aquifer. A risk assessment demonstrating there would be no adverse effect on water resources will be required prior to the grant of planning permission.</p> <p>Watercourses and flood mitigation</p> <p>Developments should, where possible naturalise urban watercourses (by reinstating a natural, sinuous river channel and restoring the functional floodplain) and open up underground culverts, to provide biodiversity</p>		

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	<p>net gain as well as amenity improvements; reference should be made to the latest River Basin Management Plans.</p> <p>Developers should set out how their mitigation designs will ensure that there is no net increase to fluvial flood risk downstream and where practicable how the development could help mitigate against downstream fluvial flood risk.</p> <p>Development should not take place over culverted watercourses and a suitable easement should be provided from the outside edge of the culvert.</p> <p>There should be no built development within five metres of an ordinary watercourse and within ten metres of the top of the bank of a main river. This is to enable the preservation of the watercourse corridor, wildlife habitat, flood flow conveyance and future watercourse maintenance or improvement.</p> <p>Where there is a known or suspected culverted watercourse either on or immediately downstream of a site, where the SFRA highlights there may be a risk of flooding, developers should:</p> <ul style="list-style-type: none"> <li>- confirm the location and presence of a watercourse (or otherwise) through ground-truthing strategic datasets and undertaking an assessment of the culvert extent and condition;</li> <li>- confirm by survey, modelling and mapping, the flood extents of the watercourse(s), as many of the flood outlines associated with such watercourses have been carried out at a broad scale and may not take into account specific local features, such as culverts, bridges and detailed topographical survey; and</li> <li>- design the development to accommodate the floodplain of the watercourse and mitigate against flooding to properties on the site. This should include a consideration of residual flood risk e.g., if a culvert were to block downstream.</li> </ul> <p>All developments should seek to provide wider betterment by demonstrating in site-specific flood risk assessments and surface water drainage strategies (where required) what measures can be put in place to contribute to a reduction in overall flood risk downstream. This may be by: -</p>		

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	<p>- provision of additional storage on site e.g., through oversized SUDs, natural flood management techniques, green infrastructure and green-blue corridors; and / or</p> <p>- by providing a partnership funding contribution towards wider community schemes (both within and beyond the Black Country, in shared catchments with Southern Staffordshire and Birmingham).</p> <p>Consultation on site-specific requirements should be undertaken with the Council, the Environment Agency and Severn Trent Water (where this is a sewer flooding issue) at the earliest opportunity.</p>		
<p>Policy SCC5 – Sustainable drainage and surface water management</p>	<p>All new developments in Sandwell should incorporate Sustainable Drainage Systems (SuDS); development proposals should provide details of adoption, ongoing maintenance and management of SuDS.</p> <p>SuDS shall be designed in line with the Black Country Local Standards for SUDS. Preference will be given to systems that also contribute to the conservation and enhancement of biodiversity and green infrastructure in the wider area.</p> <p>For all major developments, surface water flows must be reduced back to equivalent greenfield rates. If greenfield runoff rates are not considered to be feasible for viability or other reasons, the developer must submit evidence demonstrating what the constraints are and how the development will accommodate runoff rates that are as close as possible to greenfield rates.</p> <p>For all minor developments, a minimum reduction of 30% over pre-development runoff rates will be required. Under no circumstances will post-development runoff rates that are greater than pre-development runoff rates be permitted. Surface water run-off should be managed as close to its source as possible.</p> <p>Surface water drainage strategies are required for all major developments, regardless of their size and the flood zone and catchment they are in to meet the requirements of the Lead Local Flood Authority. These</p>	<p>Direct</p>	<p>The cost of SUDs is factored into our viability appraisals through:</p> <ul style="list-style-type: none"> <li>- The net to gross site area assumptions – particularly for larger sites which have more landscaping areas and buffer;</li> <li>- External works costs.</li> </ul>

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	<p>should consider all sources of flooding to ensure that future development is resilient to flood risk and does not increase flood risk elsewhere and should look to provide wider betterment.</p> <p>A hydrogeological risk assessment is required where infiltration SuDS is proposed for anything other than clean roof drainage in a Source Protection Zone 1.</p>		
<p>Policy SCC6 – Renewable and Low carbon energy and BREEAM standards</p>	<p>Renewable and Low Carbon Energy generation</p> <p>Proposals involving the development of renewable or low carbon energy sources will be permitted where the proposal: -</p> <ul style="list-style-type: none"> <li>- accords with local and national guidance;</li> <li>- would not significantly harm the natural or built environment;</li> <li>- maintains and safeguards the historic environment and heritage assets, including their setting; and / or</li> <li>- will not have a significant adverse effect on the amenities of those living or working nearby.</li> </ul> <p>Low carbon and renewable requirements for development</p> <p>Small developments creating between one and nine homes or non-residential floorspace of less than 1,000m<sup>2</sup> gross (whether new build or conversion) must incorporate energy generated from renewable or low carbon sources sufficient to off-set at least 10% of the estimated residual energy demand of the development on completion.</p> <p>Major developments creating ten or more homes or non-residential floorspace of 1,000m<sup>2</sup> gross or more (whether new build or conversion) must incorporate the generation of energy from renewable or low carbon</p>	<p>Direct</p>	<p>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: Impact Assessment sets out the costs to reduce carbon emissions from new homes towards meeting the Government’s net zero emissions target.</p> <p>We have adopted a cost of £6500 to account for the 2025 future homes Part L standard.</p> <p>We have assumed that the 2021 FHS is incorporated into BCIS costs.</p>

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	<p>sources sufficient to off-set at least 20% of the estimated residual energy demand of the development on completion.</p> <p>A variety of renewable and low-carbon energy sources and generation methods should be assessed and costed, including on-site and off-site sources where appropriate and the use of district heat and / or decentralised energy networks where available or proposed. An energy assessment must be submitted with the planning application to demonstrate that these requirements have been met.</p> <p>The potential for inland waterways to promote low carbon technologies is recognised; in appropriate locations adjacent to Sandwell’s canal network, proposals to heat and cool new properties using water source heat pumps will be welcomed and supported.</p> <p>The renewable energy target will only be reduced if it can be demonstrated that achievement of the target would: make the proposal unviable through submission of an independently assessed financial viability appraisal; or would not be feasible due to practical constraints.</p> <p>BREEAM Standards</p> <p>All new build non-residential developments, student housing and care homes of 1,000 sqm gross or more should achieve the following standards of BREEAM New Construction certification, including full credits for category Wat 01 (water efficiency):</p>		

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	<table border="1" data-bbox="481 395 1068 563"> <thead> <tr> <th>Size</th> <th>Standard</th> <th>Year</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1,000 - 5,000m<sup>2</sup> gross</td> <td>BREEAM Very Good</td> <td>up to 2029*</td> </tr> <tr> <td>BREEAM Excellent</td> <td>2029 - 2039*</td> </tr> <tr> <td>&gt;5,000m<sup>2</sup> gross</td> <td>BREEAM Excellent</td> <td></td> </tr> </tbody> </table> <p>* Year refers to date planning permission is granted</p> <p>BREEAM requirements may be varied if it can be demonstrated that achievement of the standard would make the proposal unviable, through submission of an independently assessed financial viability appraisal.</p>	Size	Standard	Year	1,000 - 5,000m <sup>2</sup> gross	BREEAM Very Good	up to 2029*	BREEAM Excellent	2029 - 2039*	>5,000m <sup>2</sup> gross	BREEAM Excellent			
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<b>6. Health and Wellbeing in Sandwell</b>														
Policy SHW1 – Health Impact Assessments	<p>Sandwell Council will require the following forms of development to provide an assessment of its potential impacts on the health and wellbeing of adjacent communities, residents and businesses, and to mitigate any potential negative impacts, maximise potential positive impacts and help reduce health inequalities;</p> <ul style="list-style-type: none"> <li>- housing developments of over 10 dwellings;</li> <li>- non-residential developments of 1,000m<sup>2</sup> or more floorspace.</li> <li>- major new waste handling / processing development;</li> <li>- any development that would have an adverse impact on locations with currently poor air quality;</li> <li>- any other development that the Council considers has the potential to impact on public health.</li> </ul>	Direct	<p>This policy has a direct impact on the development costs. We have explicitly factored into the appraisals all the relevant healthcare infrastructure costs for the various Typologies. The explicit costs can be seen in the Typologies Matrix.</p> <p>The extent to which the sites impact on health, Identified through the impact assessments should be assessed on a site-specific level.</p>											

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	<p>Such development will only be permitted where it is demonstrated that it will not, in isolation or in conjunction with other planned, committed or completed development, contribute to a negative impact on the health of the borough's population.</p> <p>To ensure that new developments have a positive impact on the health and wellbeing of new and existing residents the Council will require an HIA of development proposals to a level of detail appropriate to its scale and nature;</p> <ul style="list-style-type: none"> <li>- For developments of 100 or more dwellings, or non-residential development that extends to 5,000m2 or more in area, a full Health Impact Assessment will be required;</li> <li>- For developments of between 20 to 100 dwellings or non-residential development that extends from 1,000 - 5,000m2 in area, the Health Impact Assessment will take the form of an extended screening or rapid Health Impact Assessment;</li> <li>- For developments of 10 – 19 dwellings, or other developments that the Council considers may have a potential impact on public health, either a Design and Access Statement, Planning Statement or an extended screening or rapid Health Impact Assessment should be provided.</li> </ul> <p>Sandwell Council will support vibrant centres and local facilities, which offer services and retail outlets that promote choice, and which enable and encourage healthy choices. This will include managing the location, concentration of and operation (including opening hours) of businesses that contain uses potentially in conflict with these aims, including:</p> <ul style="list-style-type: none"> <li>- hot food takeaways (sui generis), or hybrid uses incorporating such uses (see Policy SDM6);</li> </ul>		

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	<p>- betting shops and amusement arcades (see Policy SDM8);</p> <p>- shisha cafes / lounges, where the balance of uses is such that the use of the premises is predominantly for shisha smoking.</p> <p>Where the development of a new shop is acceptable in principle under other policies, planning permission will only be granted where a condition can be imposed that prevents the subsequent establishment of a stand-alone off-licence without the need to apply for planning permission where there is evidence of existing alcohol drinking establishments contributing to existing negative health and wellbeing impacts and patterns of anti-social behaviour.</p>		
Policy SHW2 – Healthcare Infrastructure	<p>New healthcare facilities should be:</p> <ul style="list-style-type: none"> <li>- well-designed and complement and enhance neighbourhood services and amenities;</li> <li>- well-served by public transport infrastructure, walking and cycling facilities and directed to a centre appropriate in role and scale to the proposed development, and its intended catchment area, in accordance with Policies SLP* and SLP*. Proposals located outside centres must be justified in terms of relevant policies such as SLP*and SLP*, where applicable;</li> <li>- wherever possible, located to address accessibility gaps in terms of the standards set out in Policy SLP*, particularly where a significant amount of new housing is proposed;</li> <li>- where possible, co-located with a mix of compatible community services on a single site.</li> </ul> <p>Existing primary and secondary healthcare infrastructure and services will be protected, unless it has been demonstrated that the loss or partial loss of a facility or site arises from a wider public service transformation</p>	Direct	This policy has a direct impact on the development costs. We have explicitly factored into the appraisals all the relevant healthcare infrastructure costs for the various Typologies. The explicit costs can be seen in the Typologies Matrix.

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	<p>plan that requires investment in modern, fit for purpose infrastructure and facilities. New or improved healthcare facilities and services will be provided in accordance with requirements agreed between Sandwell Council and local health organisations.</p> <p>Proposals for major residential developments of ten units or more must be assessed against the capacity of existing healthcare facilities and / or services as set out in local development documents. Where the demand generated by the residents of the new development would have unacceptable impacts upon the capacity of these facilities, developers will be required to contribute to the provision or improvement of such services, in line with the requirements and calculation methods set out in local development documents.</p> <p>Where it is not possible to address such provision through planning conditions, a planning agreement or planning obligation may be required.</p> <p>In the first instance, infrastructure contributions will be sought to deal with relevant issues on the site or in its immediate vicinity. Where this is not possible, however, any contribution will be used to support offsite provision of healthcare infrastructure and / or related services.</p> <p>The effects of the obligations on the financial viability of development may be a relevant consideration.</p>		
Policy SHW3 – Air Quality	<p>Strategic Approach</p> <p>The SLP will support a diverse approach to addressing the issue of poor air quality across the borough, including:</p> <ul style="list-style-type: none"> <li>- requiring development and other land use proposals to promote the integration of cycling, walking, public transport and electric charging points as part of their transport provision;</li> </ul>	Direct	For the purposes of our viability assessment, we have assumed that the relevant cost of professional reports (e.g., Air Quality Assessment) is included in the professional fee budget.

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	<ul style="list-style-type: none"> <li>- promoting and supporting (including through continued joint working with adjacent Black Country authorities and others) a modal shift from private motorised vehicles to the use of clean, fast and accessible public transport alternatives such as rail, the Metro and bus transport networks, cycling and walking;</li> <li>- including a range of measures relating to energy generation at developments as set out in the hierarchy identified in Policy SLP* - Energy Infrastructure, such as the installation of renewables-based systems, or the use of ultra-low emission NOx boilers;</li> <li>- requiring the provision and protection of green open spaces and significant additional tree cover (Policies SDS7 and SNE3);</li> <li>- ensuring the sustainable location of new residential and employment development to minimise commute times; and</li> <li>- as part of an integrated zero-emission public transport system, promoting and requiring the use of sustainable technologies, zero-emission vehicles, design and materials and providing new or extended bus services to meet demand when development of a strategic nature is planned and constructed.</li> </ul> <p>New development must be at least air quality neutral following any required mitigation. Planning permission for new development or changes of use will be refused where data assessment indicates that development will:</p> <ul style="list-style-type: none"> <li>- lead to deterioration of existing poor air quality;</li> <li>- create any new areas that exceed air quality objectives; or</li> </ul>		<p>We have assumed that the mitigation measures (with the exception of EV charging points – see below) can be achieved at no costs (e.g. designed out) or by mitigation along with other policies (e.g. Tree planning and Net bio-diversity gain). These costs are included in external works costs and the Net bio-diversity gain £ per unit metric (see above).</p> <p>We note that there does not need to be an Air Quality Assessment if the applicant complies with the SPD i.e. provides EV charging points (see below)</p>

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	<p>- delay compliance being achieved in areas that are currently in exceedance of legal limits unless sufficient mitigation can be achieved.</p> <p>Improving air quality</p> <p>Residential or other sensitive development such as schools, hospitals / health care and care facilities should be sited in areas where air quality already meets national objectives, or where compliance with those objectives can be achieved with suitable mitigation proposed as part of the development proposal and verified as being achieved before occupation of the development.</p> <p>Developments that will have a moderate air quality impact, and which can be dealt with through standard mitigation measures, will not require an air quality assessment.</p> <p>Whenever development is proposed in locations where air quality does not or will not meet national objectives, or where significant air quality impacts are likely to be generated onsite or elsewhere by the development itself or its subsequent use / activities, an appropriate Air Quality Assessment will be required to demonstrate that the proposed development will improve air quality to meet relevant objectives once the development is completed and occupied / operational:</p> <ul style="list-style-type: none"> <li>- the assessment must take into consideration the potential cumulative impact on air quality of all extant planning permissions in the locality, for both large / strategic and small schemes;</li> <li>- the impact of point source emissions of pollutants to air on the scheme must also be addressed;</li> <li>- the assessment must take into consideration the types of pollutant emissions likely to be generated by the development and its future use / associated activities that will have an impact on human health;</li> </ul>		

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	<p>- where assessments show that a development is likely to result in exposure to pollutant concentrations that exceed national objectives, a mitigation plan will be required to determine that the development will improve air quality, in order that it will meet air quality objectives once it is complete and occupied / operational;</p> <p>- adequate and satisfactory mitigation measures that are capable of implementation, including the planting of additional and replacement trees in appropriate locations, must be identified, submitted as part of an application, and made subject to appropriate conditions before planning permission is granted.</p> <p>Developments should not include materials or be positioned or ventilated in a way that would result in poor indoor air quality. Guidance will be provided to detail how such issues should be addressed.</p> <p>Emissions from Construction Sites</p> <p>For all types of development, the control of emissions from construction sites will be agreed with the local authority.</p>		
Policy SHW4 – Open Space and Recreation	<p>Sandwell Council will support proposals that:</p> <ul style="list-style-type: none"> <li>- deliver against up-to-date local open space and recreation standards for the borough (quantity, quality and access);</li> <li>- address the ecological and environmental priorities set out in the Black Country Nature Recovery Network Strategy;</li> <li>- make more efficient use of open spaces in the urban area by:</li> <li>- creating more multifunctional open spaces;</li> </ul>	Direct	<p>This policy is to promote health, wellbeing and equality by safeguarding and improving open space. The policy outlines the need for a contribution from new residential development towards the provision of open space. This is taken into consideration within our viability assessment through:</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ul style="list-style-type: none"> <li>- protecting the existing open space network for recreation and biodiversity and taking opportunities to strengthen and expand it;</li> <li>- significantly expanding community use of open space and recreation facilities provided at places of education;</li> <li>- making creative use of land exchanges and disposing of surplus assets to generate resources for investment;</li> <li>- increasing access to open space and recreation facilities for all, including people with disabilities and other target groups with limited access at present; and</li> <li>- where a place, site or facility has a cross-boundary catchment, identifying the most appropriate location to maximise community access and use of new facilities.</li> </ul> <p>Development that would increase the overall value of the open space and recreation network in Sandwell will be supported, especially in areas of proven deficiency against adopted quantity, quality and accessibility standards.</p> <p>Proposals should maintain and / or enhance the quantity, quality and accessibility of open space and address any shortfalls in provision, when measured against adopted local standards.</p> <p>Development that would result in the loss of land allocated as open space and used for recreation in Sandwell will be refused unless it can be demonstrated that</p> <ul style="list-style-type: none"> <li>- there is a robust and overriding matter of public interest at stake; and</li> </ul>		<ul style="list-style-type: none"> <li>- the net-to-gross developable area assumptions as part of the BLV calculations;</li> <li>- the density assumption (dph) which is to allow for the relevant open space;</li> <li>- External works costs which allow for relevant open space costs;</li> <li>- Site specific S106 contributions (see Typologies Matrix).</li> </ul>

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	<p>- a sufficient quantity of alternative open space can be provided in the vicinity, of the same or higher quality than what was lost; or</p> <p>- if open space of sufficient quantity and quality cannot be delivered in the immediate vicinity, a financial contribution in lieu of on-site provision will be made available and compensatory gains in quality / accessibility secured on other open spaces or facilities that are of value to the local area.</p> <p>Development proposals should focus on supporting / delivering the following:</p> <ul style="list-style-type: none"> <li>- improving the image and environmental quality of the borough;</li> <li>- protecting and enhancing the significance of heritage assets and their settings;</li> <li>- enhancing visual amenity;</li> <li>- providing buffer zones between incompatible uses;</li> <li>- mitigating the effects of climate change, through flood risk betterment, reducing potential urban heat island effects and providing opportunities for additional landscaping and tree planting;</li> <li>- preserving and enhancing environmental and habitat diversity and preventing the fragmentation of ecological networks;</li> <li>- extending, increasing access to and enhancing the ecological value of multifunctional green spaces and networks;</li> <li>- supporting outdoor sport and physical activity, including through footpath and cycle network infrastructure, and providing areas for informal recreation and children’s play;</li> <li>- providing opportunities for people to grow their own food on allotments and encouraging urban horticulture.</li> </ul>		

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
<p>Policy SHW5 – Playing Fields and Sports Facilities</p>	<p>Existing playing fields and built sports facilities must be retained unless:</p> <ul style="list-style-type: none"> <li>- an assessment has been undertaken that has clearly shown the playing fields or built sports facilities to be surplus to requirements (for existing or alternative sports provision) at the local and sub-regional level; or</li> <li>- the loss resulting from the proposed development would be replaced by equivalent or better provision in terms of quantity and quality in a suitable and accessible location; or</li> <li>- the development is for alternative sports provision, the benefits of which clearly outweigh the loss of the current or former use; or</li> <li>- The proposed development affects only land incapable of forming part of a playing pitch and would not prejudice the use of any playing pitch or remaining areas of playing field on the site.</li> </ul> <p>New build sports facilities should be:</p> <ul style="list-style-type: none"> <li>- in accordance with local needs identified in the current Playing Pitch and Outdoor Sports Strategy, to ensure provision of appropriate facilities in a suitable location to meet that need;</li> <li>- well-designed, including through the provision of high-quality landscaping and public realm enhancements, and well-related to neighbourhood services and amenities; and</li> <li>- well-linked to public transport infrastructure and footpath and cycleway networks and directed to a centre appropriate in role and scale to the proposed development and its intended catchment area. Proposals located outside centres must be justified in terms of relevant national policy.</li> </ul> <p>Where assessments demonstrate that a housing development would increase the need for playing pitches or built sports facilities to a level where significant new or improved facilities are required to meet demand,</p>	<p>Direct</p>	<p>Directly, the policy requires developers to consider the retention of existing playing fields and sports facilities unless specific conditions are met. This can influence the layout and design of a development, potentially affecting its overall viability.</p> <p>In terms of assessing costs, it would typically involve evaluating the financial implications of implementing the policy requirements. This may include determining the costs associated with retaining or replacing existing playing fields, providing new sports facilities, or making financial contributions. A thorough cost assessment would involve considering factors such as construction costs, land acquisition expenses, ongoing management and maintenance costs, and any potential revenue generation from the facilities. The assessment should be conducted in a comprehensive and transparent manner,</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>proportionate planning obligations or Community Infrastructure Levy will be used to acquire or create sufficient provision, where it is financially viable and appropriate to do so, and long-term management arrangements can be secured and funded.</p> <p>Where land is provided for a new built sports facility as part of a housing development, the financial contribution made by that development towards built sports facilities will be reduced accordingly.</p> <p>The wider community use of school playing fields, other school facilities, such as sports halls, and private facilities will be encouraged, especially in areas where public provision is deficient.</p>		<p>considering both short-term and long-term financial implications for the local plan.</p> <p>To assess the direct cost, we consider this would need to be dealt with on a site-specific basis, we have therefore not applied a cost in our appraisals.</p>
Policy SHW6 - Allotments	<p>The provision and promotion of allotments and community gardens in Sandwell will be supported by the Council. This will be achieved by: -</p> <ul style="list-style-type: none"> <li>- retaining existing allotments and resisting their loss unless in accordance with allocations identified in this plan;</li> <li>- working with partners and local communities to identify sites with potential for local food growing;</li> <li>- supporting projects that promote community gardening, farming and orchards.</li> </ul> <p>If allotments are to be redeveloped, compensatory measures will be required for the loss, either through provision of new allotments on an open space of equivalent value nearby, or through a commensurate contribution to the enhancement of existing allotment provision in the vicinity.</p> <p>Proposals for community agriculture will be supported where appropriate.</p>	Direct	<p>This policy can directly affect the local plan assessment by prohibiting the redevelopment of actively used allotment sites or those with proven demand. It ensures the preservation of existing allotments and meets community needs. It also mandates that redevelopment can only occur if equivalent or better allotment provision is made available beforehand, protecting allotment users during the transition. The policy discourages the granting of planning permission solely based on derelict sites, encouraging</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	Development proposals that are located next to, or which may have an impact on, existing allotments will be expected to avoid or mitigate adverse impacts on them by employing the agent of change principle.		<p>their revitalization and maintenance. Although the policy doesn't explicitly address financial costs, the provision of alternative sites and promotion of sustainable practices may involve expenses for developers or allotment associations, depending on specific redevelopment requirements.</p> <p>The redevelopment of allotment sites should be assessed at a site-specific level.</p>
<b>7. Sandwell's Housing</b>			
Policy SHO1 - Delivering Sustainable Housing Growth	<ol style="list-style-type: none"> <li>1. Sufficient land will be provided to deliver at least XX net new homes over the period 2023 - 2041.</li> <li>2. The key sources of housing land supply are summarised in Table X, which also sets out the minimum housing target for each of the Plan phases: 2023-30, 2030-35 and 2035-41. Housing allocations are set out in Table X.]</li> <li>3. Most of the requirement will be met through sites with existing planning permission and sites allocated for housing by this Plan. Additional housing supply will also be secured on windfall sites throughout the urban area. The estimated net effect of housing renewal up to 2041 will be reviewed annually and used in the calculation of housing land supply.</li> <li>4. The development of sites for housing should demonstrate a comprehensive approach, making best use of available land and infrastructure and not prejudicing neighbouring uses. Incremental development of an allocated site will only be allowed where it would not prejudice the achievement of high-quality design</li> </ol>	Indirect	<p>This is a strategic policy which reinforces the site allocations and the spatial approach to development across Sandwell.</p> <p>Site allocations impact the viability assessment indirectly. They have a spatial impact in terms of the supply of land. This impacts the appraisals indirectly through the price of land and our benchmark land value</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>across the wider site. Masterplans and other planning documents will be produced, where appropriate, to provide detailed guidance on the development of allocations.</p> <p>5. Ancillary uses appropriate for residential areas, such as health facilities, community facilities and local shops, may be acceptable where there is a gap in service provision and where they can be integrated successfully into the residential environment. Other uses will not be acceptable on these sites.</p> <p>6. A minimum of 10% biodiversity net gain is required for each site in accordance with Policy SNE1.</p>		<p>(BLV) assumptions (see the Land Value Paper). We have appraised the relevant site typologies and these are set out in our Typologies Matrix.</p> <p>For the purposes of our plan viability assessment the Biodiversity net gain/habitats charge has been explicitly included in our appraisals. We have included a Net gain delivery cost of £1,003 per housing unit for greenfield development and £268 per housing unit for brownfield development. This is based upon the West Midlands regional cost (central estimate) in the Net gain delivery cost tables (Tables 16 and 17) from the DEFRA Biodiversity net gain and local nature recovery strategies Impact Assessment 15/10/2019.</p>
Policy SHO2 – Windfall developments	<p>Proposals for residential development on sites not specifically allocated for residential use (windfall developments) will be permitted where the site is previously developed land and in accordance with other local plan policies.</p> <p>2. Proposals for residential development on unallocated greenfield land will only be considered where:</p>	Indirect	Site allocations impact the viability assessment indirectly. They have a spatial impact in terms of the supply of land. This impacts the appraisals indirectly

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	a. the site is not protected as community open space; or b. the site is Council-owned land that is deemed surplus to requirements; or c. the development of the site will bring an under-used piece of land back into beneficial use and will not harm the character of the site and the wider area.		through the price of land and our benchmark land value (BLV) assumptions (see the Land Value Paper). We have appraised the relevant site typologies and these are set out in our Typologies Matrix.
Policy SHO3 - Housing Density, Type and Accessibility	<ol style="list-style-type: none"> <li>1. The density and type of new housing provided on any housing site should be informed by:               <ol style="list-style-type: none"> <li>a. The need for a range of types and sizes of accommodation to meet identified local needs;</li> <li>b. The level of accessibility by sustainable transport to residential services, including any improvements to be secured through development, as set out in Table 5;</li> <li>c. The need to achieve high-quality design and minimise amenity impacts, considering the characteristics and mix of uses in the area where the proposal is located</li> </ol> </li> <li>2. The council will aim to provide an overall mix of house types over the plan period, tailored to best meet local needs and will support development that creates mixed, sustainable and inclusive communities. Developments of ten homes or more should provide a range of house types and sizes that will meet the accommodation needs of both existing and future residents, in line with the most recently available information.</li> <li>3. All developments of ten homes or more should achieve the minimum net density set out below, except where this would prejudice historic character and local distinctiveness as defined in Policy SHE2:</li> </ol>	Direct	In determining the relevant scheme typologies, we have had regard to the requirements of this policy. The relevant density assumption and unit mix is set out on the Typologies Matrix.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment																
	<p>a. 100 dwellings per hectare where Table 5 accessibility standards for very high-density housing are met and the site is located within West Bromwich.</p> <p>b. 45 dwellings per hectare where Table 5 accessibility standards for high density housing are met;</p> <p>c. 40 dwellings per hectare where Table 5 accessibility standards for moderate density housing are met.</p> <p>4. Table 5 provides details of the appropriate density and, where appropriate, house type mix, to be sought on each housing allocation site, in accordance with the requirements set out in this Policy. Further details of design requirements for housing developments will be set out in Sandwell’s Design Code.</p> <p>[link to design codes / masterplanning]</p> <p>Table 1 - Minimum Housing Densities and Accessibility</p> <table border="1" data-bbox="477 970 1626 1278"> <thead> <tr> <th data-bbox="477 970 947 1114">Density (homes per hectare net)</th> <th data-bbox="947 970 1176 1114">Very High: 100 + Only appropriate within West Bromwich</th> <th data-bbox="1176 970 1400 1114">High: 45 +</th> <th data-bbox="1400 970 1626 1114">Moderate: 40 +</th> </tr> </thead> <tbody> <tr> <td data-bbox="477 1114 947 1161">Indicative proportion of flats</td> <td data-bbox="947 1114 1176 1161">100%</td> <td data-bbox="1176 1114 1400 1161">&gt;15%</td> <td data-bbox="1400 1114 1626 1161">0 – 15%</td> </tr> <tr> <td data-bbox="477 1161 947 1233">Indicative amount of housing suited to families</td> <td data-bbox="947 1161 1176 1233">low</td> <td data-bbox="1176 1161 1400 1233">medium</td> <td data-bbox="1400 1161 1626 1233">high</td> </tr> <tr> <td colspan="4" data-bbox="477 1233 1626 1278">Accessibility (by either walking or public transport, unless stated)</td> </tr> </tbody> </table>	Density (homes per hectare net)	Very High: 100 + Only appropriate within West Bromwich	High: 45 +	Moderate: 40 +	Indicative proportion of flats	100%	>15%	0 – 15%	Indicative amount of housing suited to families	low	medium	high	Accessibility (by either walking or public transport, unless stated)					
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Policy	Policy Contents [...paraphrased where appropriate for ease]				Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	Employment - Strategic Centre or other employment area	20 mins	20 mins	30 mins		
	Health – Primary Care e.g. GP Surgery or Health Centre	10 mins	10 mins	15 mins		
	Fresh Food - Centre or food store	N/a	10 mins	15 mins		
	Education - Primary School (walking distance only)	N/a	15 mins	10 mins		
	Education - Secondary School	N/a	25 mins	20 mins		
Policy SHO4 - Affordable Housing	<p>5. Any development that fails to make efficient use of land, by providing a disproportionate amount of large, 4+ bedroom homes when compared with evidenced local housing need, will be refused in accordance with the requirements of this policy and Policy SLP*.</p> <ul style="list-style-type: none"> <li>Development proposals should be consistent with other Local Plan policies.</li> </ul> <p>1. Developments of ten homes or more should, where financially viable, provide a range of tenures that will meet the accommodation needs of both existing and future residents, in line with the most recently available information.</p> <p>2. All developments of ten homes or more should provide a proportion of affordable housing, where this is financially viable. Smaller sites, which could reasonably be expected to form part of a larger site in the future, will also need to take this policy into account. The minimum proportion of affordable housing that should be provided, subject to viability, is 25%.</p>				Direct	Our scheme Typologies Matrix and viability appraisals are specifically designed to test the viability of this policy in the context of the cumulative impact of all of the new policies herein. The drafting of this policy is an iterative process having regard to the results of the viability appraisals and specifically the sensitivity appraisals.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>3. 25% of the affordable homes required by this policy will be First Homes tenure, as defined in national guidance.</p> <p>4. Beyond the tenure requirements set out in Parts 2 and 3 of this policy, the tenure and type of affordable homes sought will be determined on a site by site basis, based on national planning policy and best available information regarding local housing needs, site surroundings and viability considerations. Detailed guidance may be set out in Supplementary Planning Documents, where appropriate.</p>		<p>Note that in accordance with the PPG, 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. (Paragraph: 002 Reference ID: 10-002-20190509, Revision date: 09 05 2019)</p>
<p>Policy SHO5 - Delivering Wheelchair Accessible and Self / Custom Build Housing</p>	<p>National Accessibility and Wheelchair Housing Standards</p> <ol style="list-style-type: none"> <li>1. All new homes will be required to meet M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations .</li> <li>2. Developments of ten homes or more should provide a proportion of accessible and adaptable or wheelchair user housing, where this is financially viable. The minimum proportion that should be provided is: <ol style="list-style-type: none"> <li>a. an additional 15% of homes to meet the optional Building Regulations Requirement M4(3): Wheelchair User Dwellings .</li> </ol> </li> <li>3. Other than for reasons of financial viability, these requirements will only be reduced where it can be demonstrated that any of the following apply: <ol style="list-style-type: none"> <li>a. it is not practically achievable given the physical characteristics of the site; or</li> </ol> </li> </ol>	<p>Direct</p>	<p>Our scheme Typologies Matrix and viability appraisals are specifically designed to test the viability of this policy in the context of the cumulative impact of all of the new policies herein. The drafting of this policy is an iterative process having regard to the results of the viability appraisals and specifically the sensitivity appraisals.</p>

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	<p>b. site specific factors mean that step-free access to the dwelling cannot be achieved; or</p> <p>c. the homes are located on the first floor or above of a non-lift serviced multi-storey development; or</p> <p>d. the amount of M4(3) housing is limited by the number of homes that can be provided where the local authority is likely to be responsible for allocating or nominating a person to live in that home.</p> <p>Self-Build and Custom Build Plots</p> <p>4. On developments of 100 homes or more, where there is currently a demand for self-build and custom build plots (defined as the number of entries added to the self-build and custom build register in the most recent base period for the local authority where the site is located), at least 5% of plots should be made available for self-build or custom build, or sufficient to match demand if lower.</p> <p>5. All plots set aside for self-build or custom build housing (secured via a legal agreement or planning condition) must include:</p> <p>a. legal access onto a public highway;</p> <p>b. water, foul drainage, broadband connection, and electricity supply available at the plot boundary;</p> <p>c. sufficient space to build without compromising neighbouring properties and their amenity and the amenity of future occupiers; and</p> <p>d. an agreed design code or plot passport for the plots.</p> <p>6. If plots remain unsold after six months, after a thorough and proportionate marketing exercise that includes making details available to people on the custom and self-build register, they will revert to the developer to build out as market housing.</p>		<p>Note that in accordance with the PPG, 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. (Paragraph: 002 Reference ID: 10-002-20190509, Revision date: 09 05 2019)</p> <p>Wheelchair accessible housing would have a cost implication for development. In addition to the baseline BCIS construction cost we have made extra-over allowance for these optional Building Regulations requirements to demonstrate that this is achievable:</p> <p>+ £521 per unit for accessible and adaptable housing M4(2) Category 2</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			<p>+ £10,111 per unit for wheelchair adaptable dwellings M4(3) Category 3.</p> <p>This is based on the DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157.</p> <p>No additional cost, given plots can be sold at full value and any plots not sold after 12 months will revert to developer.</p> <p>Self-build Schemes – no overall impact</p> <p>We have not appraised any self-build schemes explicitly. All our residential typologies are on the basis that land can be acquired and developed into a new unit (including appropriate allowance for profit). Where self-building involves plot sales and/or part completed units (e.g. foundations, or 'wind and watertight') the working assumption is that</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			the developers' profit is commensurate with the development work undertaken and therefore there is sufficient development surplus to incentivise the self-builder to complete the unit.
Policy SHO6 - Financial Viability Assessments for Housing	<p>1. Financial viability assessments conforming to national guidance will be required to be submitted and, where necessary, independently appraised by an appropriate professional appointed by the local planning authority at the cost of the applicant. Flexible arrangements will be sought through planning agreements, wherever possible, to allow for changing market conditions in future years.</p> <p>2. Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances, and in such circumstances an executive summary will be made publicly available.</p> <p>3. On sites where applying the affordable housing or accessibility and wheelchair user requirements set out in Policies SHO4 and SHO5 can be demonstrated to make the development unviable, the maximum proportion of such housing will be sought that will not undermine the viability of the development, subject to achieving optimum tenure mix and securing other planning obligations necessary for the development to gain planning permission.</p>	Direct	Policy SHO6 will help to ensure the Local Plan is viable and deliverable by establishing the principles for considering financial viability through the plan making and development management processes. The Preferred Option reflects national planning policy and guidance that places greater emphasis on establishing financial viability as part of the plan making process, and sets out the circumstances under which viability of development proposals will be considered at the planning application.
Policy SHO7 - Protecting Family Housing (Use Class C3)	<p>1. To address the shortage of homes throughout the borough that are suitable and attractive to families, and to encourage the provision of sustainable, inclusive and mixed communities, there will be a presumption against the loss of dwelling houses (Use Class C3) for family occupation through either sub-</p>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment	
	<p>division, conversion to Use Class C4, conversion to other non-residential uses or demolition and redevelopment, unless:</p> <ul style="list-style-type: none"> <li>a) the property / properties is / are located within a site allocation and the corresponding development principles indicate that an alternative use or mix of housing will be more appropriate;</li> <li>b) the proposed development fulfils other regeneration aspirations of the Council;</li> <li>c) evidence of local housing need and demand indicates that an alternative mix of housing is appropriate;</li> <li>d) alternative provision will help meet other housing priorities of the Council, such as provision for elderly persons (including bungalows);</li> <li>e) an applicant can demonstrate that the property / properties is / are no longer suitable for family occupation, in which case, replacement with a new Class C3 dwelling house(s), suitable for family occupation will be the preferred approach, unless one of the criteria set out above can be satisfied.</li> </ul>			
<p>Policy SHO8 - Houses in Multiple Occupation</p>	<ol style="list-style-type: none"> <li>1. Proposals for the creation of a House in Multiple Occupation (HMO), including the conversion of buildings or sub-division of dwellings, will only be permitted if this would not result in over 10% of the number of residential properties* within a 100-metre radius of the application site, measured from the centre point of the property (referred to in this policy as the “relevant area”) operating as HMOs** and if the proposals would meet the additional criteria set out in this policy.</li> <li>2. The methodology for establishing the quantum of HMOs in a relevant area is set out in the table below:</li> </ol> <p>Table 2 - Methodology for calculating concentration of HMOs within a relevant area</p> <table border="1" data-bbox="477 1185 1626 1299"> <tr> <td data-bbox="477 1185 1626 1299"> <p>Methodology / Evidence:                      The Council will calculate the number of HMOs in the relevant area for each individual planning application by using the following approach:</p> </td> </tr> </table>	<p>Methodology / Evidence:                      The Council will calculate the number of HMOs in the relevant area for each individual planning application by using the following approach:</p>	<p>[assumed no impact]</p>	<p>This is a specific policy for the development control of HMO's. There is no significant impact on the property market of this policy which impacts our viability assessment.</p>
<p>Methodology / Evidence:                      The Council will calculate the number of HMOs in the relevant area for each individual planning application by using the following approach:</p>				

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>i. Identifying the current distribution of residential properties in the relevant area -</p> <p>For the purposes of assessing applications for HMO development, dwelling houses and HMOS that are located within blocks of flats or subdivided properties are counted as one property. Residential institutions, care homes, hostels and purpose-built student accommodation and other specialist housing types are also counted as one property per block. This will ensure that calculations of HMO concentration are not skewed.</p> <p>ii. Calculating the number of HMOs in the relevant area -</p> <p>Current HMO numbers will be identified from the following sources:</p> <ul style="list-style-type: none"> <li>• Properties licensed as a HMO</li> <li>• Properties with C4 or Sui Generis HMO planning consent or issued with a Certificate of Lawful Development</li> <li>• Council tax records – student exemptions for council tax excluding purpose-built student accommodation and private flats</li> </ul> <p>iii. Calculating the concentration of HMOs in the relevant area -</p> <p>The concentration of HMOs surrounding the application site is calculated as a percentage of the total estimated number of existing HMO units against the total number of residential properties. It is accepted that although the HMO sources listed above provide the most robust approach to identifying the numbers and locations of HMOs in an area, it will not identify all HMOs.</p> <p>3. Once the current level of HMO provision has been established in a relevant area, the following criteria will be applied to the proposal:</p>		

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	iii.		
Policy SHO9 – Education Facilities	<p>1. New nursery, school and further and higher education facilities should be:</p> <p>a. Well-designed, to the relevant local / national standards / guidance in place, and should complement and enhance neighbourhood services and amenities;</p> <p>b. Well-served by public transport infrastructure, walking, and cycling facilities, particularly in centres, and located to minimise the number and length of journeys needed in relation to the home to school travel distances;</p> <p>c. Wherever possible, located to address accessibility gaps in terms of the standards set out in Policy SHO3, particularly where a significant amount of new housing is proposed.</p> <p>2. New and improved education facilities will be secured through a range of funding measures. Where a housing development of ten or more homes would increase the need for education facilities to the extent that new or improved facilities would be required to meet this need, planning obligations or Community Infrastructure Levy will be secured sufficient to meet the need in a timely manner, where this is financially viable. Contributions will be secured retrospectively where forward funding of improvements is necessary to meet immediate needs. For sites where there is likely to be a requirement for on-site provision of new schools, this is set out in Section X.</p> <p>3. Where land is provided for a new school as part of a housing development, the financial contribution made by that development towards education facilities will be reduced accordingly.</p> <p>4. On sites where the education facility requirement is proven not to be viable, the maximum proportion of funding will be sought that will not undermine the viability of the development, subject to securing other planning obligations necessary for the development to gain planning permission. A financial viability assessment will be required to be submitted, meeting the requirements set out in Policy SHO6.</p> <p>5. New and redeveloped education facilities should include provision for wider community use of sports and other facilities where this would be in accordance with evidence of need, secured through a suitably worded community use agreement</p> <p>6. The existing network of education facilities will be protected and proposals that seek to enhance this network will be supported. The physical enhancement and expansion of higher and further educational</p>	Direct	<p>We have included the relevant education contributions into our S106 assumptions herein.</p> <p>In the generic Typologies we have included the sum of £ 4,471.40 per unit. (subject to change)</p> <p>Notwithstanding these allowances, the policy is specifically stated to be 'subject to viability</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>facilities and related business and research will be supported where it helps to realise the educational, training and research potential of Sandwell.</p> <p>7. Proposals involving the loss, in part or the whole of an education facility will be permitted only where adequate alternative provision is available to meet the needs of the community served by the facility.</p>		
<p>Policy SHO10 – Accommodation for Gypsies, Travellers and Travelling Showpeople</p>	<p>Safeguarding Existing Supply</p> <p>1. Existing Gypsy and Traveller and Travelling Showpeople sites (shown on the policies map) will be protected unless it can be demonstrated that they are no longer required or suitable alternative provision can be made.</p> <p>Meeting Future Need</p> <p>2. New Gypsy and Traveller permanent pitches will be provided to meet identified need up to 2031 as set out in Table 7, in accordance with the Black Country Gypsy and Traveller Accommodation Assessment (GTAA) 2022.</p> <p>3. Accommodation needs for Gypsies and Travellers and Travelling Showpeople over the Plan period will be met through sites with outstanding planning permission, allocated sites and other sites granted planning permission during the Plan period in accordance with the criteria set out below. The council will pursue funding and / or management arrangements for new sites, where necessary.</p> <p>4. Proposals for permanent Gypsy and Traveller pitches and Travelling Showpeople plots will be assessed against the following criteria:</p> <p>a. The site should be suitable as a place to live, particularly regarding health and safety, and the development should be designed to provide adequate levels of privacy and amenity for both occupants and neighbouring uses;</p> <p>b. The site should meet moderate standards of access to residential services as set out in Policy SHO3, Table 5;</p> <p>c. The site should be located and designed to facilitate integration with neighbouring communities;</p>	<p>Indirect</p>	<p>This policy regards the provision of pitches for Gypsy and Traveller, and Travelling Show people across the plan period.</p> <p>This is a minority sector of the property market. The supply of G&amp;T sites and new development may impact indirectly on the property market through the price mechanism (e.g. the land cannot therefore be allocated as a residential site). We have used current values (and costs) within our appraisals.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>d. The site should be suitable to allow for the planned number of pitches, an amenity block, a play area, access roads, parking and an area set aside for work purposes where appropriate, including, in the case of Travelling Showpeople, sufficient level space for outdoor storage and maintenance of equipment;</p> <p>e. The site should be served or capable of being served by adequate on-site services for water supply, power, drainage, sewage and waste disposal (storage and collection).</p> <p>f. A minimum 10% biodiversity net gain is demonstrated in accordance with Policy SNE2.</p> <p>5. The location, design and facilities provided on new sites will be determined in consultation with local Gypsies and Travellers and Travelling Showpeople and will also consider / reflect any available national guidance.</p> <p>6. Proposals should be well designed and laid out in accordance with Secured by Design principles as set out in Policy SLP*.</p>		
<b>8. Sandwell's Economy</b>			
Policy SEC1 – Providing for Economic Growth and Jobs	<ol style="list-style-type: none"> <li>1. The Sandwell Local Plan will seek the delivery of at least Xha of employment land within the borough between 2020 and 2041, to support the growth of the sub-regional economy and increase productivity. Most of this requirement will be met through sites allocated for development in this Plan as set out below – these figures to be updated in the light of more up to date information on site availability from 2020-21 surveys and any changes to sites resulting from R18 responses:</li> <li>2. Additional employment development of a minimum of 70ha will be brought forward on other sites throughout Sandwell, mainly through the redevelopment, intensification and enhancement of existing employment areas and premises.</li> <li>3. The Plan will deliver a portfolio of sites of various sizes and quality to meet a range of business needs. This land is in addition to those sites currently occupied for employment purposes.</li> <li>4. The key clusters of sites are shown on the Local Plan Policies Map and individual sites listed in the list of Site Allocations. These sites will be safeguarded for industrial employment uses .</li> <li>5. Within the existing employment areas subject to Policies SLP* and SLP*, and, as appropriate, the employment areas subject to Policy SLP*, the Council will support, with public intervention as necessary, the regeneration and renewal of such areas, including their environmental enhancement and incorporation of</li> </ol>	Indirect	This is a strategic level policy. The implementation of this policy will impact the real estate market through the quality of the environment and the strength of the economy created. This will impact real estate values (and costs e.g. land) over time through the price mechanism.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	sustainable measures and facilities, including circular economy approaches and their infrastructure, as well as their marketing and promotion, to enable Sandwell's employment areas to be fit-for-purpose in the long term and aid in the economic recovery and rejuvenation of the sub-regional industrial economy.		
Policy SEC2 – Strategic Employment Areas	<ol style="list-style-type: none"> <li>1. The Strategic Employment Areas are shown on the Policies Map. They are characterised by excellent accessibility, high-quality environments and clusters of high technology growth sector businesses. These areas will be safeguarded for manufacturing and logistics uses within Use Classes E(g)(ii), E(g)(iii), B2 and B8.</li> <li>2. Within Strategic Employment Areas, high-quality development or redevelopment of sites and premises will be required, and planning applications that prejudice or dilute the delivery of appropriate employment activity, or deter investment in such uses, will be refused.</li> <li>3. Strategic Employment Areas will be safeguarded from redevelopment for other non-manufacturing / logistics uses.</li> <li>4. Some ancillary employment-generating non-Class E(g)(ii), E(g)(iii), and Class-B2 and B8 uses, such as childcare facilities and small-scale food and drink outlets, may also be permitted in Strategic Employment Areas, where they can be shown to strongly support, maintain or enhance the business and employment function and attractiveness of the area, and meet sequential and other national or local policy tests relating to appropriate uses as necessary.</li> </ol>	Indirect	This is a strategic level policy. The implementation of this policy will impact the real estate market through the quality of the environment and the strength of the economy created. This will impact real estate values (and costs e.g. land) over time through the price mechanism.
Policy SEC3 – Local Employment Areas	<ol style="list-style-type: none"> <li>1) Local Employment Areas are shown on the Policies Map. They are characterised by a critical mass of industrial, warehousing and service activity with good access to local markets and employees.</li> <li>2) These areas will provide for the needs of locally based investment and will be safeguarded for the following uses; <ol style="list-style-type: none"> <li>a) Industry and warehousing</li> <li>b) Motor trade activities, including car showrooms and vehicle repair</li> <li>c) Haulage and transfer depots</li> <li>d) Trade, wholesale retailing and builders' merchants</li> <li>e) Scrap metal, timber and construction premises and yards</li> </ol> </li> </ol>	Indirect	The implementation of this policy will impact the real estate market through the quality of the environment and the strength of the economy created. This will impact real estate values (and costs e.g. land) over time through the price mechanism.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>f) Waste collection, transfer and recycling uses as set out in Policy W3.</p> <p>3) Not all areas will be suitable for all uses.</p> <p>4) Some ancillary employment-generating non-Class E(g)(ii), E(g)(iii)) and B uses such as childcare facilities and food and drink outlets may also be permitted in Local Employment Areas where they can:</p> <p>a. be shown to strongly support, maintain or enhance the business and employment function of the area; and</p> <p>b. meet sequential and other national or local policy tests (particularly Policies SLP* and SLP*) relating to appropriate uses, as necessary.</p>		
Policy SEC4 – Other Employment Sites	<p>1) In employment areas that are not designated as either Strategic Employment Areas or Local Employment Areas on the Policies Map, but which comprise land / sites that are currently in use (or if currently vacant, were last used) for employment purposes, development will be supported for:</p> <p>a. new industrial employment uses or extensions to existing industrial employment uses, or</p> <p>b. housing or other non-ancillary non-industrial employment uses.</p> <p>2) Development or uses under part 1(b) will only be supported where there is robust evidence that:</p> <p>a. if the site is vacant, that it has been marketed for employment use for a period of at least 12 months, including by site notice and through the internet or as may be agreed by the local planning authority;</p> <p>b. if the site is occupied or part occupied, that successful engagement has been undertaken with the occupiers to secure their relocation</p> <p>c. if the site forms part of a larger areas occupied or last occupied for employment, that residential or any other use will not be adversely affected by the continuing operation of employment uses in the remainder of the area;</p> <p>d. the site could be brought forward for housing in a comprehensive manner and would not lead to piecemeal development;</p>	Indirect	The implementation of this policy will impact the real estate market through the quality of the environment and the strength of the economy created. This will impact real estate values (and costs e.g. land) over time through the price mechanism.

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>e. residential development would not adversely affect the ongoing operation of existing or proposed employment uses on the site or nearby; and</p> <p>f. the site is suitable for housing or other non-ancillary non-employment uses in accordance with local or national policies relating to these uses.</p>		
<p>Policy SEC5 – Improving Access to the Labour Market</p>	<p>1) Planning applications for new major job-creating development will be required to demonstrate how job opportunities arising from the proposed development will be made available to the residents of Sandwell, particularly those in the most deprived areas of the borough and other priority groups.</p> <p>2) Planning conditions or obligations will be negotiated with applicants and applied as appropriate to secure initiatives and /or contributions to a range of measures to benefit the local community, including the potential for working with local colleges and universities, to ensure:</p> <p>a) the provision of training opportunities to assist residents in accessing employment opportunities;</p> <p>b) the provision of support to residents in applying for jobs arising from the development;</p> <p>c) enhancement of the accessibility of the development to residents by a choice of means of transport, including walking, cycling and public transport (see Policy STR);</p> <p>d) child-care provision which enables residents to access employment opportunities;</p> <p>e) measures to assist those with physical or mental health disabilities to access employment opportunities.</p> <p>3) In respect of planning applications for new employment-generating development Sandwell will negotiate with applicants on financial or other contributions, to be secured through planning obligations or the CIL Charging Schedule.</p>	<p>Direct</p>	<p>This policy aims to ensure that new major job-creating developments benefit the local community by providing employment opportunities, improving accessibility, supporting training and childcare, and promoting social value. By incorporating these requirements, the local plan can enhance its viability through economic growth, social cohesion, and improved community infrastructure and services.</p> <p>The costs associate are picked up in CIL in order to provide social value. If further requirements are needed then it should be assessed at a site-specific level.</p>
<p>Policy SEC6 – Relationship between</p>	<p>1. Proposals for new industrial development that is likely to have an adverse effect on neighbouring uses will not be permitted, unless the adverse effects can be reduced to an acceptable level, by means of a buffer or other robust mitigation measures.</p>	<p>Direct</p>	<p>This policy aims to ensure that any new proposals do not have an adverse impact</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
Industry and Sensitive Uses	<p>2. Equally, new proposals that may adversely affect, or be adversely affected by, existing industry operating in appropriate locations will not be permitted unless the adverse effects can be reduced to an acceptable level. Where this is to be achieved by means of a buffer, the new development will be required to provide and maintain the buffer.</p> <p>3. Where existing industry operates within residential areas the Council will seek to ensure that any harmful effects are mitigated. If necessary, the Council will consider the enforcement of appropriate regulations or other means to reduce the problem.</p>		<p>or any harmful impacts on surrounding areas.</p> <p>To mitigate any impact there may be additional costs required which will be unique and specific to the site and surrounding areas. We therefore recommend a site-specific approach to assess the cost implications of this policy.</p>
<b>9. Sandwell's Centres</b>			
Policy SCE1 - Sandwell's Centres	<p>1. The priority for Sandwell's centres is to ensure they remain focused on serving the needs of their communities, through delivering a well-balanced diversity of commercial, business and service functions. This includes retail provision and an increasing mix of leisure, office, residential and other appropriate, complementary uses that are accessible by a variety of sustainable means of transport. This will enable centres to make a key contribution to regeneration, tackling climate change, fostering healthy communities, and creating pleasant, safe public spaces to increase social interaction and cohesion.</p> <p>2. Sandwell's centres comprise a hierarchy, set out in Table 8. This hierarchy will be supported and protected by ensuring that development in centres is facilitated in a manner that reflects their scale, role, and function, and resisting proposals that would undermine this strategy.</p> <p>3. Proposals for centre uses that are in-centre are subject to specific policy requirements, as set out in Table 8 and policies SLP*, and centre insets</p> <p>4. Proposals for centre uses that are not in-centre must meet the sequential test and other relevant requirements, such as impact tests (as set out in Table 8 and Policy SCE7), as well as any specific policies in the town centre insets.</p>	[assumed no impact]	<p>This policy is to sustain and enhance the vitality and viability of a network and hierarchy of centres in Sandwell by ensuring that new, appropriate scale of retail, leisure and office development is encouraged in sequentially preferable locations.</p> <p>The definition of Centres may have an impact on land values, rents and yields creating distinct market areas/uses. We have undertaken a detailed market analysis of retail and</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>5. Future growth and allocations in Sandwell, particularly housing and employment development identified in Policies SDS1, SHO1 and SEC1, should have their service needs met by, and contribute to the regeneration of, the existing network of centres.</p> <p>6. A land use approach will be adopted to encourage regeneration and to meet the challenges facing Sandwell's centres, particularly as little retail capacity has been identified to support additional floorspace, through supporting:</p> <p>a. diversifying and repurposing of centres enhanced by appropriate complementary uses, particularly residential, education, health and community uses and supporting the evening economy;</p> <p>b. the consolidation and reconfiguration of vacant floorspace into a mix of uses, especially the use of upper floors, and / or extensions to existing floorspace, with any new development being well-integrated with existing provision;</p> <p>c. enhancing the vitality, accessibility and sustainability of centres, including maximising public realm, open space, provision of suitably-located and accessible pedestrian and cycle networks, and provision of green infrastructure and vehicle charging points</p>		<p>commercial uses to highlight any implications in terms of viability and deliverability.</p> <p>Vibrant centres will help to under-pin the attractiveness of Sandwell as a place to live, work and visit. This will manifest indirectly through the price mechanism for land and property values – including residential development.</p>
Policy SCE2 - Non-Retail Uses in Town Centres	<p>Primary Shopping Areas and Retail Frontages</p> <p>1. The Retail Core / Primary Shopping Areas within the centres of Sandwell are defined on the Policies Map.</p> <p>2. To ensure that uses defined by Use Class E (commercial, business and services ) remain the predominant uses within the defined retail core / primary shopping areas, new development, including that with residential use above ground floor, will be permitted where:</p> <p>a. the proposal is for commercial Class E use at ground floor level (or ground floor plus higher storeys); or</p> <p>b. the proposal is for other town centre uses falling outside of Class E that would support the overall vitality and viability of the centre and fall within sui generis uses, to include the following:</p> <p>i. public houses, wine bars, or drinking establishments;</p> <p>ii. hot food takeaways (subject to the provisions of the relevant SLP policies);</p>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>iii. live music venues.</p> <p>3. Changes of use of ground floor premises in these areas will be permitted where the proposed use:</p> <p>a. retains an active frontage and maintains or enhances the vitality, attractiveness, and viability of the primary shopping frontage and the wider commercial area;</p> <p>b. is complementary to the shopping / commercial function of the area and provides a direct service to the public;</p> <p>c. is for a temporary period to occupy temporarily vacant units such as for occupiers testing new business concepts, a pop-up store, or for use for events which would support the vitality and viability of the town centre;</p> <p>d. does not result in an over-concentration of sui generis uses within one area, and contributes to an appropriate mix and diverse offer:</p> <p>e. does not conflict with other Sandwell Local Plan policy objectives and requirements (e.g. Policy SDM6, Policy SDM8).</p> <p>Other Shopping Areas and Retail Frontages</p> <p>4. In centres with no defined retail core or primary shopping area, proposals for non- 'E' Class uses will be resisted where they do not contribute to the vitality and viability of the centre, or where they would undermine its primary commercial, business and services functions.</p>		
<p>Policy SCE3 - West Bromwich Strategic Centre</p>	<p>1. It is a priority for West Bromwich to serve identified housing and employment growth aspirations (Policy SDS1, Policy SDS2). The diversification of West Bromwich to provide a re-purposed, well-balanced mix of appropriate uses will be supported, in particular:</p> <p>a. Residential provision will be maximised, to increase and strengthen communities, with indicative housing capacity identified by the West Bromwich Masterplan and West Bromwich Inset;</p> <p>b. Complementary uses, particularly community, leisure, health and education use (see also Policy xx and xx).</p> <p>2. Large-scale proposals to serve wider catchment areas should be focussed in West Bromwich to maximise linked trips, promote the use of sustainable modes of transport and support regeneration.</p>	<p>[assumed no impact]</p>	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Retail</p> <p>3. Existing ‘convenience’ and ‘comparison’ retail provision will be protected and appropriate new development in this use supported, to meet both local shopping needs and large-scale provision to serve the wider catchment; focused on re-purposing vacant floorspace and re using existing sites within the centre.</p> <p>Leisure</p> <p>4. Leisure uses, especially large-scale public and commercial facilities such as cinemas, hotels, and a wide range of high quality family venues and activities, will be supported where they help to diversify the centre, encourage linked trips and enhance the evening economy and visitor experience</p> <p>Office</p> <p>5. Office provision will be supported, as West Bromwich is an important location for such employment. Future demand will be market led; suitable sites are identified in the Masterplan and West Bromwich Inset.</p> <p>6. Proposals in edge-of-centre and / or out-of-centre locations must meet the relevant requirements set out in Policy SCE7.</p> <p>Sustainability</p> <p>7. West Bromwich is a highly sustainable focus for service provision; it is a priority to ensure high quality public realm and standards of design are delivered, supported through environmental policies as identified in the Masterplan.</p> <p>Accessibility</p> <p>8. Proposals for commercial and business development that involve more than 500m<sup>2</sup> (gross) of floorspace within the primary shopping areas of the centre and well-linked edge-of-centre locations should evidence the means to which they are compatible with the objectives of achieving sustainable and accessible development. This evidence must incorporate the setting out of provisions for the enablement or enhancement of sustainable means of travel and integrated modes of transport with a focus on the management of demand for car parking and car-borne traffic, including through car parking regimes</p>		

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Policy SCE4 - Town Centres (tier-two centres)	<p>1. Proposals for appropriate uses will be supported within tier-two centres (in-centre locations being defined in Policy SCE1, parts 3 and 4), particularly where they contribute to providing a diverse mix of uses, such as retail, office, leisure, residential, community, health, education and cultural facilities, and where they are of a scale that reflects the size, role and function of those centres and the catchments the centres serve.</p> <p>2. It is a priority for tier- two centres to serve the needs of development identified in the SLP, particularly for residential and employment allocations (Policy SCE1).</p> <p>3. Convenience retail development is encouraged, and proposals to extend or refurbish existing stores where they are well-integrated with the centre will be supported.</p> <p>4. In the assessment and determination of planning proposals, the distinctive offer, unique character, and special roles played by individual centres will be recognised and will be given appropriate weight when decisions are taken on applications that may affect the characteristics of the area.</p> <p>5. Proposals in edge-of-centre and / or out-of-centre locations (Policy SCE1 parts 3 and 4) must meet the relevant requirements set out in Policy SCE7.</p>	[assumed no impact]	
Policy SCE5 - District and Local Centres (tier-three centres)	<p>1. Proposals for appropriate uses (paragraph xx) will be supported within tier-three centres (in-centre locations being defined in paragraph xx) particularly commercial, business and service uses that meet day-to-day needs and serve local communities within the catchment area of those centres</p> <p>2. It is a priority for tier-three centres to serve the day-to-day shopping and service needs of development identified in the Sandwell Local Plan, particularly residential and employment allocations (Policy SCE1 point xx). Convenience retail development is encouraged and proposals to extend or refurbish existing food stores where they are well-integrated with the centre will be supported.</p> <p>3. Proposals in edge-of-centre (directly adjoining a centre boundary) and / or out-of-centre locations must meet the relevant requirements as set out in Policies SCE1 Table 8, SCE6 and SCE7 (paragraph xx).</p>	[assumed no impact]	
Policy SCE6 - Provision of Small-Scale Local Facilities not in centres	<p>1. Small-scale (up to 280m2 gross) proposals for centre uses and complementary uses that are subject to planning control will only be permitted if all the following requirements are met:</p> <p>a. The proposal does not unduly impact on the health and wellbeing of the community it is intended to serve.</p>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>b. The proposal is of an appropriate scale and nature to meet the specific day-to-day needs of a population within convenient, safe walking distance for new or improved facilities.</p> <p>c. Local provision could not be better met by investment in a nearby centre (which for centre uses identified in paragraph xx, is the sequential test as set out in national guidance).</p> <p>d. Existing facilities that meet day-to-day needs will not be undermined.</p> <p>e. Access to the proposal by means other than by car can be demonstrated and will be improved; this will be evidenced by the proposal being within convenient, safe walking distance of the community it will serve.</p> <p>2. Development involving the loss of a local facility, particularly a convenience shop, pharmacy, community facility or post office, will be resisted where this would result in an increase in the number of people living more than a convenient, safe walking distance from alternative provision.</p> <p>3. Where planning consents are granted, effective planning conditions and / or planning obligations will be required to support the regeneration strategy and minimise impacts (Policy xx).</p> <p>4. Proposals where total floorspace exceeds 280m<sup>2</sup> (gross) will also have to meet the requirements of Policy SCE6 (see paragraphs xx – xx)</p>		
<p>Policy SCE7 - Edge of Centre and Out of Centre Development</p>	<p>1. There is a clear presumption in favour of focusing appropriate uses in centres.</p> <p>Sequential Test</p> <p>2. All edge-of-centre and out-of-centre proposals (as defined in paragraph xx) for centre uses (paragraph xx) should meet the requirements of the sequential test set out in the latest national guidance.</p> <p>3. Edge and out-of-centre proposals should be assessed for accessibility by a choice of modes of transport, in particular public transport, walking and cycling, and should demonstrate that they will support both social inclusion and cohesion, and the need to sustain strategic transport links.</p> <p>4. Edge-of-centre proposals will need to demonstrate that they will be well-integrated with existing in-centre provision.</p>	<p>Indirect</p>	<p>The policy indirectly impacts the local plan viability study for Sandwell Borough by directing development to appropriate locations and promoting efficient land use in centres. It requires edge-of-centre and out-of-centre proposals to meet sequential and impact tests, ensuring careful assessments of their suitability and potential impacts. Emphasizing</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>5. When assessing sequentially preferable locations, proposals will need to demonstrate flexibility in their operational requirements, particularly in terms of their format and the types of goods being sold (paragraph xx).</p> <p>Impact Tests</p> <p>6. The locally-set floorspace thresholds for edge and out-of-centre retail and leisure proposals to meet the requirements of the Impact Assessment as set out in the latest national guidance is 280m<sup>2</sup> (gross) (Policy SCE1, Table 8).</p> <p>7. Impact tests should be proportionate to the nature and scale of proposals.</p> <p>8. Proposals should be informed by the latest available robust evidence.</p> <p>9. Where planning permissions are granted, effective planning conditions and / or planning obligations will be required to support the regeneration strategy and minimise adverse impacts (Policy ??, paragraph X).</p> <p>10. Proposals that include unit sizes under 280m<sup>2</sup> (gross) will also have to meet the requirements of Policy ?? (paragraph xx)</p>		<p>integration and accessibility by various transport modes, the policy aims to create well-connected and sustainable developments. While achieving these goals, there could be costs associated with planning application assessments, transportation infrastructure upgrades, remedial measures, design considerations, and public engagement. A comprehensive cost-benefit analysis would be necessary to assess the financial implications of implementing the policy and development proposals and should be conducted on a site-by-site basis.</p>
<b>10. Transport</b>			
<p>Policy STR1 – Priorities for the Development of the Transport Network</p>	<p>1) Land needed for the implementation of priority transport projects will be safeguarded to allow for their future delivery.</p> <p>2) All new developments must provide adequate access for all modes of travel, prioritising walking, cycling and public transport to influence travel choices. Residential development will be expected to meet the accessibility standards set out elsewhere in this Plan.</p>	<p>[assumed no impact]</p>	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>3) Key transport corridors will be prioritised through the delivery of infrastructure to support active travel (walking, cycling), public transport improvements, traffic management (including localised junction improvements) and road safety.</p> <p>4) Key transport priorities identified for delivery during the lifetime of the SLP currently include the following:</p> <p>a) Motorways: M5 Improvements (Junctions 1 and 2)</p> <p>b) Rail: Midlands Rail Hub</p> <p>c) Rapid Transit: Wednesbury – Brierley Hill A34 Walsall Road Sprint Corridor Walsall – Stourbridge corridor tram-train extensions</p> <p>d) Key road corridors including the following (but not limited to): A4123 Corridor Upgrade A461 Black Country Corridor A457/B4135 Oldbury, Smethwick to Birmingham Corridor A4034 Blackheath and Oldbury Corridor</p> <p>e) Interchanges: Dudley Port Integrated Transport Hub</p>		
Policy STR2 – Safeguarding the Development of the	1. Sandwell will, in conjunction with Transport for West Midlands (TfWM) and other neighbouring local highway authorities, identify capital improvements and management strategies to ensure the KRN meets its strategic functions.	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
Key Route Network (KRN)	<p>2. Land needed for the implementation of improvements to the KRN will be safeguarded to assist in their future delivery.</p> <p>3. Where new development is expected to result in adverse impacts on the KRN, appropriate mitigation measures will need to be identified through transport assessments and provided through planning obligations.</p> <p>4. When working with neighbouring authorities, sub-national transport bodies, infrastructure providers and statutory bodies, there will be a focus on reducing the impact of private car use on the KRN and delivering a net-zero transport system.</p>		
Policy STR3 – Managing Transport Impacts of New Development	<p>1. Planning permission will not be granted for any proposals that are likely to have significant transport implications, unless accompanied by mitigation schemes that demonstrate an acceptable level of accessibility and safety can be achieved using all modes of transport to, from and through the development. Mitigation schemes must address in particular access by walking, cycling, public transport and shared transport.</p> <p>2. These proposals should be in accordance with an agreed Transport Assessment, where deemed necessary by the Local Highway Authority, and include the implementation of measures to promote and improve such sustainable transport infrastructure and facilities through agreed Travel Plans and similar measures.</p> <p>3. Sustainable transport modes must be made more convenient for the majority of journeys than car usage in order to promote genuine modal shift. They should be supported by the necessary management and regulatory measures if deemed necessary by the Local Highway Authority. Planning conditions and /or legal agreements may be required to ensure the implementation of agreed measures.</p>	[assumed no impact]	
Policy STR4 – The Efficient Movement of Freight & Logistics	<p>1. The movement of freight by sustainable modes of transport such as rail and waterways will be encouraged. Road-based freight will be encouraged to use the Key Route Network whenever practicable.</p> <p>2. Junction improvements and routeing strategies will be focussed on those parts of the highway network evidenced as being of particular importance for freight access to employment sites and the motorway network.</p>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<ol style="list-style-type: none"> <li>3. Proposals that generate significant freight movements will be directed to sites with satisfactory access to the Key Route Network.</li> <li>4. Existing and disused railway lines will be safeguarded for rail-related uses.</li> <li>5. Sites with existing and potential access to the rail network for freight will be safeguarded for rail-related uses.</li> <li>6. Consideration will be given to the movement of freight, goods and other courier services on Sandwell's roads when determining location of new development.</li> </ol>		
<p>Policy STR5 – Creating Coherent Networks for Cycling and Walking</p>	<ol style="list-style-type: none"> <li>1. By working in partnership with Transport for West Midlands and neighbouring local authorities, Sandwell will ensure that it can create and maintain a comprehensive cycle network based on the four tiers of the West Midlands cycle network, including the use of common cycle infrastructure design standards such as LTN1/20 and Manual for Streets 2 or such future relevant guidance as may be appropriate.</li> <li>2. Creating an environment that encourages active travel requires new developments to link to existing walking and cycling networks. The links should be coherent, safe, direct, comfortable, attractive, and not impeded by other infrastructure including that provided for other forms of transport. (need to check against digital and other communication infrastructure elsewhere in the plan)</li> <li>3. Where possible, existing links including the canal network should be enhanced and the networks extended to serve new developments.</li> <li>4. New developments should have good walking and cycling links to public transport nodes and interchanges.</li> <li>5. Where possible, a compact /dense (review wording) urban realm with easy to reach destinations on foot and by cycle should be delivered including appropriate signage and wayfinding</li> <li>6. Cycle parking facilities should be provided at all new developments and should be in convenient locations with good natural surveillance, e.g. near to main front entrances for short stay visitors or under shelter for long stay visitors.</li> <li>7. The number of cycle parking spaces required in new developments and in public realm schemes will be determined by local parking standards set out in .... supplementary planning document? emerging parking policy?</li> </ol>	<p>[assumed no impact]</p>	

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	<p>8. Sandwell will work with Transport for West Midlands and neighbouring local authorities on expanding the West Midlands Cycle Hire scheme and location and provision of cycle hire infrastructure will be integral when determining new development.</p> <p>9. The design of cycle infrastructure should be in accordance with the principles and standards contained in the Department for Transport's Local Transport Note 1/20 (LTN1/20): Cycle Infrastructure Design.</p> <p>10. Where feasible, to improve the local environment for pedestrians and cyclists, measures to manage traffic should be considered, which may include measures such as modal filters, reducing traffic speeds, road space reallocation, and implementing parking management policies.</p>		
<p>Policy STR6 – Influencing the Demand for Travel and Travel Choices</p>	<p>1) Sandwell is committed to considering all aspects of traffic management in the centres and wider area in accordance with the Traffic Management Act 2004. The priorities for traffic management in Sandwell are:</p> <ul style="list-style-type: none"> <li>a. identifying appropriate strategic park and ride sites on current public transport routes to ease traffic flows into centres;</li> <li>b. working together with the rest of the region to manage region-wide traffic flows through the West Midlands Regional Traffic Control Centre and further joint working;</li> <li>c. implementing demand management measures to restrain car usage and managing car parking demand, thereby encouraging behaviour change and increasing travel by sustainable modes of transport;</li> <li>d. providing better accessibility to shared transport services such as demand responsive transport services and mobility hubs, reducing the need to travel long distances by car or helping people to travel by more sustainable modes of transport;</li> <li>e. maximising access to high speed broadband /digital infrastructure will be required to enable smarter working for those that are able to do so, thus further reducing the need to travel.</li> </ul>	<p>[assumed no impact]</p>	
<p>Policy STR7 – Network Management</p>	<p>1. Depending on the location of new development, the deployment of advanced and smart technologies that allow the public to plan their journeys more effectively may be appropriate, for example providing real time travel information and satellite navigation systems, Variable Message Signs (VMS) along</p>	<p>[assumed no impact]</p>	

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	<p>congested parts of the network and digital sensors /cameras to monitor traffic and collect data on traffic patterns for future planning.</p> <p>2. All new developments that impact the existing highway network, or which result in a new asset to be adopted by the Local Highway Authority, may be subject to fees and obligations for the maintenance of the highway network as part of a relevant legal agreement</p>		
Policy STR8– Parking Management	<p>1. The priorities for traffic management in Sandwell include the sustainable delivery and management of parking in centres and beyond, through use of some or all the following measures as appropriate: -</p> <p>a. The management and control of parking - ensuring that it is not used as a tool for competition between centres;</p> <p>b. The type of parking – ensuring that where appropriate long-stay parking is removed from town centres, to support parking for leisure and retail customers and to encourage commuters to use more sustainable means and reduce peak hour traffic flows;</p> <p>c. Maximum parking standards – ensuring that a consistent approach to maximum parking standards is enforced in new developments as set out in supplementary planning documents; Policy based on accessibility – supporting work to be undertaken by August 2023,</p> <p>d. The location of parking – by reviewing the location of town centre car parks through the “Network Management Duty”, to ensure that the flow of traffic around town centres is as efficient as possible</p> <p>e. Providing more convenient, secure and accessible cycle parking will be a critical part of increasing cycling in Sandwell and making it a natural first choice for journeys. Considering different users and types of cycle parking will be an essential part of this and new developments should consider this in accordance with guidance set out in relevant supplementary planning documents.</p>	[assumed no impact]	
Policy STR9 – Planning for Low Emission Vehicles	<p>Proposals for low emission vehicles will be supported by:</p> <p>a. Ensuring that new developments include adequate provision for charging infrastructure e.g. electric vehicle charging points in car parks, measures to encourage LEV use through travel plans and other initiatives.</p> <p>b. Where appropriate the BCA will facilitate the introduction of charging points in public locations.</p>	Direct	We have applied a cost of £1000 per house for EV charging and £2500 per 4 flats for new developments.

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	c. Working with partners to explore support for alternative low emission vehicle technologies, such as hydrogen fuel cells, across a range of modes; private cars, buses and/or small passenger and fleet vehicles		
Policy STR10 – Transport Innovation & Digital Connectivity	<p>1. Opportunities for integrating 5G connectivity within the transport network should be explored when development proposals, masterplanning and major housing and employment schemes are being promoted, to improve transport services and ensure there is 5G connectivity throughout Sandwell. This should include the provision of 5G connectivity as part of new development proposals, which will encourage more people to connect remotely, reducing the need to travel (see Policy SID1).</p> <p>2. Sandwell will ensure the integration of ‘smart infrastructure’ where possible as part of new development proposals. In transport terms, examples of smart infrastructure include: -</p> <p>a. smart parking sensors, which provide live parking capacity data;</p> <p>b. traffic signals that can respond to levels of congestion and prioritise sustainable transport modes; and</p> <p>c. transport volume monitoring sensors, which can provide information on the use of different modes, journey time or tracking data.</p> <p>3. Working in partnership with Transport for West Midlands and neighbouring Local Authorities, Sandwell will facilitate Mobility as a Service and will ensure this is integrated into any new infrastructure where applicable.</p>	[assumed no impact]	
<b>11. Infrastructure Delivery</b>			
Policy SID1 - Promotion of Fibre to the Premises and 5G Networks	<p>Fibre to the Premise</p> <p>1. Fibre to the Premises (FTTP) is essential infrastructure and is vital to the delivery of sustainable development. All major developments that provide ten or more new homes or more than 1,000 sqm of non-residential floorspace will be required to deliver FTTP capacity / infrastructure to all individual properties.</p> <p>2. All eligible proposals should be supported by an FTTP Statement that details how FTTP will be provided to serve the development and confirms that FTTP will be available at first occupation.</p> <p>5G Networks</p>	Direct	Most developers will want to provide full fibre to the premises as it is increasingly considered an essential utility by house purchasers and/or commercial occupiers. The cost of utilities provision is included in our external works

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	<p>3. Any proposals for infrastructure to support the delivery of 5G networks will be supported in principle, subject to meeting the following criteria and the requirements of other local policies and national guidance: -</p> <p>a. Proposals should be sensitively sited and designed to minimise impacts on the environment, amenity, and character of the surrounding area.</p> <p>b. Proposals should not have an adverse impact on areas of ecological interest or areas of landscape importance, and should protect and, where possible, enhance the significance of heritage assets and their setting (Policies SNE2 and SHE2).</p> <p>c. Proposals should demonstrate that proper regard has been given to location and landscaping requirements, including the potential for innovative solutions complementary to the immediate surroundings.</p> <p>d. The potential to use canal towpaths to accommodate 5G or other network infrastructure and cabling should be explored, where this would not adversely affect areas of ecological or historic interest (see Policy SNE6).</p> <p>4. Operators proposing 5G network infrastructure are strongly recommended to enter early discussions with the Council.</p>		<p>allowance. We note that the requirement may be reduced where it can be clearly demonstrated that it is not practical or viable to deliver FTTP.</p> <p>The other provisions of this policy are in respect of the 5G infrastructure network, and are therefore only relevant in that 5G is to be available across Sandwell (but there is no direct impact on viability).</p>
Policy SID2- Mobile Network Infrastructure	<p>1. To ensure that the installation of masts is in full compliance with the requirements of the radio frequency (RF) public exposure guidelines of the International Commission on Non-Ionizing Radiation Protection (ICNIRP) applications for all prior approval and full planning applications must:</p> <p>a. provide self-certification to the effect that a mobile phone base station when operational will meet the ICNRP guidelines; and</p> <p>b. provide a statement for each site indicating its location, the height of the antenna, the frequency and modulation characteristics and details of power output and where a mobile phone base station is added to an external mast or site, confirmation that the cumulative exposure will not exceed the ICNRP guidelines.</p>	[assumed no impact]	
Policy SID3 - Digital Infrastructure / Equipment	<p>1. The siting and design (including materials) of digital infrastructure / equipment, which includes (but is not limited to) telephone kiosks and digital interactive finger posts, will be carefully controlled to ensure: -</p> <p>a. they do not detract from the visual amenities of the street scene;</p>	[assumed no impact]	

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	b. they avoid harmful impacts on public amenity or unacceptable street clutter in the public realm; c. they avoid harm to the significance of heritage assets or their settings and support local distinctiveness.		
<b>12. Waste and Minerals</b>			
Policy SWA1 – Waste Infrastructure Future Requirements	1. Proposals for relevant, major development shall evidence how its operation will minimise waste production, as well as facilitating the re-use and recovery of waste materials including, for example, through recycling, composting and energy from waste. Waste operators will be expected to demonstrate that the greenhouse gas emissions from the operations involved and associated transport of waste from source to processing facility have been minimised, in line with national and local targets for the transition to a net zero carbon economy. 2. Proposals for waste management facilities will be supported based upon the following principles; a) managing waste through the waste hierarchy in sequential order. Sites for the disposal of waste will only be permitted where it meets a need which cannot be met by treatment higher in the waste hierarchy; b) promoting the opportunities for on-site management of waste where it arises and encouraging the co-location of waste developments that can use each other’s waste materials; c) ensuring that sufficient capacity is located within the Black Country to accommodate the waste capacity requirements during the plan period and reducing the reliance on other authority areas; d) enabling the development of recycling facilities across the Black Country, including civic amenity sites, and ensuring that there is enough capacity and access for the deposit of municipal waste for re-reuse, recycling, and disposal; e) waste must be disposed of, or be recovered in, one of the nearest appropriate facilities, by means of the most appropriate methods and technologies, to ensure a high level of protection for the environment and public health;	Indirect	This policy is about the provision of waste infrastructure and future requirements. It is not subject to specific policy obligations (e.g. affordable housing, CIL etc) over and above site-specific mitigation (e.g. noise, dust mitigation etc). There is no direct impact on Plan viability, but the lack of provision for waste will impact on the deliverability of new homes and employment.

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	<p>f) ensuring new waste management facilities are located and designed to avoid unacceptable adverse impacts on the townscape and landscape, human health and well-being, nature conservation and heritage assets and amenity;</p> <p>g) working collaboratively with neighbouring authorities with responsibilities for waste who import waste into, or export waste out of, the Black Country, to ensure a co-operative cross boundary approach to waste management is maintained.</p>		
<p>Policy SWA2 – Waste Sites</p>	<p>Protecting Waste Sites</p> <p>1. Sandwell will safeguard all existing strategic and other waste management facilities from inappropriate development, in order to maintain existing levels of waste management capacity and meet Strategic Objective?, unless it can be demonstrated that:</p> <p>a) there is no longer a need for the facility; and</p> <p>b) capacity can be met elsewhere; or</p> <p>c) appropriate compensatory provision is made in appropriate locations elsewhere in the Black Country; or</p> <p>d) the site is required to facilitate the strategic objectives of the Sandwell.</p> <p>2. This policy will also apply to all new waste management sites that are implemented within the lifetime of the plan.</p> <p>New development near existing waste facilities</p> <p>3. Proposals for housing and other potentially sensitive uses will not be permitted near to or adjacent to an existing waste management site where there is potential for conflict between the uses,</p> <p>a) unless a temporary permission for a waste use has expired, or the waste management use has otherwise ceased, and the site or infrastructure is considered unsuitable for a subsequent waste use;</p> <p>b) or redevelopment of the waste site or loss of waste infrastructure would form part of a strategy or scheme that has wider environmental, social and / or economic benefits that outweigh the retention of the site or infrastructure for the waste use and alternative provision is made for the displaced waste use;</p>	<p>Indirect</p>	<p>Ditto</p>

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	<p>c) or a suitable replacement site or infrastructure has otherwise been identified and permitted.</p> <p>4. Waste Site Impact Assessments will be expected to demonstrate that at least one of the above criteria applies. Applications should also identify any 'legacy' issues arising from existing or former waste uses, and how these will be addressed through the design of the development and the construction process.</p>		
<p>Policy SWA3 – Preferred Areas for New Waste Facilities</p>	<p>1. The preferred locations for waste management facilities are the Local Employment Areas shown on the Sandwell Policies Map, Waste Key Diagram.</p> <p>2. All proposals for new waste management facilities should demonstrate how they will contribute to Spatial Objective ? and the strategic objectives of Policy W1, such as the contribution they will make to landfill diversion, delivery of new waste management capacity and diversification of the range of facilities currently available.</p> <p>3. All applications for waste development will be expected to comply with the requirements in Policy W4.</p>	<p>Indirect</p>	<p>Ditto</p>
<p>Policy SWA4 – Locational Considerations for New Waste Facilities</p>	<p>Key Locational Considerations for All Waste Management Proposals</p> <p>1. Proposals should demonstrate how they will contribute to Spatial Objective 13? and the strategic objectives of Policy W1, such as the contribution they will make towards landfill diversion, delivery of new waste management capacity and diversification of the range of facilities currently available.</p> <p>2. Development for new build waste management facilities should be focused in local employment areas and will be required to meet the following criteria:</p> <p>a) evidence the need for the facility;</p> <p>b) all waste processes and operations must be contained, processed and managed within buildings unless there are acceptable operational reasons why these processes cannot be contained in buildings;</p> <p>c) proposals must accord with all other policies in relation to the protection of the environment and public amenity, or demonstrate that other material considerations outweigh any policy conflicts;</p> <p>d) consideration will be given to the potential impacts of waste management proposals on: -</p> <p>i. minimising adverse visual impacts;</p>	<p>Indirect</p>	<p>Ditto</p>

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	<ul style="list-style-type: none"> <li>ii. potential detrimental effects on the environment and public health;</li> <li>iii. generation of odours, litter, light, dust, and other infestation;</li> <li>iv. noise, excessive traffic and vibration;</li> <li>v. risk of serious fires through combustion of accumulated wastes;</li> <li>vi. harm to water quality and resources and flood risk management;</li> <li>vii. land instability;</li> <li>viii. land use conflict; proposals should demonstrate compatibility with the uses already present within / adjacent to the area;</li> <li>ix. where necessary mitigation measures should be identified to reduce any adverse effects to an acceptable level.</li> <li>x. whether the proposal would provide opportunities for co-location of related uses and / or generate other benefits (for example; produce a range of waste types or streams, produce high quality aggregates or other useful raw materials, or supply heat and power or other forms of energy to adjacent uses).</li> </ul> <p>Waste Applications – Supporting Information</p> <p>3) Planning applications for waste development (Note 1) should include a supporting statement that clearly describes the key characteristics of the development. It should also explain how the development aligns with Spatial Objective 13? and the General Principles and Preferred Methods of managing waste in Policy W1. In particular, the application should explain the contribution the development would make towards driving waste up the waste hierarchy, supporting the development of a more circular economy, meeting the Black Country’s additional waste capacity requirements, and broadening the range of waste facilities currently available in the plan area.</p> <p>4) The following information should also be included in the supporting statement and / or on the planning application form:</p> <ul style="list-style-type: none"> <li>a) the type of waste facility or facilities proposed;</li> <li>b) the waste streams and types of waste to be managed;</li> </ul>		

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	<p>c) the types of operation to be carried out on the site;</p> <p>d) whether waste would be sourced locally, regionally or nationally;</p> <p>e) the maximum operational throughput in tonnes per annum;</p> <p>f) for waste disposal, the total void space to be infilled in cubic metres;</p> <p>g) the outputs from the operations, including waste residues;</p> <p>h) the expected fate and destination of the outputs;</p> <p>i) the number of associated vehicular movements;</p> <p>j) the number of jobs created.</p> <p>Notes:</p> <p>(1) This includes applications for new build waste developments, changes of use to waste developments, applications for new operational development and other material changes to existing waste sites, and 's73' applications to vary a condition attached to an existing waste permission. For definitions of 'waste development' and 'waste' see the Policy Justification.</p>		
<p>Policy SWA5 – Resource Management and New Development</p>	<p>Waste Management in new developments</p> <p>1. All new developments should;</p> <p>a. address waste as a resource;</p> <p>b. minimise waste as far as possible;</p> <p>c. design sites with resource and waste management in mind;</p> <p>d. manage unavoidable waste in a sustainable and responsible manner; and</p> <p>e. maximise use of materials with low environmental impacts.</p> <p>2. Where a proposal includes uses likely to generate significant amounts of waste, these should be managed either on-site or in as close a proximity as possible to the source of the waste.</p>	<p>Indirect</p>	<p>Ditto</p>

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	<p>3. Resource and waste management requirements should be reflected in the design and layout of new development schemes. Wherever possible building, engineering and landscaping projects should use alternatives to primary aggregates, such as secondary and recycled materials, renewable and locally sourced products and materials with low environmental impacts. Consideration should also be given to how waste will be managed within the development once it is in use.</p> <p>4. Where redevelopment of existing buildings or structures and / or remediation of derelict land is proposed, construction, demolition and excavation wastes (CD&amp;EW) should be managed on-site where feasible and as much material as possible should be recovered and re-used for engineering or building either on-site or elsewhere.</p>		
Policy SM11 - Minerals Safeguarding	<p>Mineral deposits that are identified as being, or may become of, economic importance will be safeguarded from unnecessary sterilisation.</p> <p>1. Where development is proposed, encouragement will be given to the extraction of the mineral resource prior to or in conjunction with, development, where this would not have unacceptable impacts on neighbouring uses. Developments over five hectares should be accompanied by supporting information (as set out in the Justification) demonstrating that mineral resources will not be needlessly sterilised.</p> <p>Secondary and Recycled Aggregates</p> <p>2. At the end of 2017 the Black Country was estimated to be producing around 720,800 tonnes of secondary and recycled aggregates per annum at permitted production sites. As a minimum, Sandwell will aim to maintain its share of this level of production throughout the plan period. In support of this, permitted secondary and recycled aggregate sites expected to continue in production up to 2041 will be safeguarded (see Policy MIN2).</p> <p>3. The location of all permitted mineral infrastructure sites in Sandwell, are identified on the Policy Map and these sites are also listed below. Applications for development within a 150m buffer zone of these sites will need to demonstrate they will not have any unacceptable impacts on these sites that would prevent them from continuing to operate.</p>	Indirect	This policy is about the provision of minerals. It is not subject to specific policy obligations (e.g. affordable housing, CIL etc) over and above site-specific mitigation (e.g. noise, dust mitigation etc). There is no direct impact on Plan viability, but the lack of provision of minerals will impact on the deliverability of new homes and employment.
Policy SM12 - Managing the Effects of Mineral Development	General Requirements for Minerals Developments	Indirect	Ditto

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	<p>1. When working ceases, all plant and equipment should be removed, and sites should be restored as soon as possible.</p> <p>2. The working, processing or recycling of minerals must accord with all other policies in relation to the protection of the environment, public amenity and health, and surrounding land uses as set out in this plan or in any other adopted development plan – or otherwise demonstrate that other material considerations outweigh any policy conflict.</p> <p>3. Subject to other policies within the Plan, planning permission will be granted for built development within the Consideration Zones around Coneygre Mine and Blackham Mine, where the applicant is able to demonstrate that a collapse in the mine would not prejudice public safety or compromise the structural integrity of the proposed structures.</p> <p>4. Proposals should address the impact of transporting minerals and mineral products on the highway network and should be accompanied by a Transport Assessment if generating a significant number of vehicle movements.</p> <p>Additional Assessment Criteria for Minerals Developments</p> <p>5. In addition to the general requirements set out above, proposals for mineral working or mineral-related infrastructure at both new and existing sites will be further assessed in terms of:</p> <ul style="list-style-type: none"> <li>a) minimising any adverse visual impacts;</li> <li>b) effects on natural, built, and historic (including archaeological) environments and on public health;</li> <li>c) generation of noise, dust, vibration, lighting, and excessive vehicle movements;</li> <li>d) compatibility with neighbouring uses – taking into account the nature of the operations, hours of working, the timing and duration of operations and any cumulative effects;</li> <li>e) harm to water quality and resources and flood risk management;</li> <li>f) ground conditions and land stability;</li> <li>g) land use conflict – proposals should demonstrate compatibility with the uses already present within the surrounding area;</li> <li>h) impacts on the highway, transport, and drainage network;</li> </ul>		

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	i) where necessary, mitigation measures should be identified to reduce any adverse effects to an acceptable level.		
<b>13. Development Constrains and Industrial Legacy</b>			
Policy SCO1 - Hazardous Installations and Substances	<p>1. The Council will seek the reduction or removal of the hazardous component of notified installations. Where any existing or proposed industrial development presents a significant potential hazard to the health and safety of employees, or to people living and working in the surrounding area, the Council will seek either a reduction in the risk or its elimination.</p> <p>2. The Council will use its powers under the Planning (Hazardous Substances) Act 1990 (or any subsequent legislative powers that supersede this Act) to revoke or modify a hazardous substances consent where either the consent has not been relied upon for five years or where all potential claimants for compensation indicate that they will not seek compensation.</p> <p>3. The Council will oppose the expansion of existing hazardous installations unless it can be demonstrated that consent will not: -</p> <p>a. increase the population at risk or the level of risk itself; or</p> <p>b. adversely impact on the potential for development and / or redevelopment of adjoining land.</p> <p>4. The Council will consult the Health and Safety Executive, the Environment Agency and other relevant bodies on all applications for hazardous substances consent and planning permission in the consultation zones around hazardous premises as may be notified from time to time to the Council by the Health and Safety Executive.</p> <p>5. The Council will not grant either planning permission or hazardous substances consent for new development that when operational will: -</p> <p>a. result in a significant increase to the risk or consequences of a major incident; and / or</p> <p>b. adversely impact on the potential for development / redevelopment of adjoining land.</p>	Indirect	<p>The policy on hazardous installations in Sandwell embodies an overarching approach as it integrates multiple facets of development, safety, and land use into a comprehensive framework. Its expansive nature means that, while the immediate intent is ensuring public safety, its ripple effects extend beyond this primary goal. For instance, the policy's provisions could unintentionally curb certain industries from setting up or expanding within Sandwell, indirectly influencing economic trajectories and employment prospects. This overarching stance also impacts land valuations, where proximity to hazardous sites might suppress land values due to perceived risks, even if the</p>

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			<p>actual threat is minimal or well-managed.</p> <p>Furthermore, the policy's indirect effects on the local plan's viability become evident when considering its implications on long-term investments. Businesses may be hesitant to commit to extensive projects if they perceive an underlying risk of revocations due to unused consents, potentially stymieing long-term developmental plans. The comprehensive consultation process, while ensuring the utmost safety, might inadvertently slow down the approval process, affecting Sandwell's appeal as a swift and business-friendly development destination. In essence, while the policy is overarching in its pursuit of safety, its indirect impacts are profound, shaping Sandwell's economic, developmental, and strategic landscapes in nuanced ways.</p>

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Policy SCO2 - Pollution Control	<ol style="list-style-type: none"> <li>1. Development proposals that are likely to cause or increase pollution or expose their occupants, users or adjacent residents to new or increased pollution will only be permitted where it can be demonstrated that sufficient mitigation measures are available and will be used to minimise harmful impacts to a level that protects the health and amenity of people and the environment.</li> <li>2. Development proposals must not, either individually or cumulatively, contribute to or produce poor air quality, odour nuisance and / or unacceptable levels of emissions from commercial and industrial premises that could cause detriment to local amenity. Proposals should be designed to reduce the exposure of occupants and users of the development to poor air quality and mitigate the effects of all relevant pollution sources . Proposals that include measures to improve air quality will be supported.</li> <li>3. Development proposals that incorporate artificial lighting must have regard to the siting, design and luminance of external lighting sources, and the relationship between light spill and the design of the scheme, to avoid adversely affecting local amenity and nature conservation . Measures should be employed to ensure external lighting is only used when required.</li> <li>4. Development proposals must not give rise to noise and vibration at such levels that they are likely to adversely impact health and quality of life, both during the construction of development and following its completion.</li> <li>5. Development proposals that are sensitive to noise should not be located within an area of existing high levels of noise unless it has been demonstrated that noise impacts can be satisfactorily mitigated by the design and layout of the scheme, and / or the incorporation of insulation, including acoustic glazing.</li> <li>6. The 'agent of change' principle set out in the National Planning Policy Framework will be applied when determining applications for planning permission.</li> </ol>	Direct	<p>The policy has a direct impact on the local plan viability study for Sandwell Borough, as it sets clear guidelines for mitigating pollution, poor air quality, noise, and light pollution in development proposals. While ensuring the health and amenity of residents and the environment, compliance with these measures could result in additional costs for developers, including the implementation of pollution mitigation measures, air quality improvements, acoustic insulation, and careful consideration of artificial lighting. The 'agent of change' principle, applied during planning permission, may also influence the financial aspects of development proposals by requiring developers to take responsibility for addressing potential impacts on existing surroundings.</p> <p>A thorough cost-benefit analysis will be essential to assess the financial</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			<p>implications of complying with the policy while ensuring sustainable and environmentally friendly development in the borough.</p> <p>Pollution will differ from site to site, we therefore recommend that a site specific approach is taken to control pollution.</p>
<p>Policy SCO3 - Land contamination and instability</p>	<p>1. Planning permission will be granted for development on: -</p> <ul style="list-style-type: none"> <li>a. land that is unstable;</li> <li>b. land that is contaminated or suspected of being contaminated due to its historic use or geology; or</li> <li>c. land that will potentially become contaminated as a result of the development;</li> </ul> <p>subject to the submission of satisfactory information relating to ground conditions and the presence of ground gas, and full details of the assessment and remedial measures that will be used to deal with instability and contaminants.</p> <p>2. The assessment must demonstrate that: -</p> <ul style="list-style-type: none"> <li>a. there will be no significant harm, or any risk of significant harm, to the health and wellbeing of people and the environment;</li> <li>b. there will be no current likelihood, or future risk, that watercourses and groundwater will become contaminated; and</li> <li>c. any necessary remedial action is undertaken to safeguard users of the land or neighbouring land both during the construction of development and following occupation.</li> </ul> <p>3. The Council will support the reclamation and remediation of derelict, despoiled, degraded and contaminated land as part of the ongoing regeneration of the borough.</p>	<p>Direct</p>	<p>This policy has a direct impact on local plan viability assessments. When there is a known or suspected presence of land contamination or when the proposed use is sensitive or vulnerable to land contamination, the applicant is required to provide sufficient and relevant information for a proper assessment of the proposal. Planning permission may be granted with conditions that necessitate further actions from the applicant. These actions may include conducting a risk assessment and options appraisal, formulating a sustainable remediation</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			<p>strategy, implementing and verifying the remediation strategy, and addressing contaminated land that was not previously identified. Compliance with these requirements adds costs and obligations to the development process, directly impacting the viability of the project. The need for thorough assessment and potential remediation measures can increase expenses and potentially affect project timelines and feasibility.</p> <p>land stability impacts has a direct impact on local plan viability by requiring proportionate information on instability and assessments to mitigate adverse impacts. The policy safeguards the environment and public safety and makes it challenging for developers to proceed with harmful projects.</p> <p>For the purpose of this study, we applied a remediation cost per acre of £133,000 to incorporate the</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			<p>need to de-risk / decontaminate sites.</p> <p>We note that this figure is an 'oil in the wheels figure' and that remediation of contaminated land as well as stabilisation of land should be measured at a site-specific level.</p>
<b>14. Development Management</b>			
Policy SDM1 – Design Quality	<p>1) Developments must be designed to high standards and should create a strong sense of place and reflect Sandwell's unique character. They must address as appropriate:</p> <ul style="list-style-type: none"> <li>a) the topography, townscapes and landscapes of Sandwell;</li> <li>b) the need to maintain strategic gaps and views, including to and from the Rowley Hills;</li> <li>c) the built and natural settings of development;</li> <li>d) the need to ensure that domestic extensions should generally be subservient and proportionate to the existing dwelling and should be in keeping with their surroundings by virtue of their scale, architecture and materials.</li> <li>e) the treatment of 'gateway' opportunities where they occur in key locations;</li> <li>f) Sandwell's industrial and domestic architecture;</li> <li>g) the need to ensure development has no harmful impacts on key environmental and historic assets, townscapes and locations;</li> <li>h) the presence of canals in Sandwell's urban environments and the opportunities they offer for design, accessibility, the environment and technology;</li> <li>i) the matter of land instability where this is an issue in relation to specific development proposals.</li> </ul>	Direct	<p>This policy sets out design principles that new development should follow in order to ensure the Sandwell's different characteristics and qualities are maintained and enhanced. There is therefore a direct impact on the construction cost.</p> <p>Notwithstanding this, the minimum design standard is the Building Regulations and therefore the cost of compliance is reflected in the BCIS costs that we have used within our appraisals. Note also that good design leads to high quality environments which are</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>2) Development proposals must demonstrate that the following have been addressed in design and access statements that reflect their Sandwell-specific context: -</p> <ul style="list-style-type: none"> <li>a) the ten characteristics of the National Design Guide , to provide a high-quality network of streets, buildings and spaces;</li> <li>b) the principles of Manual for Streets , to ensure urban streets and spaces provide a high quality public realm and an attractive, safe and permeable movement network;</li> <li>c) use of the Building for a Healthy Life criteria (or subsequent iterations) and Sandwell’s local housing design codes, masterplans and guidance for new housing developments, to achieve high design standards, good place-making and sustainable development;</li> <li>d) crime prevention measures, Secured by Design and Park Mark principles and the requirements of Part Q of the Building Regulations 2010 or any successor legislation;</li> <li>e) the agent of change principle, in relation to existing uses adjacent to proposed development sites.</li> </ul> <p>3) Major development proposals should contribute to the greening of Sandwell by:</p> <ul style="list-style-type: none"> <li>a) including urban greening as a fundamental element of site and building design;</li> <li>b) incorporating measures such as high-quality landscaping and tree planting , other soft landscaping, green roofs, green walls and sustainable drainage and conserving existing green spaces and natural resources;</li> </ul> <p>4) Development must not cause an adverse impact on the living environment of occupiers of existing residential properties, or unacceptable living conditions for future occupiers of new residential properties, in terms of:</p> <ul style="list-style-type: none"> <li>a) privacy and overlooking</li> <li>b) access to sunlight and daylight;</li> <li>c) artificial lighting;</li> <li>d) vibration;</li> <li>e) dust and fumes;</li> </ul>		<p>reflected in the value of real estate. We have used current values (and costs) within our appraisals.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>f) smell;</p> <p>g) noise;</p> <p>h) crime and safety; and / or</p> <p>i) wind, where the proposals involve the development of tall buildings.</p> <p>5) To improve the quality and perception of the public realm in Sandwell, the Council will encourage the promotion of public art, subject to appropriate public consultation and in accordance with other relevant policies. Where new development changes or creates public spaces, the Council will welcome the provision of public art as part of the proposal.</p>		
<p>Policy SDM2 – Development and Design Standards</p>	<p>Nationally Described Space Standards</p> <p>1. New residential development (including the conversion of buildings) will be required to meet the Nationally Described Space Standards (NDSS) , except where it can be clearly evidenced that the implementation of the NDSS would cause harm to the significance of a heritage asset .</p> <p>2. Where NDSS are not used, development should reflect National Design Guide principle H1 in delivering functional, healthy and sustainable homes and buildings, particularly in relation to creating healthy, comfortable and safe internal and external environments.</p> <p>Water efficiency in new dwellings</p> <p>3. New residential development (including conversions from non-residential properties) and houses in multiple occupation will be required to meet the lower water efficiency standard of 110 litres per person per day, as set out in Part G2 of current Building Regulations or as identified in any successor legislation.</p>	<p>Direct</p>	<p>We have developed our scheme typologies (see Typologies Matrix) having regard to the house sizes that have been developed and sold recently (see the Residential Market Paper). We have applied the Nationally Described Space Standard (NDSS) within our appraisals as the minimum standard.</p>
<p>Policy SDM3 – Tall Buildings and Gateway Sites</p>	<p>Tall buildings</p> <p>1. The proposed heights for buildings should reflect other design and policy requirements, including the need to have regard to the existing or emerging character and context of the area.</p> <p>2. The height and location of tall buildings in relation to other existing and proposed buildings / structures should be clearly identified in masterplans and / or design and access statements, which should also set out a clear rationale for the development of tall buildings.</p>	<p>Direct</p>	<p>Developers seeking to construct tall buildings must carefully consider existing character and context, provide design appraisals with alternative options, and demonstrate compliance with various criteria,</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>3. For development proposals that include taller buildings, applicants must submit design appraisals with alternative options to demonstrate whether similar densities can be achieved using more traditional and human- scaled typologies including terraced housing, maisonettes, and courtyard apartments.</p> <p>4. The planning application and its supporting information must demonstrate that:</p> <ul style="list-style-type: none"> <li>a) there is sufficient access to public transport for occupants / users of the building;</li> <li>b) there is access to local services and facilities, depending on the number and type of residents expected;</li> <li>c) the proposal will not have an unacceptable adverse impact on local character, including heritage assets;</li> <li>d) the design considers topography;</li> <li>e) the proposal will not create unacceptable adverse environmental impacts, including flood risk, creation of a wind tunnel, loss or lack of daylight / sunlight;</li> <li>f) the design is of high architectural quality; and</li> <li>g) the proposal will integrate into its surroundings at all levels, particularly at street level and skyline.</li> </ul> <p>Gateway Sites</p> <p>5. When assessing proposals and applications for planning permission on gateway sites the Council will apply the following principles:</p> <ul style="list-style-type: none"> <li>a) Key landmark buildings, structures and features will be preserved and improved;</li> <li>b) The topography of the area will be emphasised in the design and location of new buildings or features;</li> <li>c) New development should be of architectural merit and use high-grade materials.</li> <li>d) Proposals should include hard and soft landscaping, including trees, water and public art;</li> <li>e) Where possible and appropriate, redundant street furniture, associated clutter and advertisements should be removed.</li> </ul>		<p>including access to public transport, local services, and architectural quality. The policy also emphasises preservation and improvement of key landmarks on gateway sites, use of high-grade materials, and incorporation of landscaping and public art. Complying with these requirements may result in additional costs for developers to meet the architectural and environmental standards set by the policy and to ensure seamless integration into the surroundings. A thorough viability assessment will be essential to evaluate the financial implications of developing tall buildings and gateway sites while upholding the borough's unique character and heritage.</p> <p>We have used current costs based on the BCIS and rebased them to West Midlands which take into consideration costs of</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
			<p>'typical' development across Sandwell. We acknowledge that construction costs are likely to be higher with taller buildings.</p> <p>Furthermore, developments involving tall buildings are likely to require a bespoke approach to viability, to assess the additional costs of the development.</p>
Policy SDM4 - Advertisements	<ol style="list-style-type: none"> <li>1. Proposals for advertisements will not be given consent where they would have an unacceptable impact on amenity or public safety.</li> <li>2. An advertisement will be considered to have an unacceptable impact on amenity where it would: <ol style="list-style-type: none"> <li>a. create or reinforce a negative visual impact in its immediate neighbourhood;</li> <li>b. detract from the character or setting of any feature of historic, architectural or cultural interest;</li> <li>c. generate a negative impact on the living conditions of nearby residents by reason of its siting or illumination.</li> </ol> </li> <li>3. Advertisement proposals of all types will be considered harmful to public and road safety where they would: <ol style="list-style-type: none"> <li>a. obscure views into an area, reducing natural surveillance;</li> <li>b. create an unwelcoming sense of enclosure;</li> <li>c. obscure safety cameras;</li> <li>d. unsafely reduce natural or street lighting;</li> <li>e. create visual distraction that would be harmful to the attention of drivers or the ready interpretation of road signs, traffic signals and / or visibility at junctions (see sections 6 – 8 below for details).</li> </ol> </li> </ol>	Direct	<p>This policy directly impacts the local plan viability assessment Borough by preserving visual appearance, heritage assets, and public safety. While it doesn't explicitly outline financial costs, compliance with the policy may involve expenses related to design and implementation of appropriate advertisements.</p> <p>This does not have any implications for the purpose of our study, however, we recommend a site specific approach is taken to the control of advertisements.</p>

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>Poster Panels and Hoardings</p> <p>4. Applications for poster panels will be considered in light of local amenity and public safety. Regard should be given to the scale of buildings and the character of the location in which they are to be sited, together with any potential impact on highway safety.</p> <p>5. In general, advertisement hoardings will not be appropriate in wholly residential areas. Poster advertising may be appropriate in predominantly shopping and business parts of Conservation Areas and Areas of Townscape Value, though care will be needed in how they are accommodated.</p> <p>Illuminated and Moving Advertisements</p> <p>6. The intensity of the illumination of an advertising unit and display should be set at a suitable level of luminance at night for its size and location and the panel must be fitted with a light sensor designed to adjust the brightness when changes in ambient light levels occur.</p> <p>7. For moving / electronic advertising, the minimum display time for each advertisement shall be 10 seconds. There must be no moving images, animation, video or full motion images or any images that resemble road signs, traffic lights or traffic signs of any kind before, during or after the display of any advertisement</p> <p>8. The interval between the display of each moving advertisement shall be 0.1 seconds or less and the complete display screen shall change without visual effects (including fading, swiping or other animated transition methods) between each advertisement.</p>		
Policy SDM5 - Shop Fronts and Roller Shutters	<p>Roller Shutters</p> <p>1. Planning permission is required for the installation of all permanent roller shutters. All applications for the installation of roller shutters will be assessed using the following criteria: -</p> <p>a) Encouragement will be given to the integration of roller shutters as part of development proposals for new shop fronts, through the planning application process and pre-application discussion.</p> <p>b) The applicant must satisfy the local planning authority that the type of security shutter they are proposing is the most appropriate.</p>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>c) Roller shutters should, wherever possible, not project across the pilasters of the shop front, or obscure any architectural detail. The submitted plans should indicate this.</p> <p>d) Roller shutter boxes should, wherever possible, be hidden within the structure of the building or behind shop fascias, so as not to affect the character and architecture of the building.</p> <p>e) Metal roller shutters should be perforated and be colour powder coated or painted</p> <p>f) Details of materials should be submitted with the planning application.</p> <p>g) No more than 50% of the shutters should be solid.</p> <p>h) Roller shutters that are totally solid will not be acceptable.</p> <p>Shop Front Design</p> <p>2. All planning applications for the installation of shop fronts will be assessed against the following criteria: -</p> <p>a) All shop fronts should be designed to fit in with the scale and architectural character of the building in which they are to be contained.</p> <p>b) All shop fronts should remain within their existing structural openings and be fully framed with fascia signs. Shop fronts and fascias must also be recessed behind pilasters.</p> <p>c) Adjacent shop fronts should be separated by a pilaster, matching the building. However, original pilasters should be retained where they exist.</p> <p>d) Original features, such as iron columns, ornamental brackets or carved stonework, should be preserved or restored.</p> <p>e) Canopies should be retractable and sited below the fascia.</p> <p>f) To ensure a high standard of shop front design, all applications for planning permission will require the submission of a detailed elevation of the proposed shop front in relation to the building within which it is to be contained, as well as adjacent shop fronts.</p> <p>g) Retention of facades above shop fronts that are of good quality, or which have special, architectural or historic interest, should be encouraged.</p>		

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	h) Whilst the appearance of a building should not be compromised, consideration should be given to natural surveillance, safety and security when designing new shop fronts.		
Policy SDM6 - Hot Food Takeaways	<p>Vitality and Viability</p> <p>1. A percentage limit for the appropriate number of hot food takeaways (HFT) in centres, including HFT permissions, and vacant units with an HFT as their lawful use (Strategic, Town, District and Local) is as follows:</p> <p>a. In centres with 40 units or more – no more than 7% of frontages should be occupied by HFTs.</p> <p>b. In centres with less than 40 units – no more than 12% of the frontages should be occupied by HFTs.</p> <p>Clustering of hot food takeaways in centres.</p> <p>2. No more than two hot food takeaway outlets should be located next to each other. Any application for a further hot food takeaway use that would exceed this limit will not be permitted.</p> <p>3. Where two HFTs are located next to each other, they should be separated by at least two non-HFT units from any similar uses.</p> <p>Exclusion zones</p> <p>4. An exclusion zone will be implemented near to secondary schools and higher education establishments; no new hot food takeaway developments will be permitted where they are within 400 metres of a secondary school or college site (as measured in a direct line from the school entrance(s) used by pupils / students).</p>	[assumed no impact]	
Policy SDM7 - Management of Hot Food Takeaways	<p>1. No new hot food takeaways (HFT) will be permitted where they are directly adjacent to residential property at ground floor level. This does not apply to first / second floor flats above or diagonally above a proposed HFT.</p> <p>2. Where there is an existing residential unit above a HFT, which is not connected with its operation, private residential amenity should not be prejudiced. Specific care will need to be given to odour extraction, noise insulation, private accessibility and public convenience. Appropriate mitigation measures will include</p>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>control over hours of opening hours. Where appropriate provisions cannot be included then such uses will not be supported, even within designated centres.</p> <p>Local environmental issues</p> <p>3. All HFTs will require appropriate fume extraction equipment to be installed, retained and maintained to reduce / remove potential nuisance from odours. Extraction systems should be effective in dispersing odours from hot food takeaways, whilst satisfying the council's design policies, especially in areas of historic character.</p> <p>Disposal of waste products and litter</p> <p>4. Appropriate fat traps will be required on drains to prevent fats from reaching the water system. Suitable grease traps also must be installed on all drains to prevent blockages and the flooding of properties.</p> <p>5. Appropriate storage areas must be specified for food waste bins and packaging waste and included in any new proposal.</p> <p>6. The bins to be provided must be a suitable size and should be stored in a location so as not to cause a nuisance to neighbouring residential or commercial properties, including with regard to odours and accessibility.</p> <p>7. Commercial bin stores must be contained within the site. Where this is not possible, secure storage structures should be provided to prevent animal attack and to reduce odours.</p> <p>Nuisance and Anti-Social Behaviour</p> <p>8. Proposals for any new HFT that could potentially cause nuisance or antisocial behaviour will only be granted permission subject to stringent planning conditions, to address matters such as (but not limited to): -</p> <ul style="list-style-type: none"> <li>a. opening hours;</li> <li>b. parking restrictions;</li> <li>c. highway safety;</li> <li>d. the installation of or contributions towards monitoring technology such as CCTV.</li> </ul>		

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	In some cases, they may be limited to a personal permission and / or a temporary consent.		
Policy SDM8 - Gambling activities and alternative financial services	<ol style="list-style-type: none"> <li>1. Planning permission for a payday loan shop, pawnbroker's, amusement arcade or betting shop within a retail centre will not be granted if to do so would cause an unacceptable grouping of uses that would have a negative impact on the character and vitality of the centre.</li> <li>2. A negative impact on the character of the centre is likely to occur when the following thresholds are exceeded:                         <ol style="list-style-type: none"> <li>a. Within a town centre: more than 5% of the number of ground floor units being in a gambling or arcade use.</li> <li>b. Within a district or local centre, or local shopping centre / parade: more than 10% of the number of ground floor units being a gambling or arcade use.</li> <li>c. In all locations: two or more uses immediately adjacent to each other.</li> <li>d. In all locations: less than two units in other uses between gambling or arcade uses.</li> </ol> </li> <li>3. In calculating the existing or proposed percentage of units, payday loan shops, pawnbrokers, betting shops and arcade uses will be counted together.</li> <li>4. When applying the thresholds set out above:                         <ol style="list-style-type: none"> <li>a. Only ground floor units will be counted; and</li> <li>b. When rounding percentages, percentages should be rounded down.</li> </ol> </li> <li>5. Proposals will be considered against the potential detrimental impact on the amenity of neighbouring uses, through increased noise and disturbance. They will also be required to provide an active frontage, through a permanent shop front and window display.</li> <li>6. In determining any planning application for all pay day loan shops, pawnbrokers, and gambling uses the Council will consider any issues concerning community safety, crime, and disorder and will, where necessary, seek advice from the police and other safety organisations.</li> </ol>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
Policy SDM9 - Community Facilities	<p>1. In considering proposals for new community facilities, examples of which include but are not limited to: -</p> <ul style="list-style-type: none"> <li>• banqueting suites and entertainment venues;</li> <li>• places of worship and / or religious instruction;</li> <li>• leisure and recreational activities;</li> <li>• larger-scale non-employment uses e.g. nurseries, wholesale catering, animal day care;</li> <li>• community centres;</li> </ul> <p>or the conversion or extension of existing community facilities, the following criteria will be considered:</p> <p>a. Any proposal for a community facility or use that involves the loss of premises and sites identified as falling within either strategic or local employment areas will be refused.</p> <p>b. Proposals for new community facilities on land or premises identified under Policy SLP* – Other Employment Sites, which are either currently or formerly in employment use, will be resisted; applicants wishing to reuse such buildings or sites will need to meet the criteria set out in that policy and be able to demonstrate why the site is no longer suitable for employment use now or in the future.</p> <p>c. Encouragement will be given to locating community facilities and uses on sites with main road frontages at the fringes of commercial areas, and particularly in town, district or local centres.</p> <p>d. If the building(s) to be used shares a party wall with any sensitive use (particularly residential) it is unlikely that planning permission will be granted. Exceptions to this are likely to occur only when there is clear evidence submitted to the Council that the use will not adversely affect the occupiers of adjoining properties.</p> <p>2. Where noise from the proposed new activities is likely to affect neighbouring properties, consideration will be given to attaching conditions to any planning permission granted, which would reduce or eliminate such problems. These may include:</p> <ul style="list-style-type: none"> <li>a. installation and retention of suitable sound insulation;</li> <li>b. restricting the use of parts of the building, or the type of uses proposed;</li> </ul>	[assumed no impact]	

Policy	Policy Contents [...paraphrased where appropriate for ease]	Impact on Viability *	Implications for Local Plan and CIL Viability Assessment
	<p>c. restricting the hours of use of all or parts of the building.</p> <p>3. Consideration will be given to the need for the provision of car parking in association with the development. This will include an assessment of: -</p> <p>a. whether most people walk to a particular place of worship or religious instruction;</p> <p>b. the proximity and availability of public transport facilities;</p> <p>c. the availability of other car parking in the vicinity;</p> <p>d. the use of the centre for wider community purposes and for special events drawing large numbers of participants;</p> <p>e. the adverse effects of on-street parking on adjacent occupiers, the environment of the neighbourhood, and whether it would create potential hazards to pedestrians and other road users.</p> <p>4. Consideration may also be given to the granting of planning permission for a limited period where concerns relating to an application are insufficient to warrant refusal.</p> <p>5. The provision of additional community facilities will be encouraged, including those serving cultural and other social needs.</p>		
Policy SDM10 - Telecommunications	<p>1. In considering proposals for telecommunication development for which planning permission is required, or to which the prior approval procedure is applicable, the following criteria will apply:</p> <p>a) The siting and external appearance of apparatus including any location or landscaping requirements have been designed to minimise the impact of such apparatus on amenity, while respecting operational efficiency.</p> <p>b) Antenna have, so far as is practicable, been sited either to minimise the effect on, or to complement or beneficially add to the external appearance of the building on which they are installed.</p> <p>c) Applicants must demonstrate that they have explored all possibilities for sharing masts, or for siting masts on existing buildings or structures.</p> <p>d) The development would not impact on scheduled highway improvement works.</p>	[assumed no impact]	

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	<p>2. Microcell installations will be expected where agreements exist with the relevant highway authority to utilise existing street furniture, not add to the clutter of the street scene, impede pedestrian flows or contribute to highway safety issues.</p> <p>3. The use of Article 4 directions removing permitted development rights for telecommunication development will be considered where there is a serious risk to amenity.</p>		

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## Appendix 2 – Residential Typologies Matrix

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## Appendix 3 – Residential Market Paper

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## Residential Market Paper

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Viability and Deliverability Study

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Sandwell Metropolitan Borough Council



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July 2023

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Private and Confidential

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# 1 Introduction

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- 1.1 This report sets out the evidence which informs the value assumptions made for appraising the residential development typologies set out in the main report. The purpose of this overarching study is to test the viability implications of the upcoming Sandwell Local Plan which will replace the existing Black Country Core Strategy originally adopted in 2011.
- 1.2 The COVID-19 Pandemic has impacted global financial markets and increased uncertainty within the market. Our market research is based on existing available evidence and assumptions and conclusions may be subject to change due to the current market uncertainty. We recommend that the conclusions of this report are kept under review.

## Executive Summary

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- 1.3 This paper includes the following sections:

2) National and Regional Market Overview	Provides an assessment of the current residential market in a National and Regional context.
3) Existing Evidence Base	Provides a review of the existing market evidence from previous studies and reports in respect of Sandwell.
4) New Build Achieved Values	Provides an assessment of new build achieved values across Sandwell. The market assessment is based on industry recognised published data from the Land Registry and the Energy Performance Certificate (EPC) Register.
5) Housing Value Zones	Based on our market research we set out our Housing Value Zones which will be used to inform our value assumptions. This includes a review of second-hand transactions from the Land Registry as an additional data-set of comparative values.
6) New Build Asking Prices	Provides an assessment of asking prices for new build properties within the Housing Value Zones identified. The market assessment is based on published data from Rightmove/Zoopla and developers' websites. Whilst we have placed more weight on the transactional evidence base, we have also considered current asking prices to inform our values.

7) Site-Specific Appraisal Values	We have reviewed a sample of typical site-specific viability assessments submitted to Sandwell MBC in order to sense-check our value assumptions.
8) Aspinall Verdi Value Assumptions	Based on our assessment of the residential market, we set out our value assumptions for the range of house types and tenures which will be tested in each of the Housing Value Zones. These are the value assumptions that we have carried forward to our viability assessment appraisals.
9) Affordable Housing Transfer Values	Provides a review of existing evidence which will inform our transfer values assumptions for S106 affordable housing.

## 2 Residential Market Review

### National and Regional Market Overview

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- 2.1 The RICS publishes a regular UK residential market survey<sup>1</sup> providing an overall opinion of the direction that the residential market is taking, along with commentary from surveyors across the regions. The RICS survey is a good early indicator of house price movement, which is later picked up by other indices.
- 2.2 The June 2023 publication provided the following summary:
- Indicators on new buyer enquiries and agreed sales slip deeper into negative territory.
  - The ongoing dip in national house prices appears to gain momentum slightly during June.
  - Sales expectations deteriorate at both the three and twelve-month time horizons.
- 2.3 The results of the June 2023 RICS UK Residential Survey indicate a further decline in sales market activity, attributed to the recent increase in interest rate expectations. The indicators for new buyer enquiries and newly agreed sales fell deeper into negative territory, reaching eight-month and six-month lows, respectively. Sales expectations for the near-term and twelve-month outlook also deteriorated significantly, reflecting the negative impact of rising interest rates on market sentiment. The supply side remained relatively stable, with new sales instructions holding steady and average stock levels remaining slightly higher than at the end of last year, although still low compared to historical levels.
- 2.4 In terms of house prices, the national net balance declined to -46% in June, indicating a renewed downward trend. All English regions experienced declines in house prices, with East Anglia and the East Midlands showing the sharpest monthly drops. However, house prices in Northern Ireland and Scotland remained more resilient, with respondents reporting an upward trend despite the weaker market activity. Looking ahead, house price expectations for both the three and twelve-month horizons turned firmly negative, with prices expected to fall across all parts of the UK except Northern Ireland and Scotland.
- 2.5 In the lettings market, tenant demand increased during June, while landlord instructions reached their most negative reading since May 2020. This imbalance between rising demand and weakening supply is anticipated to drive rental prices higher in the near-term, according to a majority of respondents. Furthermore, respondents noted that homes with better energy efficiency credentials were holding their value in the current market, and there was increased interest from buyers in more energy-efficient homes

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<sup>1</sup> RICS UK Residential Market Survey June 2023

- 2.6 In addition to the RICS UK Residential Market Survey, Halifax publishes a monthly house price series with data covering the whole country. In terms of house price growth, the June 2023 Halifax House Price Index<sup>2</sup> indicates that:
- Average house price fell by -0.1% in June, a third consecutive monthly decline.
  - Annual rate of house price growth fell to -2.6%, from -1.1% in May.
  - Typical UK property now costs £285,932 (vs peak of £293,992 last August)
  - New build prices are more resilient compared to existing homes.
- 2.7 The June 2023 Halifax House Price Index shows that house prices are continuing to decline. The latest figures suggest some resilience in new build property prices (up by +1.9%) annually. However, the rate of growth has continued to slow and has now dropped to its lowest level in more than three years., largely due to the increasing interest rates set by the Bank of England, with the latest Bank of England figures showing the number of mortgages approved in May 2023 to be 23.7% below that of May 2022.
- 2.8 Existing properties, which were instrumental in driving prices up during the pandemic-related housing rush, were down by -3.5% year-on-year in June. That was the steepest decline since August 2009.
- 2.9 Prices fell on an annual basis in June across all property types led by flats (-3.1%) and terraced homes (-2.5%). The declines for semi-detached and detached homes were -1.9% and -1.3% respectively.
- 2.10 Though average house prices are falling on an annual basis in most parts of the UK, the West Midlands seems to have weathered the storm quite well (+1.5%, average house price of £251,139)
- 2.11 Looking backwards, Figure 2.1 shows that England experiences strong house price growth leading up to the 2007/8 financial crisis. Following the financial crisis average prices fell by around 19%. In the following few years, there was uncertainty in the economy leading to a slow and unpredictable recovery in house prices. Since 2009 average prices have been steadily increasing, at first driven by strong house price growth in London which then filtered out across the regions.
- 2.12 A notable increase in house prices can be seen in the period between January 2020 and January 2023, this is evidenced across Detached, Semi-Detached and Terraced Houses, with flats showing a less significant increase in values. The initial spike can be attributed to the temporary Stamp Duty reduction in rates following the Covid 19 Pandemic. However, house prices have continued to increase from the end of 2021 – 2023 despite the temporary relief ending. Average

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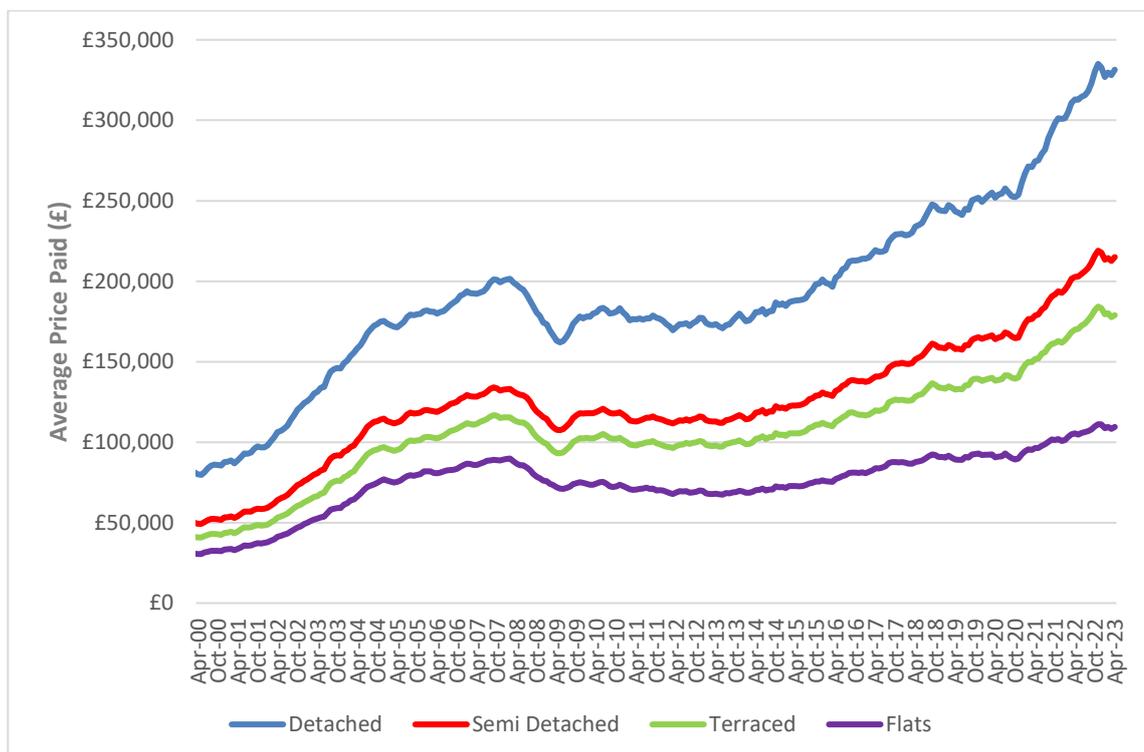
<sup>2</sup> Halifax UK House Price Index June 2023

house prices across England per unit type, according to Land Registry's UK House Price Index (July 2023) are as follows:

- Detached: £331,377
- Semi Detached: £214,961
- Terraced: £178,825
- Flats: £109,475

Source: Land Registry UK House Price Index, July 2023.

**Figure 2.1 - Average House Prices in England**

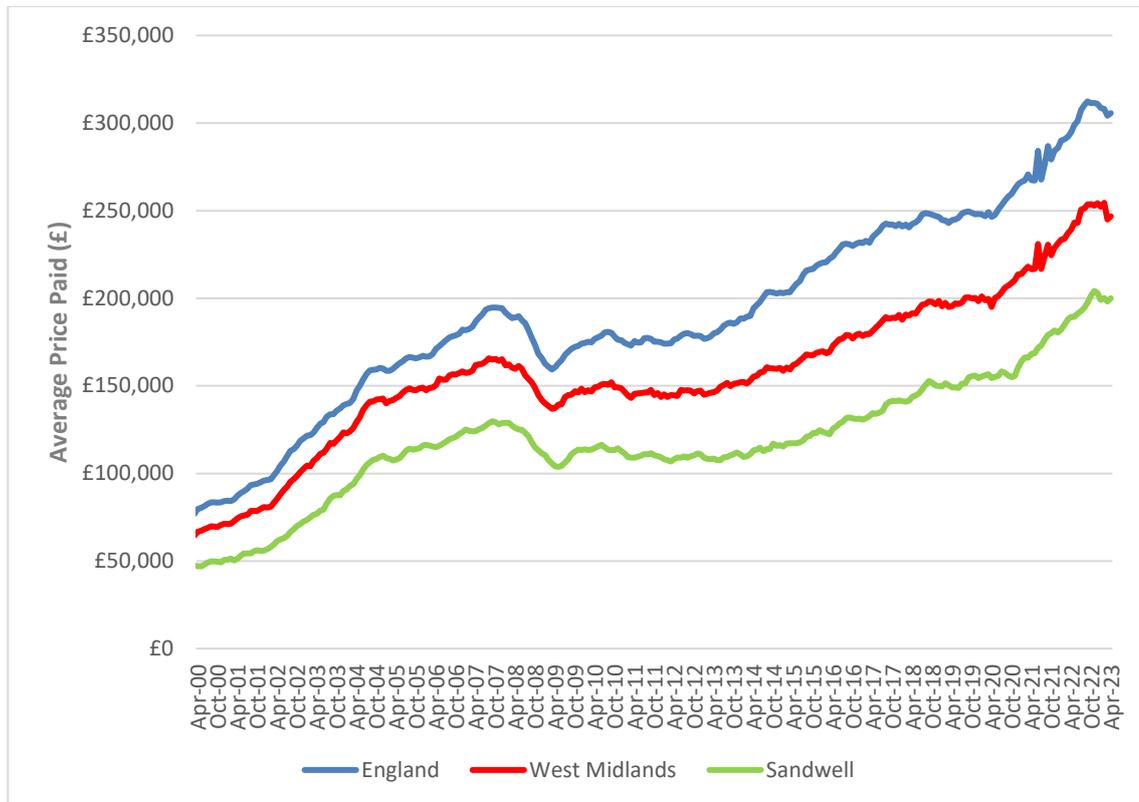


Source: UK House Price Index (July 2023)

2.13 In order to provide further insight into house price data in Sandwell and the wider West Midlands region and how this compares to the rest of England we have presented the data shown in Figure 2.2

2.14 Figure 2.2 shows that average prices in England, the West Midlands and Sandwell follow a similar pattern since 2000. It is also evident that both the West Midlands and Sandwell are more closely aligned. As of July 2023, the West Midlands average house price of £246,765 represents a 23.41% increase against Sandwell's average of £199,942. A larger disparity in value lies between England and Sandwell with the average house price in England being £305,731 52.90% higher than average values in Sandwell as of July 2023.

**Figure 2.2 Average House Prices Since 2000 (All Property)**



Source: UK House Price Index (July 2023)

2.15 Average house prices across all unit types according to the Land Registry UK House Price Index (July 2023) are as follows:

- England: £305,731
- West Midlands: £246,765
- Sandwell: £199,942

## Savills UK Housing Market Update July 2023

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- 2.16 Savills published their UK Housing Market Update in July 2023<sup>3</sup> which comments on the current state of the residential housing market.
- 2.17 The Savills market update highlights that house prices in the UK experienced a marginal increase of 0.1% in June, resulting in an annual decline of -3.5%. The market update states that future price declines are more likely due to challenges in the mortgage market and an increase in housing supply, which aligns with the forecasts provided by Savills.
- 2.18 Savills also state that overall market activity remained stable, although the full impact of rising mortgage rates is yet to be fully realized. The update reveals that mortgage approvals in May rose to 57,106 from April's figure of 46,359, as reported by the Bank of England. However, these numbers remained -23.9% below the pre-COVID average, indicating an ongoing adjustment to changing interest rates. It is expected that the recent rise in mortgage rates will further suppress the number of future approvals and completed transactions, which were down -22.8% compared to the 2017-2019 average, based on HMRC data.
- 2.19 The Savills market update also highlights a significant shift, with the majority of surveyors reporting an increase in housing supply for the first time since early 2022, while demand continued to decline. This increase in supply relative to demand is anticipated to put downward pressure on prices. Additionally, mortgage rates have risen to similar levels observed after the mini-budget last year, as inflation has remained higher for longer than lenders had initially anticipated. The Savills market update predicts that the base rate will peak at 5.75% and remain at that level until the first cut in Q4 2024. These market conditions are expected to constrain buying power and dampen activity, particularly affecting first-time buyers and those with high loan-to-value mortgages. The recent measures announced by the government on June 23, such as mortgage term extensions and transition to interest-only mortgages, aim to limit the impact of forced sales on the housing supply.
- 2.20 Regarding rental growth, the market update indicates that annual rental growth across the UK remained strong at 10.4% in May, with a month-on-month increase of 0.2%. Rental growth accelerated in all regions except London and Scotland on an annual basis. Wales recorded the highest growth rate in May at 1.1%, contributing to a post-pandemic growth of 28.4% since March 2020, as reported by Zoopla.

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<sup>3</sup> Savills UK Housing Market Update July 2023

### 3 Existing Evidence Base

3.1 We have undertaken a review of the existing evidence base which comprises the following studies:

- Sandwell CIL Charging Schedule 1st April 2015
- Peter Brett Associates Black Country and South Staffordshire Strategic Housing Market Assessment March 2017
- Sandwell Strategic Housing Land Availability Assessment 2018/19 Update
- District Valuer Sandwell CIL Market Report Update 2018
- GL Hearn Wood Greater Birmingham HMA, Strategic Growth Study Greater Birmingham & the Black Country February 2018
- Black Country Urban Capacity Review Update 2021
- West Midlands Combined Authority Investment Prospectus 2020.
- Aspinall Verdi Residential Market Paper, Black Country Plan, 2020

#### Sandwell CIL Charging Schedule 1<sup>st</sup> April 2015

3.2 The Sandwell CIL charging schedule was approved on 3<sup>rd</sup> March 2015 and took effect from 1<sup>st</sup> April 2015. It did not define CIL zones but it did outline in Table 3.6 the CIL rate payable for certain development typologies.

**Table 3.1 - Sandwell CIL Charging Schedule**

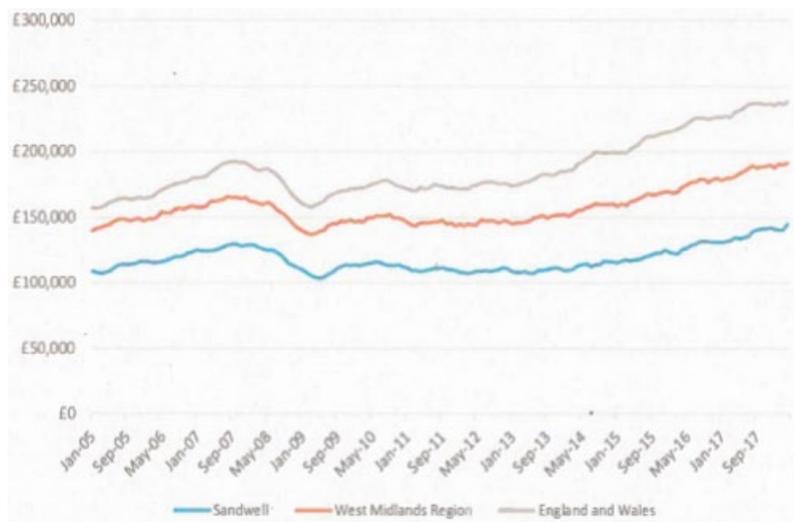
Development Typology	CIL Rate - £ per sq. m
Retail <sup>1,4</sup> Units (West Bromwich Strategic Centre only)	£50
Supermarkets/superstores <sup>2</sup> and retail warehouses <sup>3</sup> - over 280 sq. m Borough wide	£60
Residential <sup>5</sup> (1-14 units)	£30
Residential <sup>5</sup> (15 or more units)	£15
All other uses	Nil

Source: Sandwell MBC CIL Charging Schedule (March 2015)

## District Valuer Sandwell CIL Market Report Update 2018

- 3.3 The District Valuer Service produced the Sandwell CIL Market Update Report in September 2018 to assess whether the residential, commercial and development land markets have had any significant changes since the previous market update in 2017.
- 3.4 The DV states that the average property values in the Sandwell area are significantly lower compared to the West Midlands region, and England and Wales overall (see Figure 3.18). This is consistent with our earlier findings.

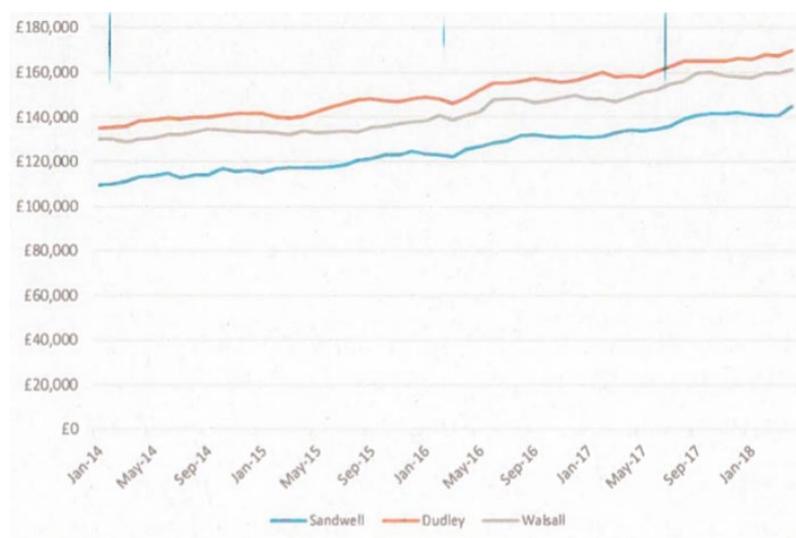
**Figure 3.1 - Average Property Sales Values in the West Midlands/Sandwell areas (2018)**



Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.5 Average house values in Sandwell have consistently been over £90,000 lower compared to the national average in recent years, and approximately £50,000 lower compared to the regional average (see Figure 3.1).
- 3.6 The DV refers to the Land Registry, stating that the average house price in 2018 at the time of the market review was £146,961 (April 2018), representing a 12-month increase in average house price value of approximately 8% for the period May 2017 – April 2018. Sandwell continues however to have the lowest average house price across all dwelling types within the West Midlands at £144,961.

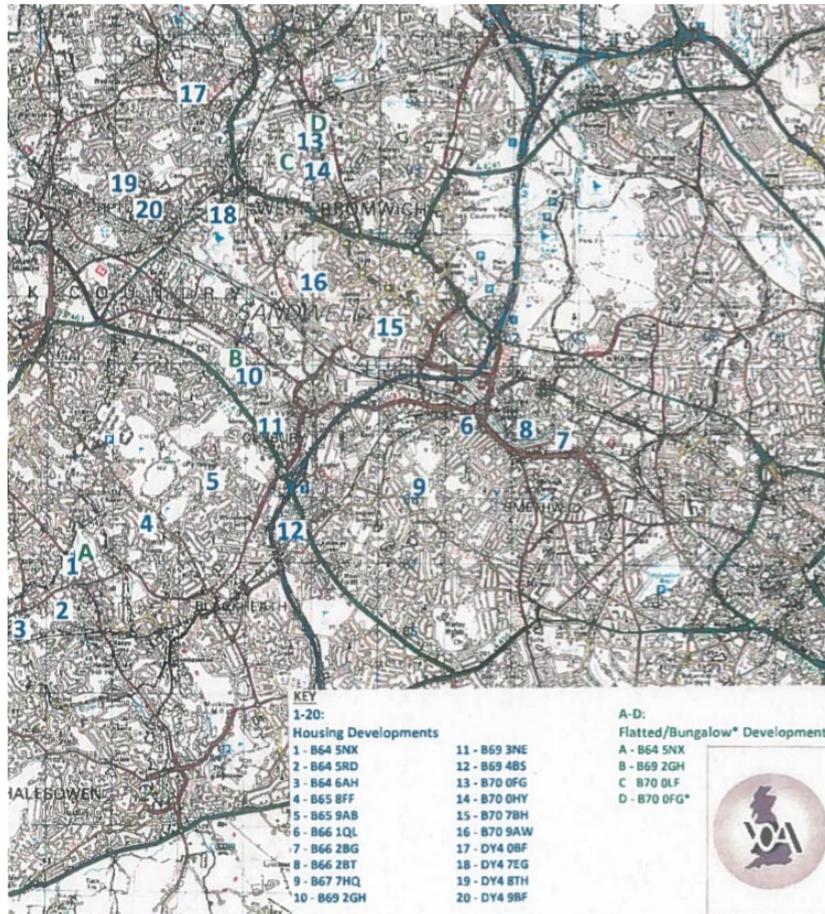
**Figure 3.2 - Average property Sales Values in the Sandwell, Dudley and Walsall areas (2018)**



Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.7 The DV states that average values in Walsall and Dudley are £161,489 and £170,126 (see Figure 3.2).
- 3.8 They draw attention to construction costs within their report, stating that whilst construction costs in the Sandwell area have increased from 2017 to the date of their report, average house prices did not increase at the same level meaning the viability of new build residential development schemes will be affected, excluding any increase in Community Infrastructure Levy rates.
- 3.9 The DV summarises in Table 8 of their report the new build residential developments within the Sandwell District, with Cradley Heath, Rowley Regis, Smethwick, Oldbury, West Bromwich and Tipton highlighted as settlements where the most development activity takes place. They state that there has been no change to the housing locations identified in AspinallVerdi's 2017 report with the majority of developments taking place within the housing-led regeneration corridors identified in the Black Country Core Strategy 2011 (see Figure 3.3).

**Figure 3.3 - New Build Residential Development Scheme Locations**



Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.10 The DV draws attention to the low amount of new-build flat units that transacted within their study period (8 units) and states that this is consistent with previous property market reports which identify a limited number of new-build flatted development schemes within the Sandwell area.
- 3.11 Previous property market reports have identified West Bromwich (postcode B71 4) and Great Barr (postcodes B43 7 and B43 6) as high-value areas as these areas have achieved higher sales values for all residential unit types.
- 3.12 The research undertaken by the DV confirms that high sales values were still being achieved in West Bromwich at the time of their study. The DV states that although residential new build and second-hand sales were currently being marketed at the time, they confirmed that for other West Bromwich postcode areas, they do not show as high sales values as postcode B71 4.
- 3.13 Through their research, the DV has stated that there were no real sales value differences for residential flats located throughout the wider Sandwell area.

**Table 3.2 - New Build Residential Schemes in West Bromwich, Sandwell (2018)**

Unit Type	2017			2018		
	Postcode B70 0	Postcode B70 7	Postcode B70 9	Postcode B70 0 (based on 2 x development schemes)	Postcode B70 7	Postcode B70 9
Flat	NA	£129,950	0	£144,450	NA	NA
Terrace	£136,998	£163,125	0	£150,475	£178,000	£176,495
Semi-detached	£175,298	£176,450	0	£167,079	£172,350	£171,328
Detached	£232,646	£174,560	0	£226,450	NA	NA

Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.14 Table 3.2 summarises the range of sales values achieved in different locations within West Bromwich. The Comparable sales evidence illustrates a significant variation between confirmed sales values for the same unit types within West Bromwich.

**Table 3.3 - New Build Residential Schemes in Oldbury Sandwell (2018)**

Unit Type	Postcode B69 2 Average Sales Value	Postcode B69 3 Average Sales Value	Postcode B69 4 Average Sales Value	Average Sales Value based on all 3 x New Build Development Schemes
Flat	£ 99,850	£125,000	NA	£ 108,233
Terraced	£173,393	NA	NA	£ 173,393
Semi-detached	£199,750	NA	£177,857	£ 180,594
Detached	£256,250	£269,950	£236,250	£ 259,813

Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.15 Table 3.3 summarises the range of sales values being achieved for different house types in different localities within Oldbury. The DV compares these sales values with those reported in the 2017 report and suggests there had been slight increases and detached properties continue to achieve the highest values.
- 3.16 Due to the lack of new-build evidence found at the time of writing, the DV conducted a district-wide review of average second-hand residential sales values for both the high and low-value areas (see Table 3.4).

**Table 3.4 - Average Second-Hand Residential Sales Values Sandwell District (2018)**

House Type	Sandwell 2018	High Value Sandwell Areas 2018
Flats	£87,995	£118,363
Terraced	£140,050	£195,750
Semi-detached	£169,989	£211,333
Detached	£246,271	£296,200

Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.17 In terms of assumptions, the DV refers to AspinallVerdi's 2017 report and compares our previous assumptions with theirs for both the low and high-value areas. These are illustrated in Table 3.5 and Table 3.6 respectively.

**Table 3.5 – High-Value Area Sandwell - Value Assumptions (2018)**

Unit Type	Unit Size (Sq Ft)	2017 Sales Value	2018 Sales Value
1 Bed Flat	540	£115,000	£105,000
2 Bed Flat	700	£135,000	£120,000
2 Bed House	700	£180,000	£180,000
3 Bed House	860	£250,000	£250,000
4 Bed House	1,075	£300,000	£300,000

Source: DVS Sandwell CIL Market Update Report (September 2018)

**Table 3.6 – Low-Value Area Sandwell - Value Assumptions (2018)**

Unit Type	Unit Size (Sq Ft)	2017 Sales Value	2018 Sales Value
1-Bed Flat	540	£115,000	£105,000
2-Bed Flat	700	£135,000	£120,000
2-Bed House	700	£165,000	£170,000
3-Bed House	860	£190,000	£190,000
4-Bed House	1,075	£220,000	£235,000

Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.18 The DV outlines there was no discernible difference in residential flat sales values between the high and low-value areas within the Sandwell District. They also considered second-hand flat sales which showed some decrease in sales value in the high-value areas.

- 3.19 The DV concludes by stating they did not believe there had been a substantial change to warrant a full view of the Sandwell MBC Community Infrastructure Levy Charging Schedule. They summarised their commentary on the residential market in Table 3.7.

**Table 3.7 - New Build and Second-Hand Great Barr and West Bromwich Sales Values Conclusions**

Area	New-build Stock	Second-hand Stock
<b>Great Barr</b>	Generally higher values across all residential unit types. Lack of new-build evidence available.	Generally higher values across all residential unit types.
<b>West Bromwich</b>	Mixture of high values and values more comparable to achieved regeneration corridor new-build values. Lack of new-build evidence in some areas.	Mixture of high values (B71 4) and values more comparable to achieved regeneration corridor second-hand values

Source: DVS Sandwell CIL Market Update Report (September 2018)

- 3.20 In terms of affordable housing, the DV refers to the valuations being undertaken at the time by the Valuation Office Agency for Sandwell MBC. They state that transfer values for affordable housing units are generally in the region of 40% to 45% of Market Value (Social Rented Tenure units), 50% - 55% of Market Value (Affordable Rent Tenure units), and 60% - 65% of Market Value (Shared Ownership/Intermediate Tenure units).

## Sandwell Strategic Housing Land Availability Assessment 2018/19 Update

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- 3.21 The Sandwell Strategic Housing Land Availability Assessment update was published in 2019 to maintain an up-to-date housing trajectory and consolidated supply of specific deliverable sites to provide for their 5-year housing land supply. This update was also commissioned in response to various changes to the NPPF and NPPG in 2018.
- 3.22 The SHLAA states that the Black Country Core Strategy set a net housing target for Sandwell of 10,317 net additional new homes to be delivered over the 2006-24 period. The SHLAA reports that there were 9,539 completions in the period 2006-19, stating there is an outstanding requirement for 778 net homes up to 2024. Therefore, the SHLAA states that the local housing need figure in Sandwell for the five-year period 2019 – 24 is 7,380 net homes, including a 20% buffer in line with the Housing Delivery Test the housing need figure goes up to 8,856 net homes.

## PBA Black Country and Staffordshire Strategic Housing Market Assessment March 2017

- 3.23 Peter Brett Associates (now Stantec) were commissioned by the Black Country Authorities and South Staffordshire Council to prepare a Strategic Housing Market Assessment. Though this study is a wider study across the black country, it is still relevant as Sandwell's housing market is included in this study.
- 3.24 They reviewed the median achieved house prices for the Black Country Authorities and South Staffordshire within the period of 2015 Q1 to 2016 Q1. PBA summarised the absolute change in median house prices, this is illustrated in Figure 3.4.

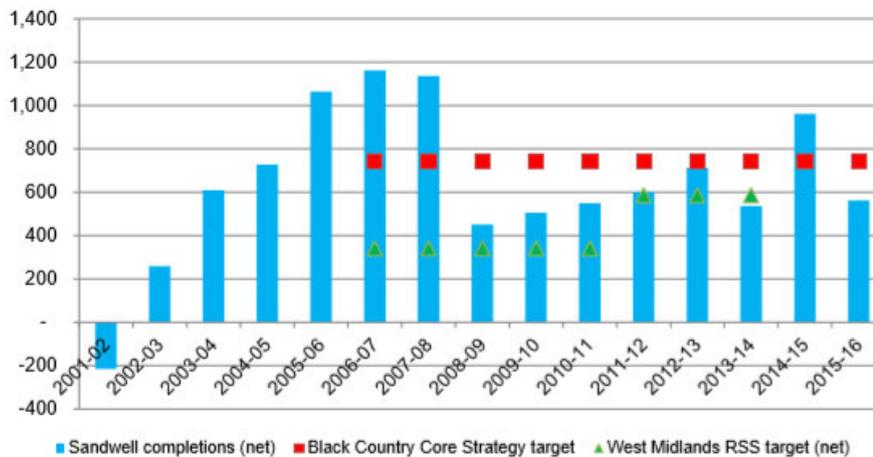
**Figure 3.4 - Median Achieved House Prices Black Country (2017)**



Source: PBA Black Country and Staffordshire SHMA (March 2017)

- 3.25 Figure 3.4 shows that Sandwell showed a slight growth during the period.
- 3.26 PBA looked at each of the authority areas individually to assess their housing completions net of demolitions and conversion losses, including Sandwell.

**Figure 3.5 - Sandwell Housing Completions**



Source: Sandwell Annual Monitoring Report

3.27 The Black Country Core Strategy set a target for Sandwell of 742 net dwellings per annum between 2006 and 2016.

3.28 PBA report that housing completions in Sandwell peaked in 2006-2008 before falling significantly. The negative housing completions in 2001/2 were due to significant housing demolitions that occurred in the late 90s and again in the late 2000s as part of the Housing Market Renewal (HMR) programme. While demolitions began to decrease from 2009 onwards, the downturn in the economy resulted in a fall in net housing completions over the plan period. However, over the plan period to 2016, the BCCS target of 7,421 had almost been met, with 7,171 dwellings completed overall.

PBA state that although housing delivery failed to meet the relevant plan targets in Sandwell, low house prices indicate that demand for housing in the Borough had been subdued

## GL Hearn Wood Greater Birmingham & the Black Country HMA Strategic Growth Study February 2018

3.29 GL Hearn Wood were commissioned by the Greater Birmingham and Black Country Housing Market Area (14 local authorities) in 2018 to produce a Strategic Growth Study to support the authorities in their 'duty to cooperate' across the relevant Housing Market Area to meet housing needs where it is sustainable to do so.

3.30 GL Hearn Wood set out a summary of the Objectively Assessed Need (OAN) identified through existing local authority evidence-based studies. Within this, it was identified that the Black Country would need 78,190 new dwellings within the plan period of 2014-36. This equates to an OAN dpa (dwellings per annum) of 3,554. This is illustrated in Table 3.8.

**Table 3.8 - OAN identified through existing Local Authority Studies**

Local Authority	Plan Period	OAN	OAN dpa	Study
Birmingham	2011-31	89,000	4450	PBA Stage 2 Study
Bromsgrove	2011-30	6,648	350	Amion/ Edge Housing Needs Assessment Report, Aug-14
Cannock Chase	2006-28	5,300	241	NLP Implications of CLG 2011 Household Projections, 2013
Lichfield	2008-29	8,600	430	NLP Implications of CLG 2011 Household Projections, 2013
Redditch	2011-30	6,400	337	Amion/ Edge Housing Needs Assessment Report, Aug-14
Solihull	2014-33	14,277 <sup>12</sup>	751	PBA 2016
Tamworth	2006-31	6,250	250	NLP Implications of CLG 2011 Household Projections, 2013
North Warwickshire	2011-29	3,150	175	2013 Cov/War SHMA Update
Stratford on Avon	2011-31	14,600	730	ERM 2016
Black Country	2014-36	78,190	3554	PBA 2016
South Staffordshire	2014-36	5,933	270	PBA 2016
<b>HMA Total</b>	-	-	11,500	

Source: GL Hearn Wood Greater Birmingham HMA Strategic Growth Study (February 2018)

- 3.31 The Black Country has the second greatest OAN amongst its neighbouring authorities, only being beaten by Birmingham. The Black Country outstrips Birmingham in its housing requirement identified within their local plan needing 63,000 new homes within the plan period of 2009-26 (see Table 3.9).

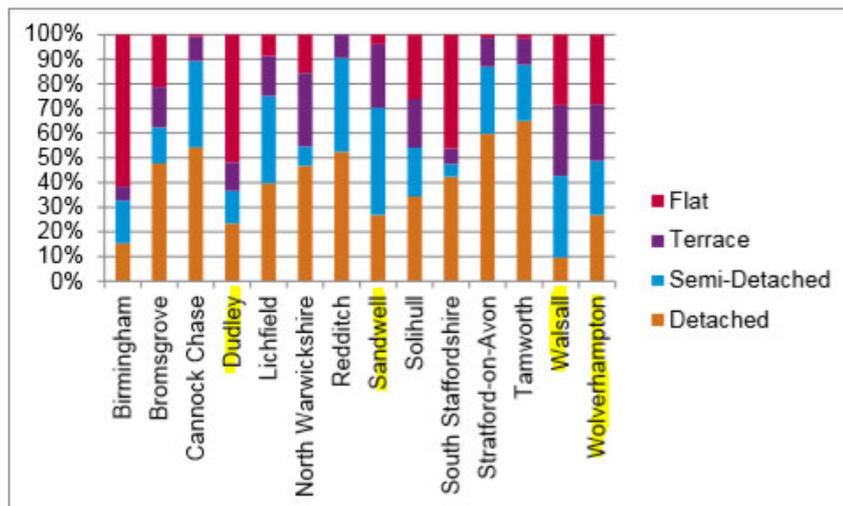
**Table 3.9 - Housing Requirement Figures in Existing and Emerging Plans in the HMA**

Local Authority	Current / Emerging Plan	Plan Period	Requirement	Required dpa	Unmet Need	Provision for Birmingham HMA Unmet Need
Birmingham	Adopted Jan 2017	2011-31	51000	2,550	-38,000	
Bromsgrove	Adopted Jan 2017	2011-30	7000	368	0	
Cannock Chase	Adopted 2014	2006-28	5300	241	-500	
Lichfield	Adopted Feb 2015	2008-29	10,030	478	0	1,000
Redditch	Adopted Jan 2017	2011-30	6400	337	0	
Solihull	Draft Plan Nov 16	2014-33	15029	791	0	2,000
Tamworth	Adopted Feb 2016	2006-31	4425	177	-1,825	
North Warwickshire	Draft Plan 2017	2011-31	9070	454		4,410
Stratford on Avon	Adopted July 2016	2011-31	14600	730	0	2,720
Black Country	Adopted Feb 2011	2009-26	63000	3150	0	
South Staffordshire	Adopted Dec 2012	2006-28	3850	175	0	
<b>HMA Total</b>				9,451	-40,325	10,130

Source: GL Hearn Wood Greater Birmingham HMA Strategic Growth Study (February 2018)

3.32 GL Hearn analysed the proportion of sales of different properties across the HMA, we draw particular attention to the four Black Country Authorities which are highlighted in yellow (see Figure 3.6)

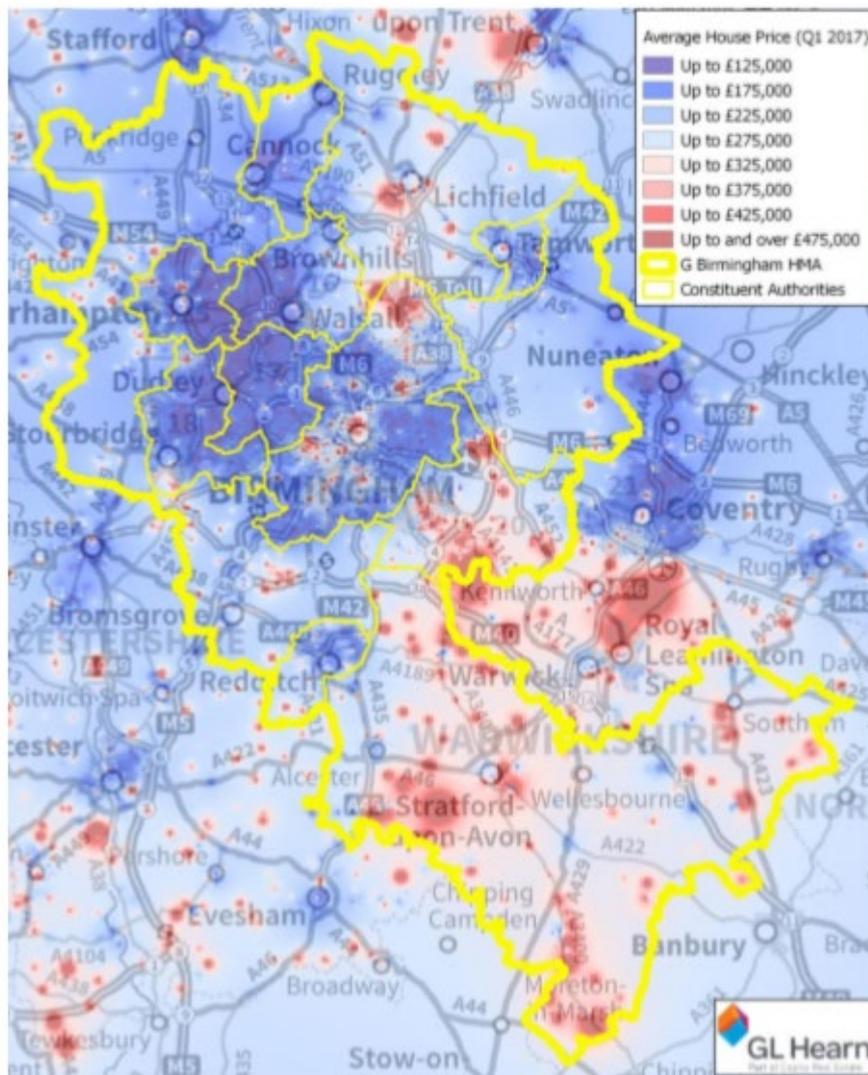
**Figure 3.6 - Mix of Sales of Different Types of Property**



Source: GL Hearn Wood Greater Birmingham HMA Strategic Growth Study (February 2018)

3.33 GL Hearn created a heat map that showed the average achieved house price across the HMA. The Black Country Authorities can be seen in the centre of the HMA with what seems to be the lowest values in the entire HMA. There are some high-value 'hot spots' such as north of Wolverhampton and the southernmost corner of Dudley Borough, whilst the majority of Sandwell is shown to express lower values. This is illustrated in Figure 3.7.

**Figure 3.7 - House Price Value Heat Map**



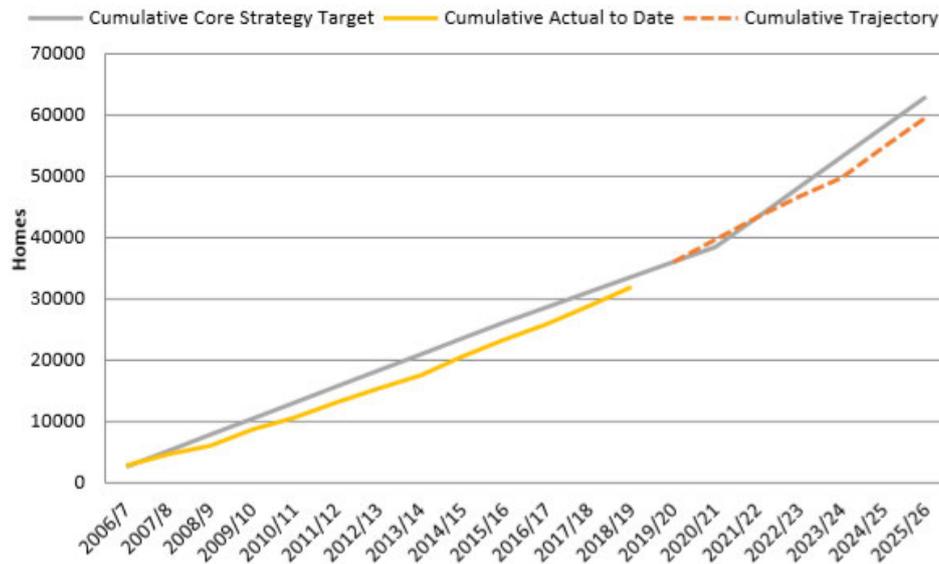
Source: GL Hearn Wood Greater Birmingham HMA Strategic Growth Study (February 2018)

## Black Country Urban Capacity Review Update May 2021

- 3.34 The Black Country Urban Capacity Review Update was published by the Black Country Authorities in May 2021. It offers comments on the emerging Core Strategy review as well as housing needs and supply within the Black Country, which includes Sandwell.
- 3.35 The Urban Capacity Review (UCR) states that a key priority for the current Core Strategy was to focus development into a series of strategic growth corridors and centres to promote a brownfield first strategy. The current SHLAAs include, as far as possible, every identifiable site within the urban area which is both suitable for housing and realistically deliverable or developable, including brownfield and greenfield sites.

- 3.36 The review defines housing supply as two parts; the current identified supply and the potential sources of additional supply up to the end of the plan period (2038 at that time).
- 3.37 The current identified housing need figure for the Black Country is 4,004 homes per annum which equates to 76,076 homes over the period 2020–39.
- 3.38 The review has found that the gap between supply and need up to 2039 has grown to 36,819 homes, an increase of around 10,000 homes since 2019. Around half of this increase is a result of a further loss of occupied employment allocations during 2020 in light of new evidence, and the remaining half is a result of changes to the national housing method.
- 3.39 The review states that the Sandwell SAD and West Bromwich AAP allocates 311 ha of land on 127 occupied employment sites for 10,541 homes by 2026. As of 2020, 578 homes are complete and 510 homes have planning permission, these figures suggest that there's considerably more development required to meet the 2026 target of 10,541 homes on the allocated land.

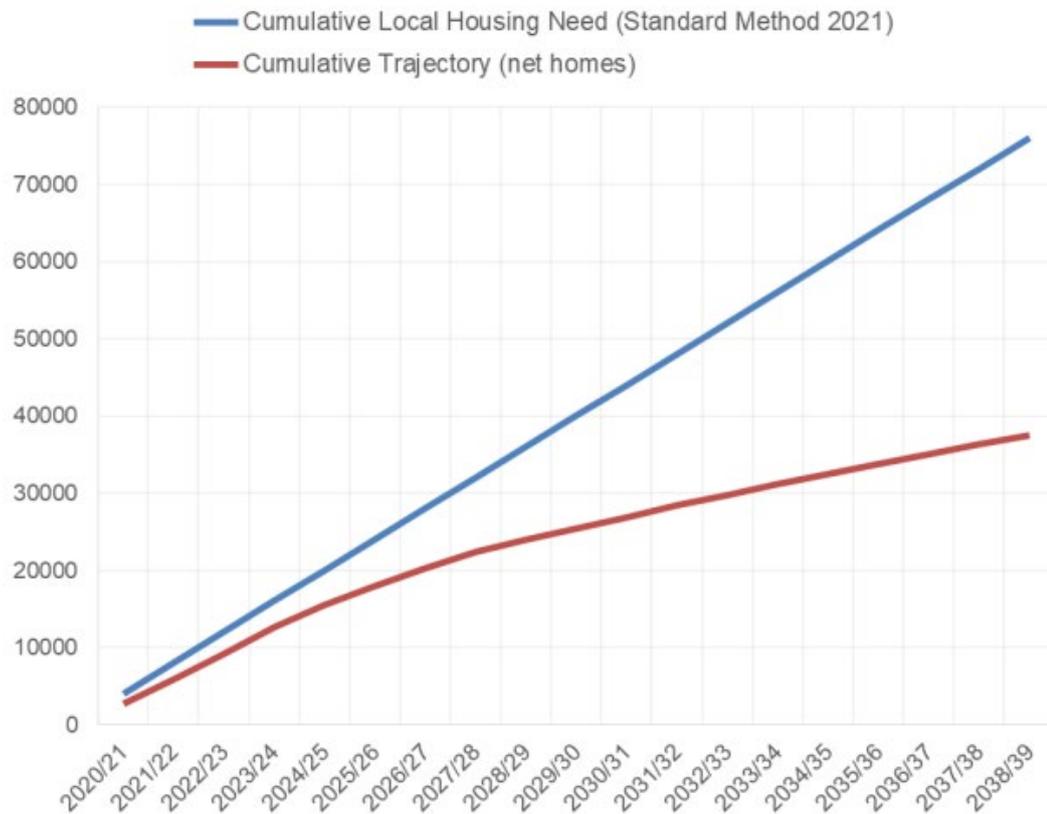
**Figure 3.8 - Black Country Housing Trajectory Compared to Black Country Core Strategy Targets 2006-26**



Source: BCA Urban Capacity Review Update (December 2019)

3.40 Figure 3.8 illustrates the original housing targets set as far back as 2006 compared to the trajectory of completed homes. The graph shows a gradual under-supply of completions compared to the housing target throughout the period however, they anticipate they will achieve circa 60,000 completions by the end of 2025/26. The review states the main reasons for the change from over-supply to under-supply are the loss of supply on occupied employment land and the re-phasing of sites beyond 2026 to reflect realistic delivery timescales.

**Figure 3.9 - Black Country Housing Trajectory compared to Local Housing Need (2019) - 2020-39**



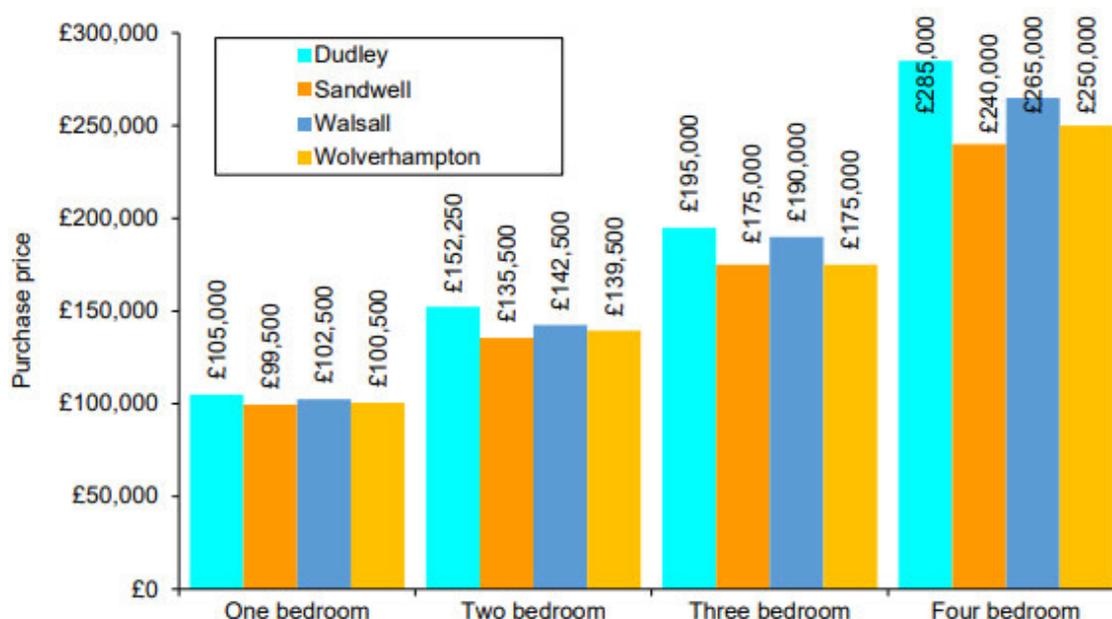
Source: BCA Urban Capacity Review Update (May 2021)

- 3.41 The review concludes its section on housing need and supply with Figure 3.9 illustrating that local housing need will outstrip housing supply from 2021 onwards with the gap widening until there is a total shortfall of 38,595 homes in 2038/39. This shortfall represents 51% of the total need for 76,076 homes over the period 2020-39.

## Black Country Housing Market Assessment (BCHMA) 2021

- 3.42 The BCHMA 2021 is an update on the housing market assessment produced in 2017. The BCHMA provides the Black Country Councils (including Sandwell) with a robust and up-to-date evidence base that provides an understanding of current and future housing needs through to the end of the Black Country Plan period.
- 3.43 Within the assessment newbuild house prices have been evaluated by size and location, shown in Figure 3.10

**Figure 3.10 – New-build House Prices by Size and Local Authority (2021)**



Source: BCHMA (2021)

3.44 Figure 3.10 shows new-build values in Sandwell to be:

- One Bedroom: £99,500
- Two Bedroom: £135,500
- Three Bedroom: £175,000
- Four Bedroom: £240,000

3.45 This study also shows that whilst private (for sale/rent) accommodation in the Black Country is cheaper than regional equivalents, lower local incomes mean the affordability of the market housing remains an issue in the housing market area. The analysis of the local housing market indicated that there is a notable gap between the cost of Affordable Rent and entry-level market housing which could potentially be filled by intermediate products including discount home ownership options, such as First Homes.

3.46 The total annual affordable housing need in the Black Country is 867 per year over the Plan period to 2039 of which 15.7% of housing should be Affordable Rented/ Social Rented and 17.0% affordable home ownership (including First Homes and Shared Ownership).

3.47 In terms of specialist dwellings for older persons (Class C3), the Black Country, requires 4,907 additional units of Sheltered housing for older people and 604 additional Enhanced Sheltered/Extra care units are required over the plan period within the housing target.

3.48 It is estimated that 17,886 households in the Black Country will require housing adapted to M4(2) Category 2 by 2039.

## AspinallVerdi Residential Market Paper, Black Country Local Authorities, November 2020.

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3.49 Aspinall Verdi were previously instructed to review the Black Country Plan in 2020/21, as part of this study, a residential market paper was completed which reviewed the residential market within the Black Country, including a review of Sandwell's residential market.

### New Build – Achieved

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3.50 Aspinall Verdi's 2020 paper reviews new build transactions over the period January 2019 - June 2020. This was based on a detailed analysis of the Land Registry new build achieved values, cross-referenced, on an address-by-address basis (150 transactions) to the floor areas published on the EPC (Energy Performance Certificate) database to derive the achieved values (£ per square meter).

3.51 The search identified 150 new build transactions over the period. The residential paper recognised that Dudley had the highest completions (210) of new build housing across the Black Country Boroughs.

3.52 Table 3.10 provides a summary of the four authority areas with the range of achieved absolute values, i.e., Minimum, Average, Median, and Maximum.

**Table 3.10 – New Build Achieved Absolute Values - Houses**

	Dudley	Sandwell	Walsall	Wolverhampton
Minimum £	£135,000	£147,995	£143,995	£122,950
Average £	£232,138	£218,378	£235,211	£184,436
Median £	£223,225	£218,500	£221,995	£180,000
Maximum £	£399,500	£370,000	£495,000	£289,995

Source: Aspinall Verdi '200622 BCA Residential Market Research\_v1' (June 2020)

3.53 The values shown in Table 3.10 show a range in values in Sandwell with the average value being £218,378.

3.54 As well as absolute values, achieved values psm were assessed and are expressed in Table 3.11

**Table 3.11 - New Build Achieved £ psm Values - Houses**

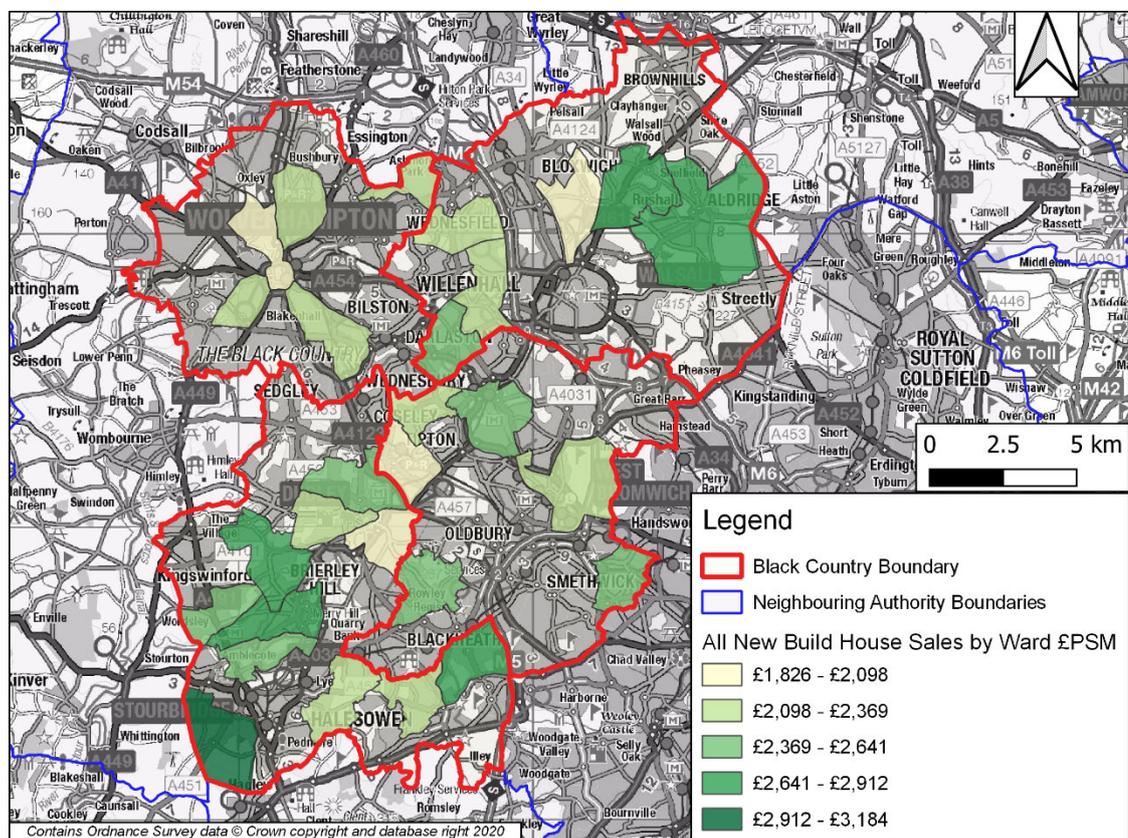
	Dudley (£ psm)	Sandwell (£ psm)	Walsall (£ psm)	Wolverhampton (£ psm)

Minimum £ psm	£1,651	£1,773	£1,602	£1,680
Average £ psm	£2,578	£2,439	£2,451	£2,288
Median £ psm	£2,642	£2,468	£2,441	£2,337
Maximum £ psm	£3,221	£3,247	£3,818	£3,121

Source: Aspinall Verdi '200622 BCA Residential Market Research\_v1' (June 2020)

- 3.55 The values in Sandwell in 2020 show a range from £1,773 - £3,247 psm, with an average value of £2,482 psm, across the Black Country.
- 3.56 Using the residential market data for new build transactions, Figure 3.11 provided a visual representation of values across the Black Country by ward.

**Figure 3.11 - New Build Achieved Value - Houses - (Average £ psm) 2019 - 2020**



Source: QGIS (July 2020)

## Flats

- 3.57 In addition to the review of new-build housing, AspinallVerdi's 2020 residential report assesses new-build flats. AspinallVerdi's search identified 23 new build flatted transactions in the review period of January 2019 – June 2020.

**Table 3.12 - New Build Achieved Absolute Values - Flats**

	Dudley	Sandwell	Walsall	Wolverhampton
Minimum £	£89,000	no data	£84,995	£100,000
Average £	£118,691	no data	£107,622	£121,667
Median £	£104,996	no data	£99,995	£125,000
Maximum £	£177,500	no data	£185,000	£140,000

Source: Aspinall Verdi '200622 BCA Residential Market Research\_v1' (June 2020)

3.58 Table 3.12 shows new-build there was no data for new-build flats within Sandwell during the search period.

### Achieved Values by Number of Beds

As a part of this study, Aspinall Verdi also reviewed achieved values by the number of bedrooms.

**Table 3.13 - Average New Build House Values 2019 - 2020**

House Type	Dudley (£)	Sandwell (£)	Walsall (£)	Wolverhampton (£)	All Districts (£)
1-Bed House	-	-	-	£142,000	£142,000
2-Bed House	£184,000	£189,000	£178,000	£165,000	£179,000
3-Bed House	£223,000	£210,000	£211,000	£190,000	£209,000
4-Bed House	£290,000	£250,000	£282,000	£232,000	£264,000
5+ Bed House	£380,000	£261,000	£463,000	-	£368,000

Source: Aspinall Verdi '200622 BCA Residential Market Research\_v2' (June 2020)

3.59 Table 3.13 reflects the values between 2019 – 2020.

**Table 3.14 - Average Achieved New Build House £ psm 2019 - 2020**

House Type	Dudley (£ psm)	Sandwell (£ psm)	Walsall (£ psm)	Wolverhampton (£ psm)	All Districts (£ psm)
1-Bed House	-	-	-	£2,551	£2,551
2-Bed House	£2,593	£2,615	£2,525	£2,355	£2,521
3-Bed House	£2,583	£2,472	£2,480	£2,189	£2,431
4-Bed House	£2,557	£2,252	£2,393	£2,208	£2,353
5+ Bed House	£2,123	£1,879	£2,767	-	£2,256

Source: AspinallVerdi '200622 BCA Residential Market Research\_v2' (June 2020)

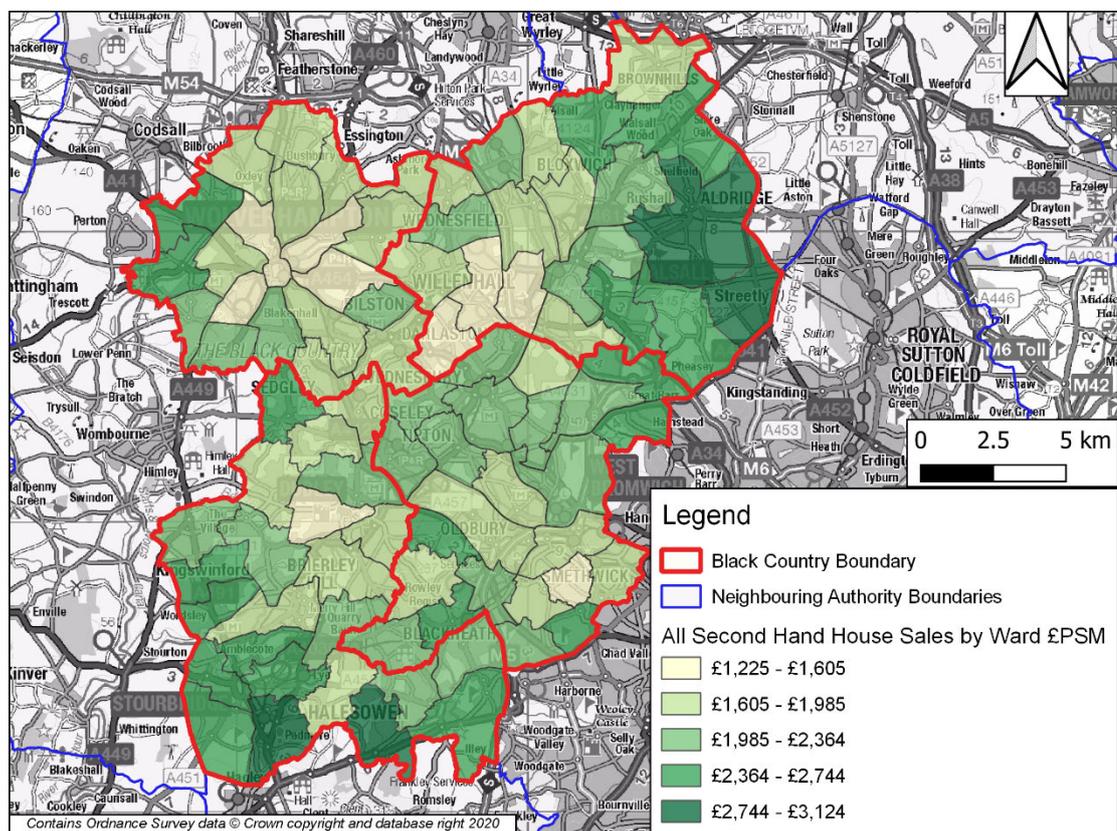
3.60 Table 3.14 shows the average achieved new-build house prices on a price psm basis. This reflects the market at the time of the study. This report will aim to provide an update on price psm for new build transactions by the number of beds.

## Housing Value Zones

3.61 The purpose of Aspinall Verdi's 2020 commission in regard to housing value zones was to create a visual representation of the regional differences in value and what can be reasonably expected to be achieved within these defined value zones.

3.62 This previous commission sought to rationalise and simplify the Housing Value Zones for ease of application both in terms of policy and values. All planning obligations (including CIL and affordable housing etc) should 'align' in terms of housing Value Zones and Viability.

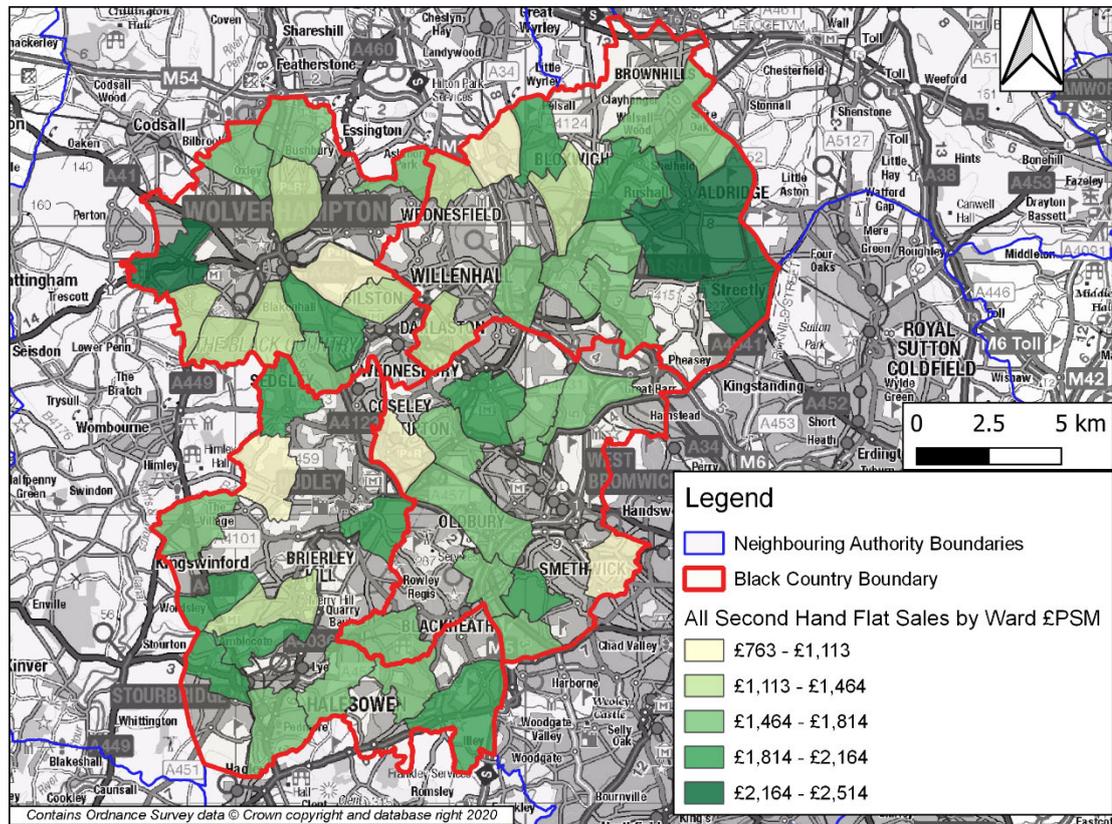
**Figure 3.12 - Second-Hand Houses - Achieved Value (Average £ psm)**



Source: QGIS (July 2020)

Figure 3.12 shows second-hand values across the Black Country. The highest value transactions recorded within Dudley are in the south near Stourbridge and Halesowen, whilst Sandwell expresses lower values overall with higher pockets in the north east towards Great Barr and the South of the borough towards Hagley Road.

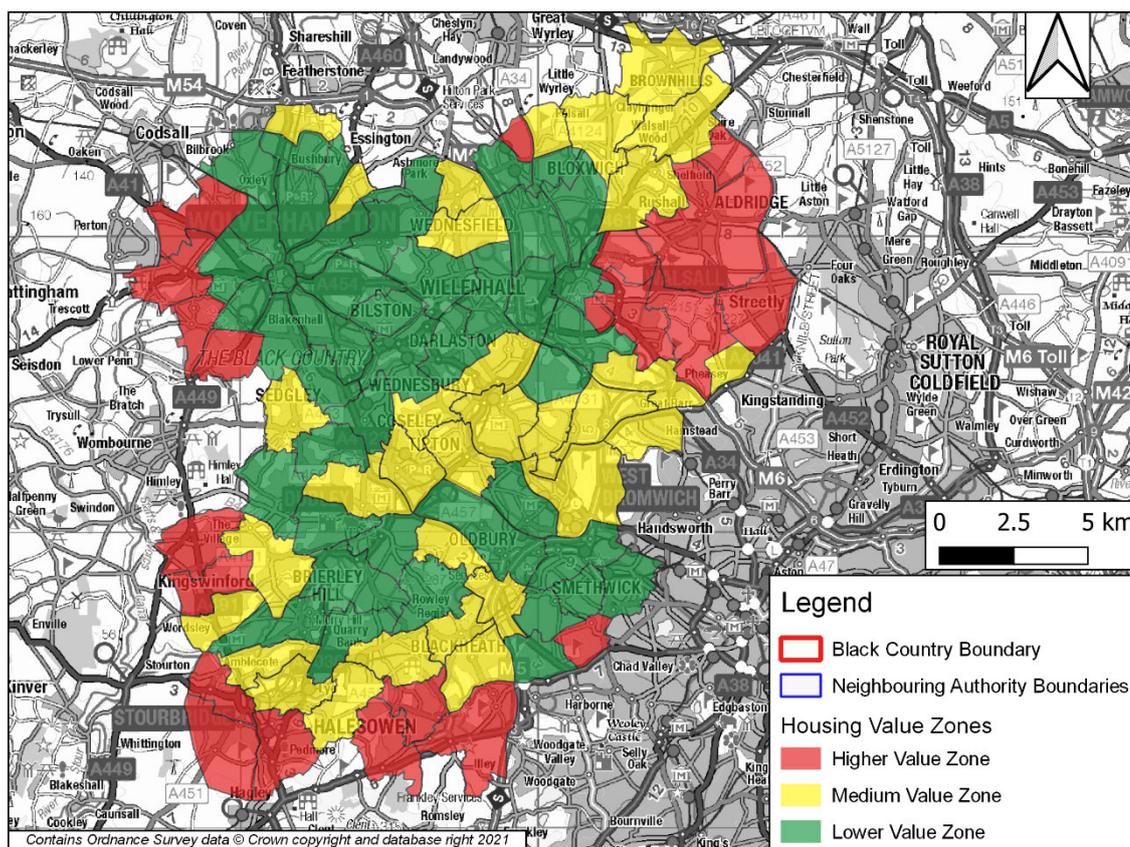
**Figure 3.13 - Second-Hand Flats - Achieved Value (Average £ psm)**



Source: QGIS (July 2020)

3.63 There is less of an obvious trend with the second-hand flat transactions with some wards not recording any transactions within our review period.

**Figure 3.14 - AspinallVerdi Black Country Housing Market Zones (Post Consultation)**



Source: QGIS (April 2021)

## Value Assumptions

**Table 3.15 - Absolute Market Value Assumptions**

Property Type	Lower Value Zone	Medium Value Zone	Higher Value Zone
1-Bed House	£145,000	£145,000	£150,000
2-Bed House	£165,000	£180,000	£210,000
3-Bed House	£220,000	£250,000	£300,000
4 Bed House	£270,000	£310,000	£375,000
5+ Bed House	£300,000	£375,000	£475,000
1-Bed Apartment	£115,000	£115,000	£120,000
2-Bed Apartment	£135,000	£135,000	£140,000

Source: AspinallVerdi '201202 BCA New-Build Residential Market Research\_v6'

3.64 Table 3.15 summarises the absolute value assumptions per housing type within the 3 defined value zones.

3.65 Table 3.16 summarises the assumptions for £ per square meter values within the 3 defined value areas.

**Table 3.16 - Market Value Assumptions £ psm**

Property Type	Floor Area (sqm)	Lower Value Zone (£ psm)	Medium Value Zone (£ psm)	Higher Value Zone (£ psm)
<b>1-Bed House</b>	62	£2,339	£2,339	£2,419
<b>2-Bed House</b>	79	£2,089	£2,278	£2,658
<b>3-Bed House</b>	100	£2,200	£2,500	£3,000
<b>4 Bed House</b>	128	£2,109	£2,422	£2,930
<b>5+ Bed House</b>	160	£1,875	£2,344	£2,969
<b>1-Bed Apartment</b>	50	£2,300	£2,300	£2,400
<b>2-Bed Apartment</b>	70	£1,929	£1,929	£2,000

Source: AspinallVerdi '201202 BCA New-Build Residential Market Research\_v6'

## 4 2023 Residential Market Review

### New Build Achieved Values

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- 4.1 We have carried out a market review of new build achieved values within Sandwell. This has been based on a detailed analysis of the Land Registry new build achieved values for the period July 2021 – July 2023, cross-referenced, on an address-by-address basis (approx. 125 transactions) to the floor areas published on the EPC (Energy Performance Certificate) database to derive the achieved values (£ per square meter). This gives a good baseline for comparing the values across the different market areas. This is also consistent with the build cost rates £ psm from the BCIS.
- 4.2 We have removed the extremely high value and ‘one-off’ properties from the dataset, as well as ‘affordable units’ – to focus on the ‘typical’ new units and to avoid skewing the results<sup>4</sup>.
- 4.3 The Land Registry data for new build achieved values contains a ‘PPD Category Type’ which is defined on the gov.uk website as:

*“Indicates the type of Price Paid transaction”*

*A = Standard Price Paid entry, includes single residential property sold for full market value.*

*B = Additional Price Paid entry including transfers under a power of sale/repossessions, buy-to-lets (where they can be identified by a Mortgage) and transfers to non-private individuals.*

*Note that category B does not separately identify the transaction types stated. HM Land Registry has been collecting information on Category A transactions from January 1995. Category B transactions were identified from October 2013.”<sup>5</sup>*

- 4.4 For the purposes of this research, we have excluded new build achieved data that falls under category B as the transactions consistently presented discounted transfer values to those provided under category A, therefore not reflecting the true full market value.

### Achieved Values - Sandwell

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Within our review period, 75 new build houses and 50 new build flats were sold and recorded on the Land Registry across Sandwell. We have analysed these transactions separately by reviewing the house and flat transactions individually.

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<sup>4</sup> The data covers all new build transactions on all sizes of development; we have just removed the out-lying data.

<sup>5</sup> Price Paid Data Guidance, 14<sup>th</sup> August 2014 (<https://www.gov.uk/guidance/about-the-price-paid-data>)

## Houses

- 4.5 Table 4.1 provides a summary of Sandwell New-Build house prices with the range of achieved absolute values, i.e. Minimum, Average, Median, and Maximum.

**Table 4.1 – New Build Achieved Absolute Values – Houses**

	Sandwell (£) 2019 – 2020	Sandwell (£) 2021-2023
Minimum £	£147,995	£135,000
Average £	£218,378	£215,966
Median £	£218,500	£213,000
Maximum £	£370,000	£349,950

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

- 4.6 The values shown in Table 4.1 reflect the trends shown in Figure 2.2. There has been a 1.10% decrease in value compared to the average expressed in our previous study undertaken in 2021, as shown in Table 3.5.
- 4.7 Table 4.2 provides a summary of Sandwell with the range of values achieved on a price per sqm basis, i.e. Minimum, Average, Median, and Maximum for new-build houses.

**Table 4.2 – New Build Achieved £ psm Values – Houses**

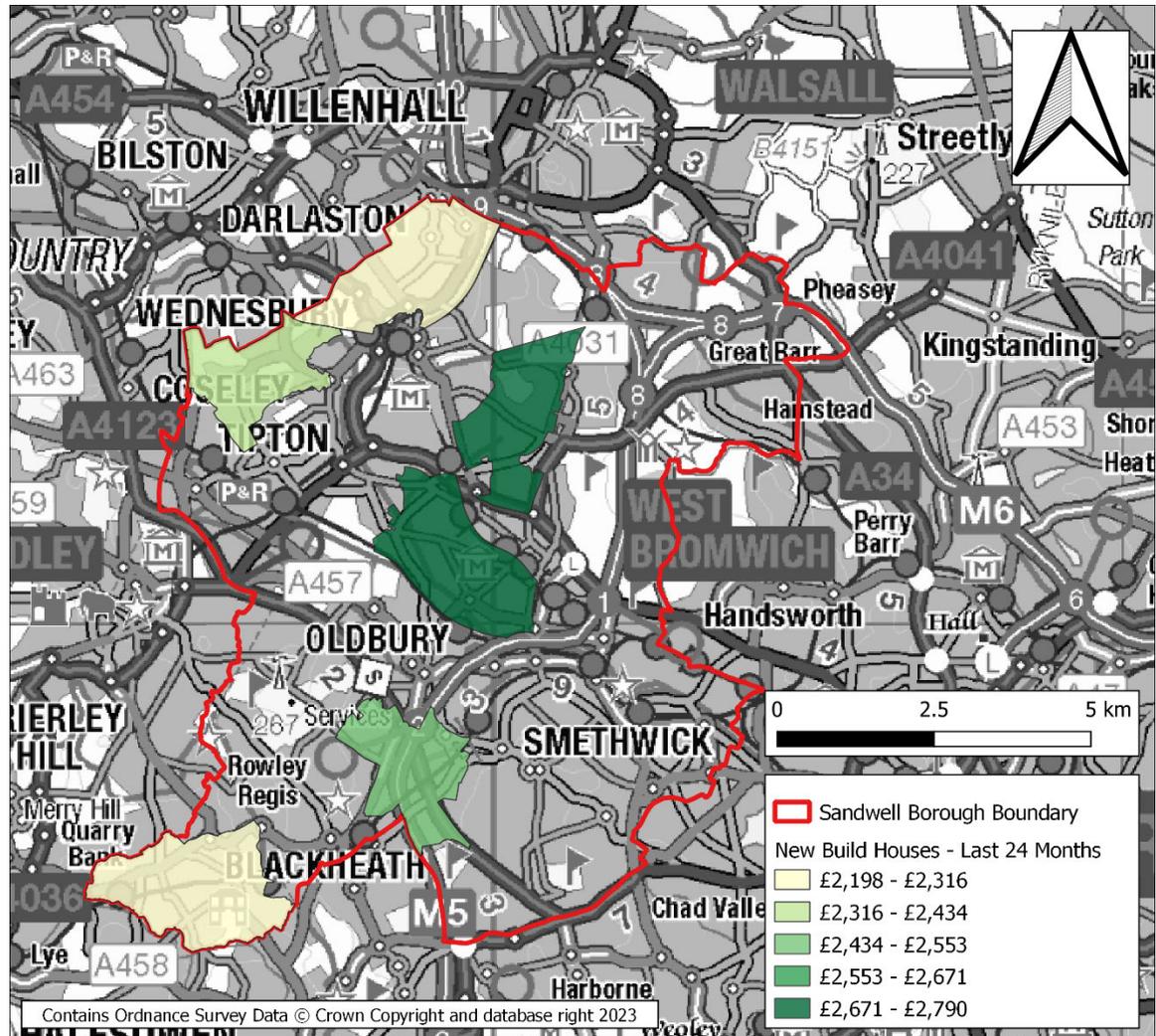
	Sandwell (£ psm) 2019 – 2020	Sandwell (£ psm) 2021-2023
Minimum £ psm	£1,773	£2,000
Average £ psm	£2,439	£2,550
Median £ psm	£2,468	£2,558
Maximum £ psm	£3,247	£3,841

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

- 4.8 Within Sandwell, the values range from £2,000 - £3,841. The price psm follows a similar trend to the achieved absolute values, with the average of £2,550 representing an increase of 4.55% compared to £2,439 psm in 2021, highlighted in Table 3.6 and taken from our previous assessment of the residential market in Sandwell.

4.9 Figure 4.1 illustrates the average achieved values for new build houses across Sandwell on a £ psm basis, broken down into wards.

**Figure 4.1 – New Build Achieved Value – Houses – (Average £ psm) 2021- 2023**



Source: QGIS (July 2023)

4.10 The map in Figure 4.1 shows the range of achieved values for new build houses across the borough. From this, it can be seen Greets Green and Lyng and Hatley Heath wards express the highest values, whilst Cradley Heath & Old Hill and Wednesbury North wards show the lowest values.

4.11 Our search of the Land Registry data identified c. 75no. transactions for new-build houses within the borough. Due to the limited number and locations of the transactions, we note that there is no data for a large part of the borough. To strengthen our dataset and provide a comprehensive spatial analysis of values, we have also evaluated second-hand transactions within the Borough, as reported in section 5 of this report.

## Flats

- 4.12 Within our review period July 2021 – July 2023 c. 50 no flats were sold and recorded on the Land Registry.
- 4.13 Table 4.3 provides a summary of Sandwell Borough with the range of values achieved on an absolute value basis, i.e. Minimum, Average, Median, and Maximum for new-build houses.

**Table 4.3 – New Build Achieved Absolute Values – Flats**

	Sandwell (£) 2019 – 2020	Sandwell (£) 2021 – 2023
Minimum £	£89,911	£70,000
Average £	£129,426	£123,526
Median £	£131,000	£140,000
Maximum £	£176,000	£220,000

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

- 4.14 Table 4.3 shows that values range between £70,000 and £220,000 with an average value of £123,526, this represents a 4.56% decrease compared to the values expressed in 2019-2020.
- 4.15 Our search identified:
- c. 17no. transactions at Hampton Court, High Street, Cradley Heath
  - c. 6no. transactions at Victoria Court, Victoria Street, Cradley Heath
  - c. 19no. transactions at Metro Lofts, 150 High Street, West Bromwich.
  - c. 8no. transactions at Park View Court, Tildasley Street, West Bromwich.
- 4.16 Due to the new-build flatted transactions being across 4 developments, this data is not truly representative of Sandwell as a whole and will be used as a benchmark, further substantiated by second-hand transactions, to determine the absolute value assumptions across the value zones.
- 4.17 In order to delve deeper into the new build flatted market Table 4.4 provides a summary of Sandwell Borough with the range of values achieved on a price per sqm basis, i.e. Minimum, Average, Median and Maximum.

**Table 4.4 - New Build Achieved £ psm Values - Flats**

	Sandwell (£ psm) 2019 - 2021	Sandwell (£ psm) 2021 - 2023
Minimum £ psm	No data	£1,455

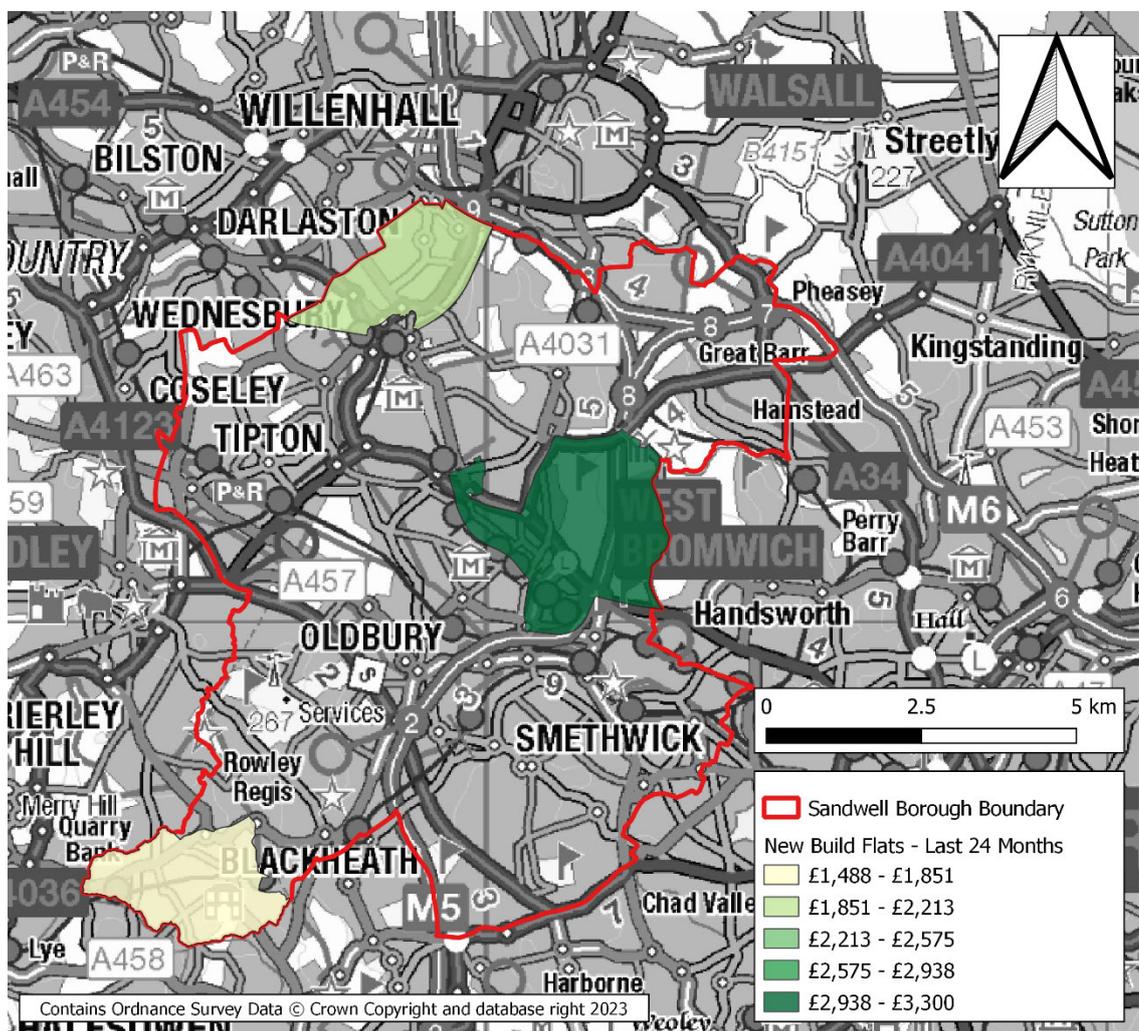
Average £ psm	No data	£2,661
Median £ psm	No data	£2,333
Maximum £ psm	No data	£4,477

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

4.18 The achieved values on a £ psm basis ranged from £1,455 - £4,477 psm across Sandwell within our review period. The average achieved value in Sandwell is £2,661

4.19 Figure 4.2 illustrates the average achieved £ psm values across Sandwell on a ward basis.

**Figure 4.2 – New Build Achieved Value – Flats – (Average £ psm) 2021 - 2023**



Source: QGIS (July 2023)

4.20 Compared to houses, there were fewer new-build transactions for flatted properties. Figure 4.2 shows the highest values expressed in West Bromwich Central, followed by Wednesbury North. The lowest values expressed on a £ psm basis are evidenced in Cradley Heath and Old Hill.

4.21 Our search of the Land Registry data identified c. 50no. transactions for new-build flats within the borough. Due to the limited number and locations of the transactions, we note that there is no data for a large part of the borough. In order to strengthen our dataset and provide a comprehensive spatial analysis of values, we have also evaluated second-hand transactions within the Borough, reported in section 5 of this report, as well as new build asking prices in section 6 of the report.

## Achieved Values - by number of beds

4.22 The Land Registry does not provide details of the number of bedrooms. Therefore, we have made the following assumptions having regard to the Nationally Described Space Standards set out by DCLG.

**Figure 4.3 - Nationally Described Space Standards**

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) <sup>2</sup>			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	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	4.0
	8p	125	132	138	

Source: DCLG - September 2015 (March 2023)

4.23 For all houses (detached, semi-detached and terrace) we have assumed they are two storeys as follows:

- 1 Bed - Up to 60 sqm
- 2 Bed - 61 - 79 sqm
- 3 Bed - 80 - 93 sqm
- 4 Bed - 94 – 130 sqm
- 5 Bed+ - 131+ sqm

4.24 For flats, we have assumed to be one storey as follows:

- 1 Bed - Up to 60 sqm

- 2 Bed - 61 - 70 sqm
- 3 Bed - 71+ sqm

## Houses

4.25 Our research identified c. 75no. transactions for new-build houses. Table 4.5 summarises the average achieved house values in Sandwell.

**Table 4.5 – Average Achieved New Build House Values 2019 - 2023**

House Type	Sandwell (£) 2019 - 2020	Sandwell (£) 2021 - 2023
1-Bed House	-	£155,714
2-Bed House	£189,000	£172,118
3-Bed House	£210,000	£213,107
4-Bed House	£250,000	£266,106
5+ Bed House	£261,000	-

4.26 Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

4.27 The average achieved price for a 3-Bedroom house across the Borough is £213,107, this represents a 1.43% increase compared to the averages presented in our Black Country Residential Market Paper. Achieved prices ranged between £170,000 - £275,000. This generally reflects the values illustrated in Figure 2.2.

4.28 We were unable to identify any new-build transactions for 5-Bedroom houses within the Borough.

4.29 Table 4.6 sets out the range of floor areas by the number of beds from the Land Registry and NDSS.

**Table 4.6 - Range of floor areas – Houses**

House Type	Sandwell (sqm)
1-Bed House	59
2-Bed House	62 – 79
3-Bed House	83 – 89
4-Bed House	94 – 130
5+ Bed House	134 -146

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

4.30 Table 4.7 summarises the average achieved house values on a £ per square meter basis by house type in the Borough.

**Table 4.7 - Average Achieved New Build House £ psm 2021 - 2023**

House Type	Sandwell (£ psm) 2019 - 2020	Sandwell (£ psm) 2021 - 2023
1-Bed House	-	£2,639
2-Bed House	£2,615	£2,619
3-Bed House	£2,472	£2,514
4-Bed House	£2,252	£2,520
5+ Bed House	£1,879	-

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

## Flats

4.31 Our research identified 25 transactions for new-build flats. Table 4.8 summarises the average achieved values for new-build flats in the Borough.

**Table 4.8 - Average Achieved New-Build Flat Value 2021 - 2023**

House Type	Sandwell (£) 2019 - 2020	Sandwell (£) 2021 - 2023
1-Bed Flat	-	£119,327
2-Bed Flat	-	£149,314
3-Bed Flat	-	-

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

4.32 Table 4.8 shows new-build 1-Bed flats average £135,000, whilst new-build 2-Bed flats average £149,314. The limited data identified for flatted units during the evaluation period will be substantiated by second-hand transactions in the subsequent section of this report.

4.33 Table 4.9 sets out the range of floor areas by the number of beds within Sandwell.

**Table 4.9 - Range of floor areas – Flats**

House Type	Sandwell (sqm)
1-Bed Flat	36 – 59
2-Bed Flat	60 – 72
3-Bed Flat	-

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

4.34 Table 4.10 sets out average achieved values per sqm by the number of beds in Sandwell.

**Table 4.10 - Average Achieved New Build Flat £ psm 2021 – 2023**

House Type	Sandwell (£ psm) 2019 - 2020	Sandwell (£ psm) 2021 - 2023
1-Bed Flat	-	£2,706
2-Bed Flat	-	£2,384
3-Bed Flat	-	-

Source: 230724 New Build Sales by District 24 months EPC Tool\_v1

## 5 Housing Value Zones

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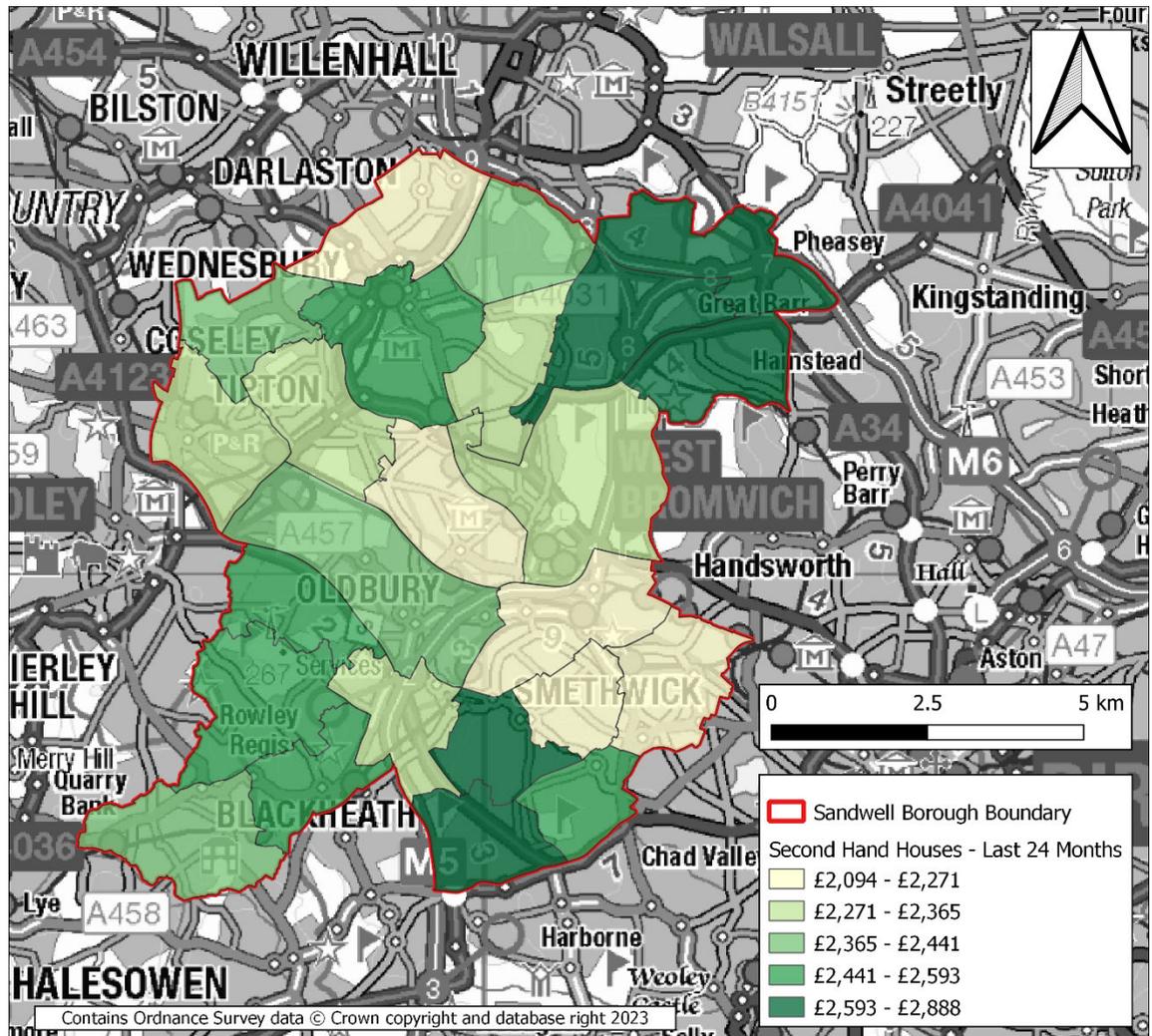
- 5.1 In this section, we build upon our new-build market research to arrive at comparable value zones across the Borough.
- 5.2 The purpose of this part of the commission is to create a visual representation of the differences in value across the Sandwell Borough and what can be reasonably expected to be achieved within these defined value zones. We have therefore sought to rationalise and simplify the Housing Value Zones for ease of application both in terms of policy and values. All planning obligations (including CIL and Affordable Housing etc.) should 'align' in terms of Housing Value Zones and viability.
- 5.3 Note that this section on Housing Value Zones is about the *relativity* of values across zones in Sandwell – not the *absolute* value assumption which is contained in section 7 below.

### Second-Hand Values

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- 5.4 To sense check the pattern of new build values across the Borough of Sandwell we have also reviewed the second-hand market over the last 24 months between July 2021 and July 2023. There is a greater stock of second-hand properties and turnover is higher than for new builds. As with the new build transactions, this has been based on an address-by-address basis (approx. 5840 transactions) and compared to the floor areas published on the EPC (Energy Performance Certificate) database in order to derive the achieved values (£ per square meter).
- 5.5 We have carried out this sense check to identify whether or not there is a pattern across the Borough of Sandwell which can help establish our Housing Value Zones and reinforce the pattern identified for new build values.
- 5.6 Figure 5.1 and Figure 5.2 illustrate the average achieved values on a per sqm basis across the Borough for houses (Semi-Detached, Detached, and Terrace) and flats.

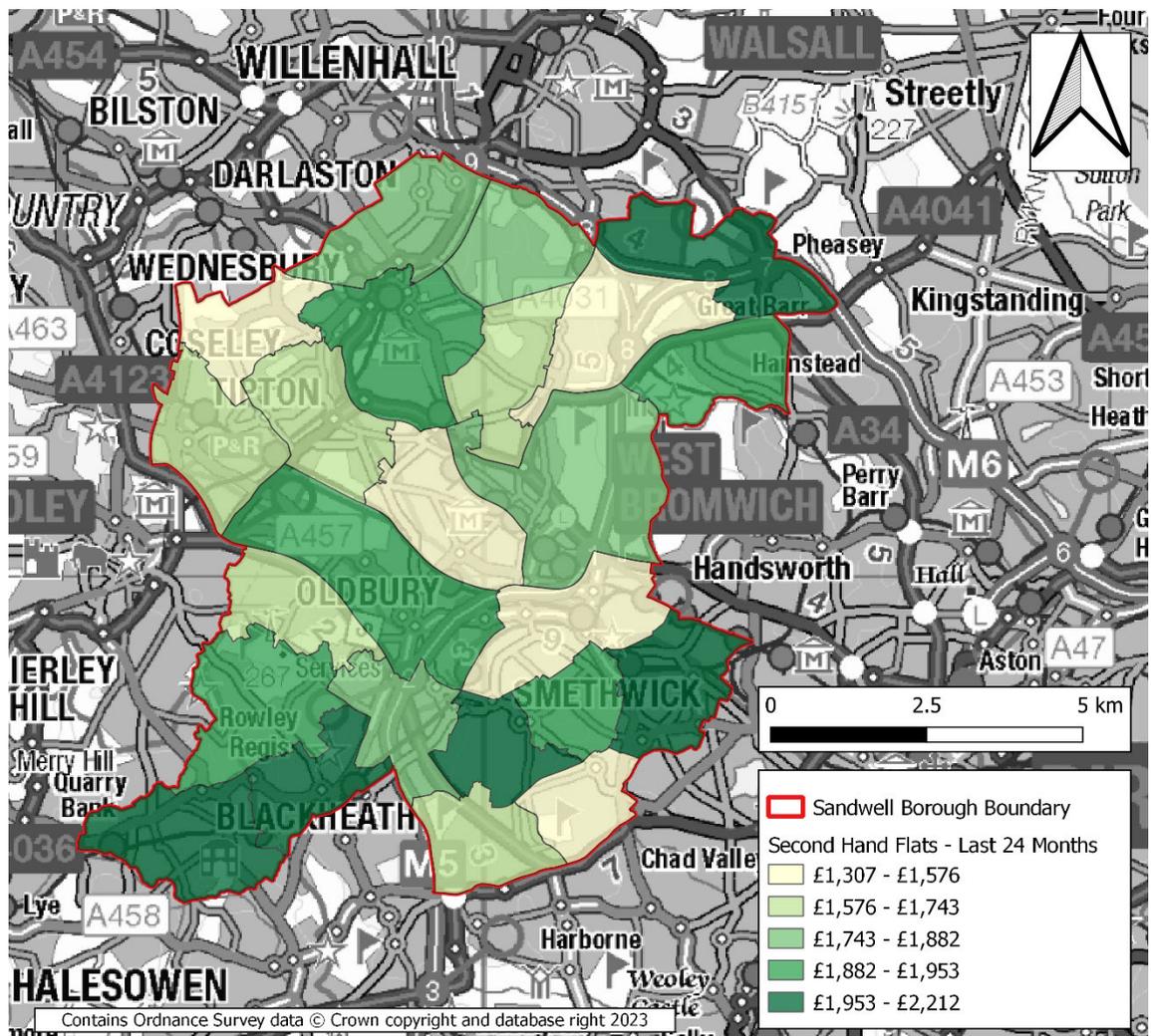
Figure 5.1 Second Hand Houses - Achieved Value (Average £ psm)



Source: QGIS (April 2023)

5.7 The lower-value, second-hand house transactions are mainly clustered around the northeast of the borough. The wards Wednesbury North, Greets Green and Lyng, St. Pauls, Smethwick and Soho & Victoria all fall within the lowest banding at £2,094 - £2,271 psm. The higher value areas include Great Barr, Newton and Charlemont with Grove Vale in the northeast, as well as Old Warley and Bristnall in the south, expressing average values of £2,593 - £3,888 psm.

Figure 5.2 Second Hand Flats - Achieved Value (Average £ psm)



Source: QGIS (July 2023)

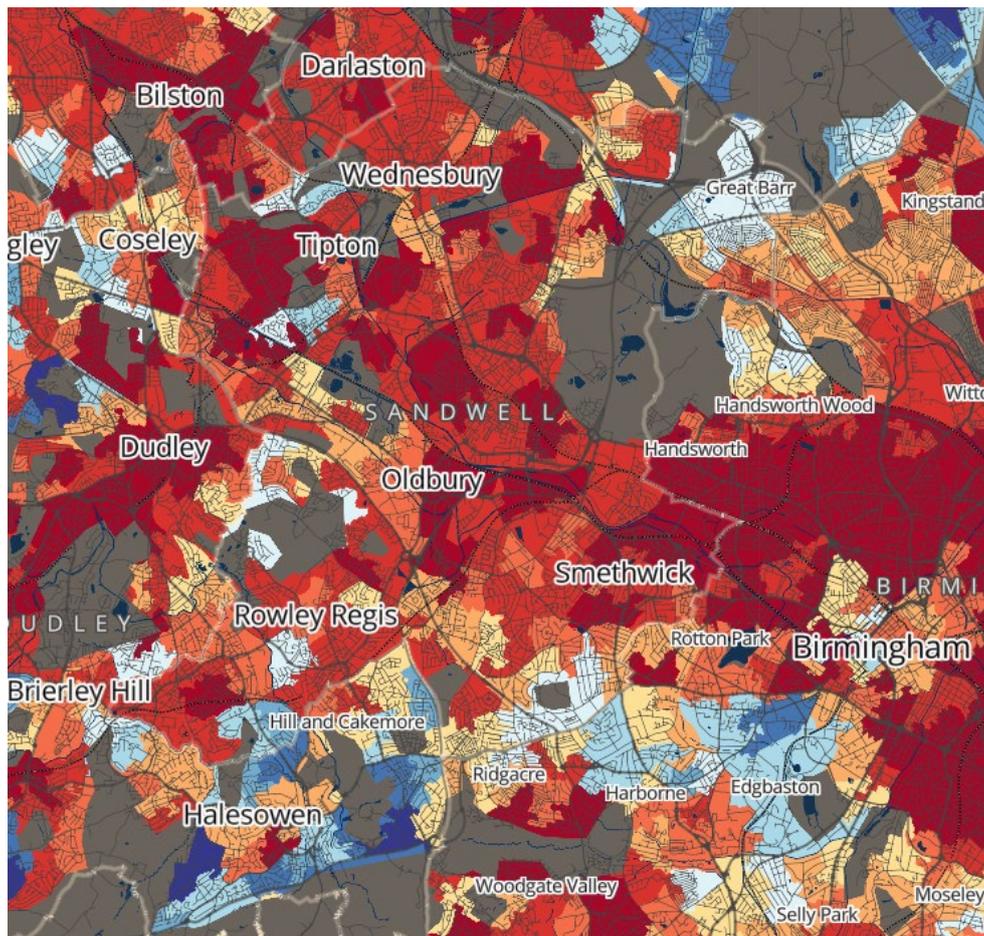
- 5.8 There is a similar trend with the second-hand flat transactions with Great Barr and Bristnall expressing higher values. However, areas of medium and lower value housing identified in Figure 5.1 are shown to be in higher value for flats - these areas include Soho and Victoria to the east, Blackheath and Cradley Heath and Old Hill to the southwest.

## Index of Multiple Deprivation

- 5.9 When preparing our Housing Value Zones, we also had regard to the Index of Multiple Deprivation (IMD). The IMD provides a metric for which multiple data points, such as average income, health, education, crime, unemployment etc., are all amalgamated into a single rating which shows the level of deprivation that an area is experiencing, this is illustrated on a map (See Figure 5.3).

5.10 The Index of Multiple Deprivation map shows that areas such as Great Barr to the northeast, the areas surrounding Warley Woods to the south are all considered to be some of the least deprived areas in the borough. Similarly, the more deprived areas are closer to the urban core(s). Although this is not a direct comparison to housing values, it is a very good proxy. In our experience, higher values tend to be found in areas of least deprivation and values are lower in areas where there is greatest deprivation. This IMD map is therefore a good proxy for the Housing Zones Map.

**Figure 5.3 - Index of Multiple Deprivation Map**



Source: Index of Multiple Deprivation (2019)

## AspinallVerdi Housing Market Zones

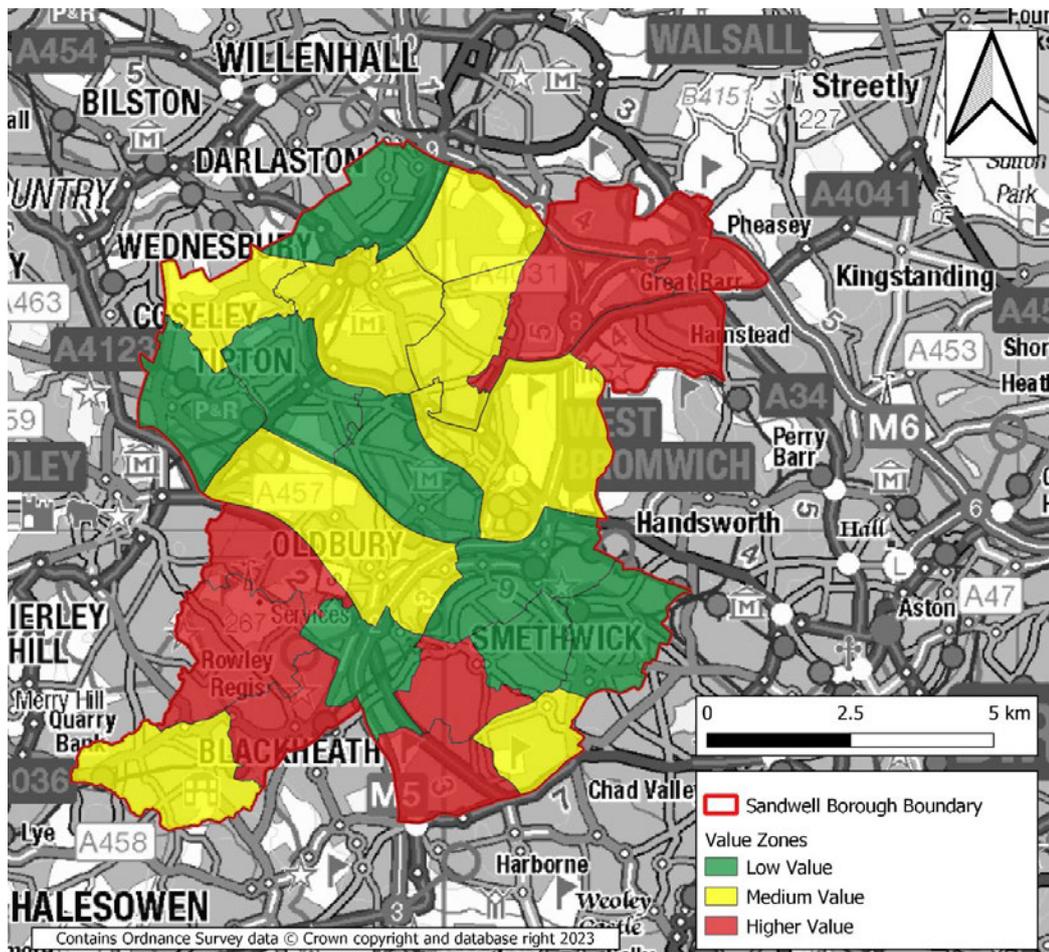
5.11 In order to derive our Housing Market Zones we have had regard to:

- the existing evidence base and particularly the heat maps and choropleth maps contained in previous market research.
- current new-build achieved values,

- second-hand achieved values, and
- the Index of Multiple Deprivation.

5.12 Figure 5.4 shows the result of our analysis of the data listed above. We set out three value zones in this map. These are the 'lower', 'medium' and 'higher' value zones – which are mapped on a ward basis across Sandwell. This will form the basis of our Typologies Matrix with which we will model different site typologies (e.g., greenfield and brownfields) together with current policy requirements (i.e., CIL charges and S106) with a view to future alignment.

**Figure 5.4 – AspinallVerdi Sandwell Housing Market Zones**



Source: QGIS (July 2023)

5.13 The aim is to produce a map that is evidence based and transparent; and logical for ease of implementation. It will never be perfect. There will always be a particularly high value scheme in a lower value area and vice-versa depending on particular local and site circumstances.

## 6 New Build Asking Prices

---

- 6.1 Having established our housing market value zones, we have then sought to establish representative value assumptions for each house type in the various zones.
- 6.2 In order to do this, we have had regard to the achieved prices set out in sections 4 and 5 above. These are backwards looking, so we have also reviewed several new build developments currently 'on-site' within Sandwell to understand the up-to-date *asking values* associated with new build properties which can be used to inform the values in our viability testing.
- 6.3 It should be noted that asking prices may be aspirational and may reflect the incentives offered by the developer (which have to be deducted to calculate a net price) or the actual value a willing purchaser will pay.
- 6.4 The RICS information paper on comparable evidence in property valuation<sup>6</sup> states that asking prices
- 'cannot by themselves provide reliable evidence of value and should be treated with some caution. They will usually vary from the price achieved on exchange in the open market, but when interpreted with care by an experienced valuer they can provide some guidance as to current market sentiment and trends in value.'*
- 6.5 Thus, whilst the achieved value data (from the Land Registry in section 4 above) provides robust data, this is retrospective. The asking price analysis in this section indicates more up-to-date prices for new build homes. It is important to note that in arriving at our value assumptions for use in the appraisals, whilst, we will have had regard to the new build asking prices our figures reflect on the transactional data (section 4).
- 6.6 Finally, it is important to note that the supply ('flow') of new build properties has to be sold within a marketplace that includes an established 'stock' of competing second-hand properties (section 5 above). The asking price is therefore tempered by the wider price mechanism and housing choices for purchasers.

### Lower Value Zone

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- 6.7 We have identified 1 new-build housing development situated within our defined Lower Value Zone (see Figure 5.4).

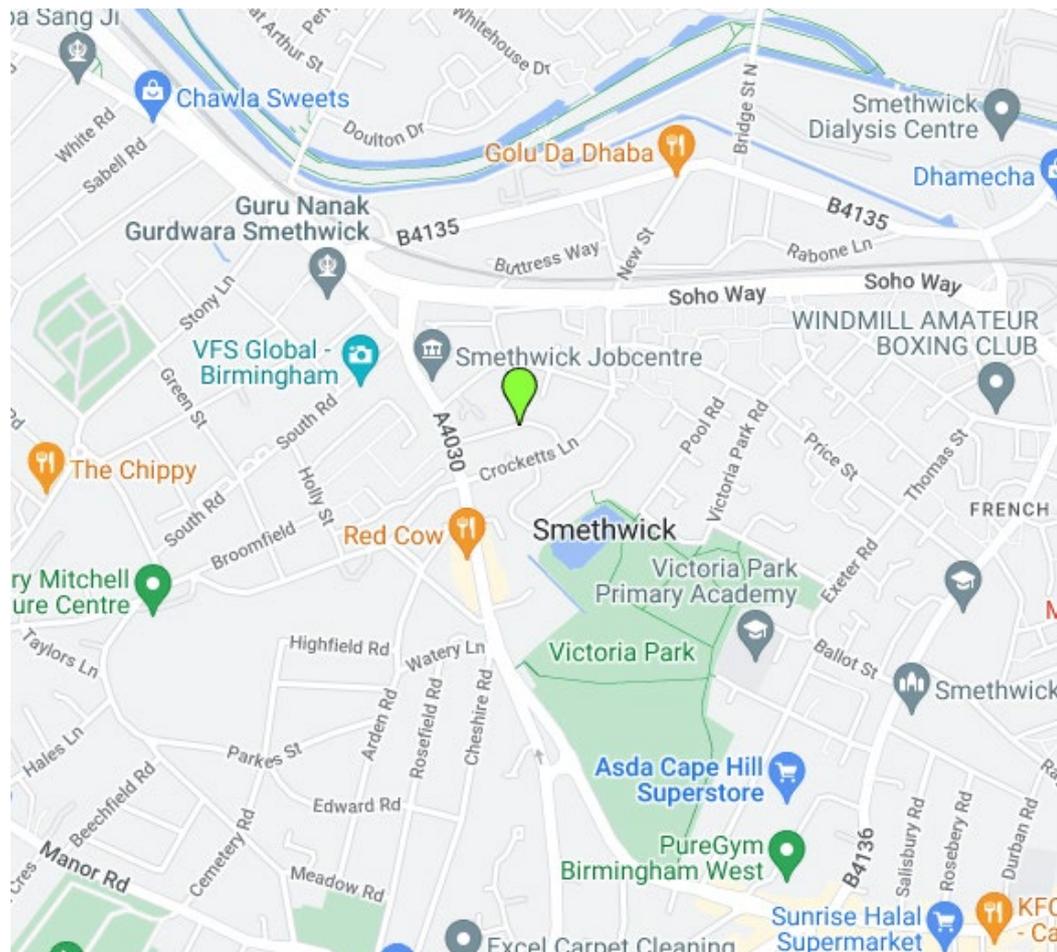
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<sup>6</sup> Comparable evidence in property valuation, RICS information paper, 1st edition (IP 26/2012)

## The Constables, Piddock Road, Smethwick

6.8 The Constables is a development consisting of nine 3 and 5-bedroom houses located on Piddock Road, Smethwick, B66 3EB.

**Figure 6.1 – The Constables Location**



Source: Google MyMaps (July 2023)

**Table 6.1 - Asking Prices at The Constables**

Name	Property Type	Asking Price (£)	Size (sqm)	Price psm (£)
The Chester	3-Bed Semi-Detached	£375,000	97	£3,874
The Chelsea	5-Bed Detached	£500,000	150	£3,333
The Chelsea	5-Bed Detached	£500,000	150	£3,333
The Chelsea	5-Bed Detached	£450,000	130	£3,333

Source: Rightmove (July 2023)

- 6.9 There are currently 4 No. properties advertised for sale at Coseley New Village with asking prices ranging from £375,000 - £500,000 and an average value of £456,250. On a £ psm basis asking prices ranged from £3,333 - £3,874 psm equating to an average of £3,501 psm.
- 6.10 We note that this is an exclusive development of bespoke properties and the current prices are asking prices. We are unaware if the properties have achieved interest at this level but we would note that if achieved these would be the highest achieved values per sq m within this value zone (Low Value zone)

## Medium Value Zone

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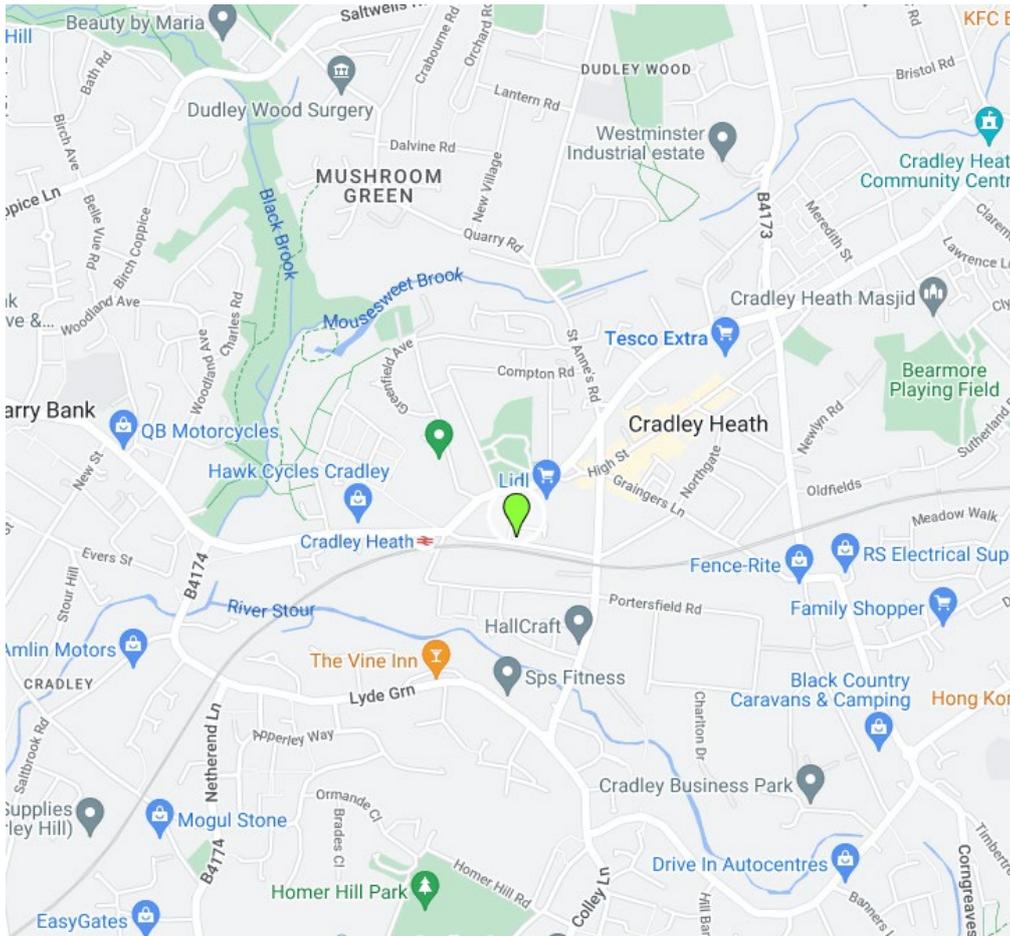
- 6.11 We have identified 4 new-build housing developments that are located within our defined Medium Value Zone (see Figure 5.4).

### Development on Chester Road, Cradley Heath

---

- 6.12 The development is a small development of two 3-Bed Semi-Detached houses, located on Chester Road, Cradley Heath, B64 6AA.

#### **Figure 6.2 - Development on Chester Road Location**



Source: Google MyMaps (July 2023)

**Table 6.2 - Asking Prices at The Development on Chester Road**

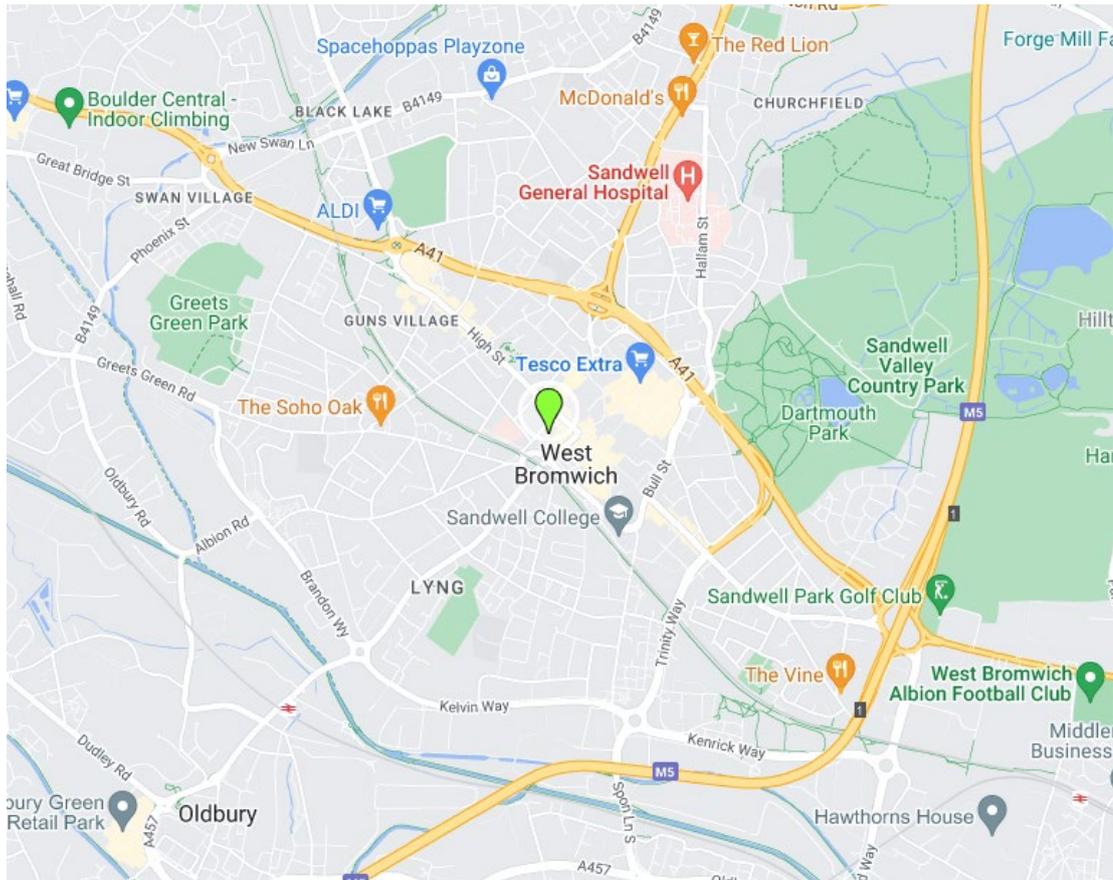
Property Type	Asking Price (£)	Size (sqm)	Price psm (£)
3-Bed Semi-Detached	£265,000	79	£3,363
3-Bed Semi-Detached	£265,000	79	£3,363

Source: Rightmove (July 2023)

### Transport Works – Victoria Street, West Bromwich

6.13 Transport Works is a Centrick development comprised of 45 1-bed, 2-bed and duplex new-build apartments located on Victoria Street, West Bromwich, B70 8ET.

**Figure 6.3 – Transport Works Location**



Source: Google MyMaps (July 2023)

**Table 6.3 - Asking Prices at Transport Works**

Property Type	Asking Price (£)
1-Bed Flat	£147,500
1-Bed Flat	£147,500
2-Bed Flat	£196,000
2-Bed Flat	£191,500
2-Bed Flat	£203,500

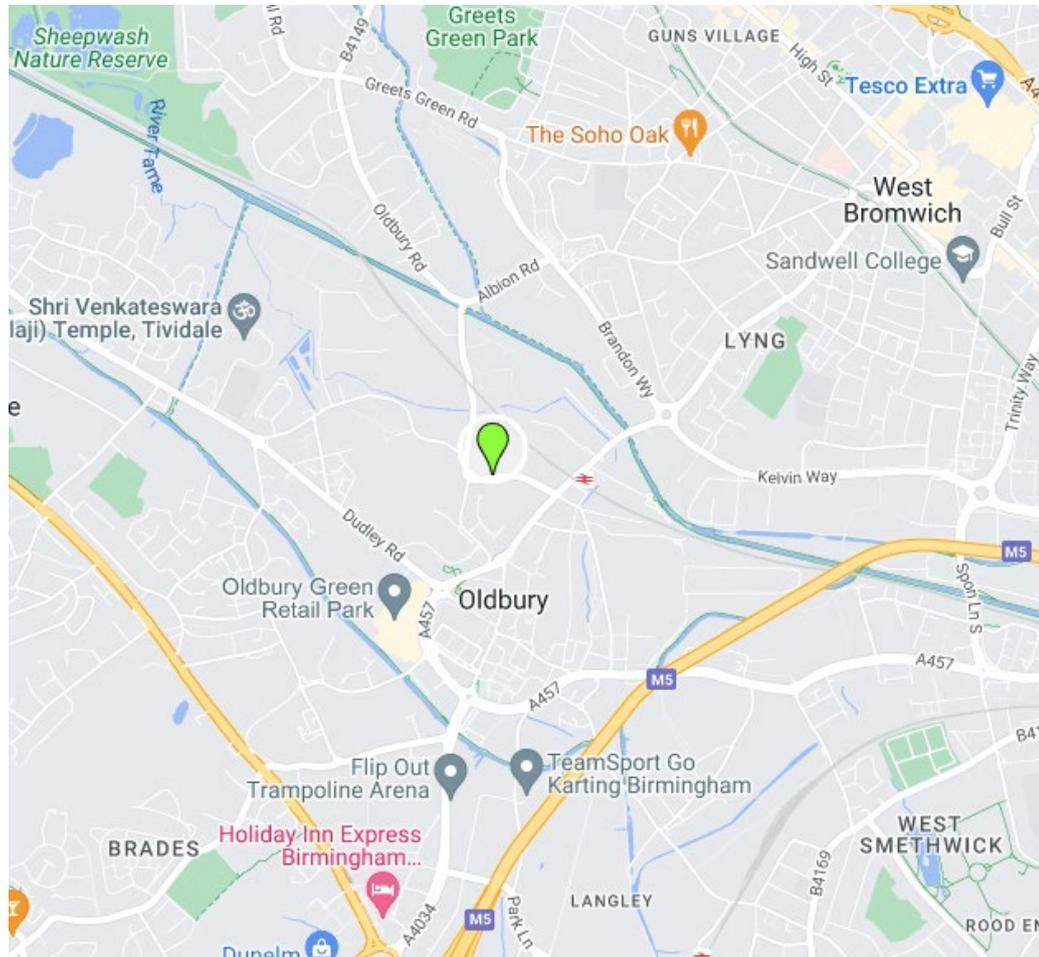
Source: Rightmove (July 2023)

6.14 There are currently 5 No. properties listed for sale at this development with sales values ranging from £147,500- £203,500.

### The Junction, Oldbury – Lovell Homes

- 6.15 The Junction is a Lovell Homes development who are delivering a range of 234 homes and apartments comprising of 1,2,3 and 4 houses located off Fountain Lane, Oldbury, B69 3BH

**Figure 6.4 – The Junction Location**



Source: Google MyMaps (July 2023)

- 6.16 Our search identified 1 No. listing for this development:

**Table 6.4 - Asking Prices at The Junction**

Name	Property Type	Asking Price (£)	Size (sqm)	Price psm (£)
The Ramsay	4-Bed Semi-Detached	£331,000	109	£3,037

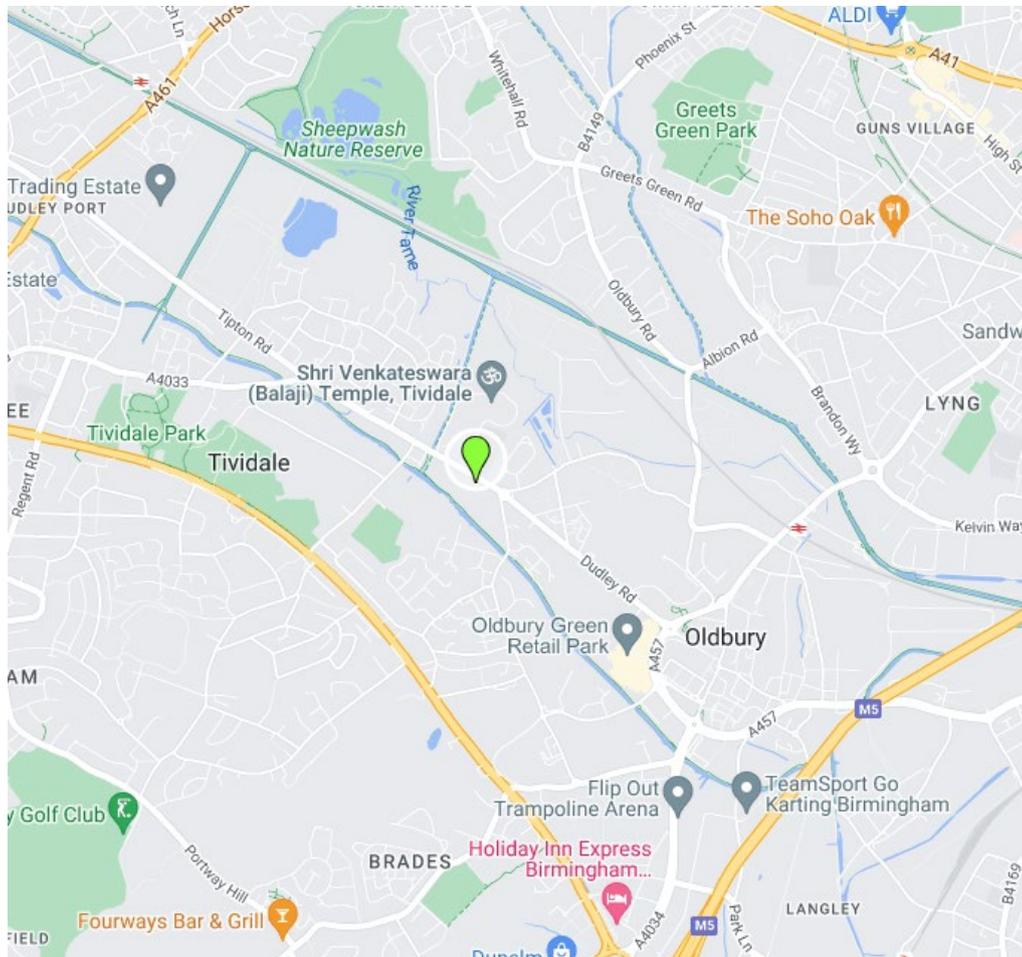
Source: Rightmove (July 2023)

- 6.17 This development is still under construction so none of the other units are currently listed for sale.

Fishers Bridge, Tividale, Oldbury – Harker Homes

6.18 Fishers Bridge is a Harker Homes development, which brings a selection of 14, 3 and 4-bedroom homes. Fishers Bridge is located alongside the canal on Lower City Road, Tividale, Oldbury, B69 3EB.

**Table 6.5 - Fishers Bridge Location**



Source: Google MyMaps (July 2023)

**Table 6.6 - Asking Prices at Fishers Bridge**

Property Type	Asking Price (£)	Size (sqm)	Price psm (£)
4-Bed Detached	£365,000	106	£3,431
4-Bed Detached	£360,000	97	£3,694
3-Bed Semi-Detached	£285,000	101	£2,822

Source: Rightmove (July 2023)

6.19 There are currently 3 No. properties advertised for sale at Fishers Bridge with asking prices for houses ranging from £285,000 - £365,000 with an average of £336,667. On a £ psm basis asking prices ranged from £2,822 - £3,694 psm equating to an average of £3,316 psm.

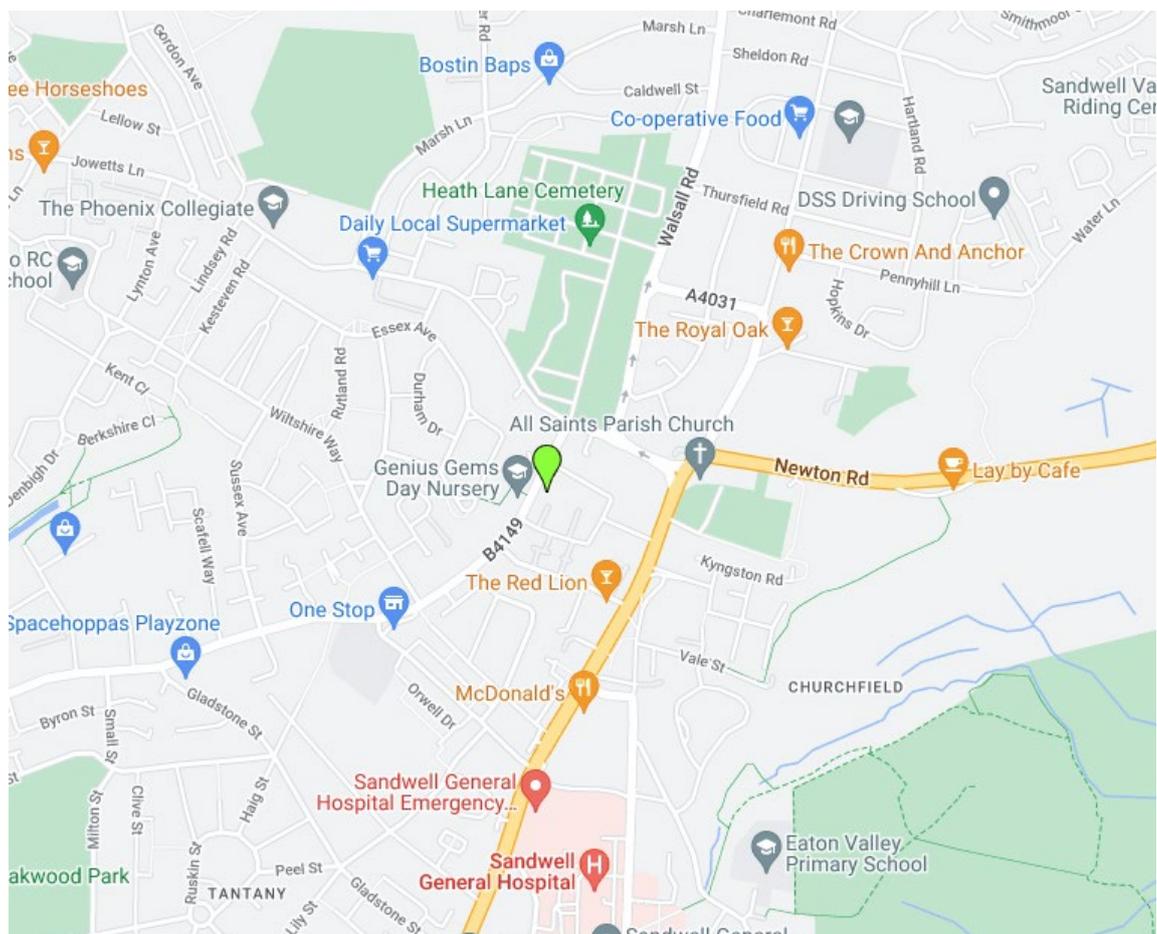
## Higher Value Zone

6.20 We identified 2 new-build housing developments located within our defined Higher Value Zone (see Figure 5.4).

### Sienna Way, Vicarage Road, West Bromwich

6.21 Sienna Way, just off Vicarage Road is a private development offering 2 and 4-bedroom houses and 2-bedroom maisonettes. The development is located off Vicarage Road, West Bromwich, B71 1AE.

**Figure 6.5 – Sienna Way Location**



Source: Google MyMaps (July 2023)

**Table 6.7 - Asking Prices at Sienna Way**

Property Type	Asking Price (£)
4-Bed Detached	£350,000
4-Bed Semi-Detached	£325,000
4-Bed Semi Detached	£300,000

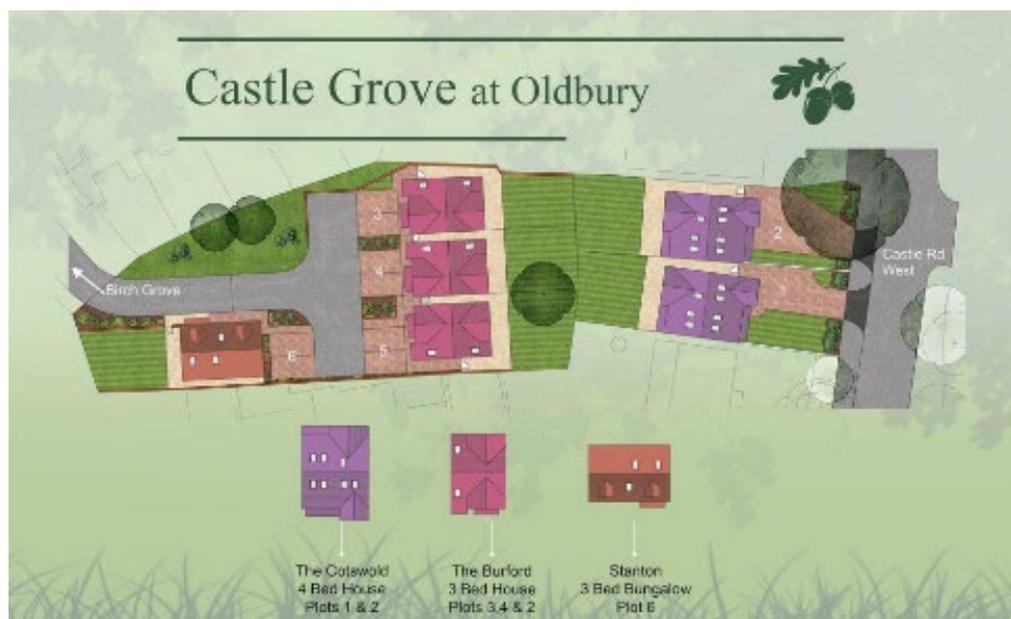
Source: Rightmove (July 2023)

- 6.22 There are currently 3 No. properties advertised for sale at Sienna Way with asking prices for houses ranging from £300,000- £350,000 with an average of £325,000.

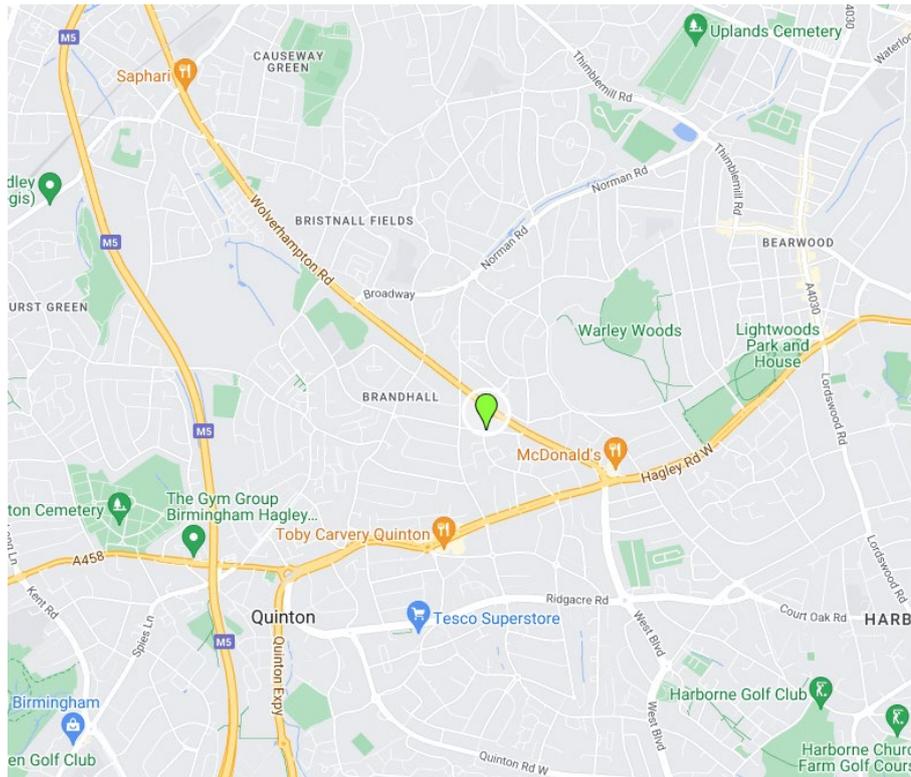
### Castle Grove, Castle Road West, Oldbury – Kewacre Homes

- 6.23 This Kewacre Homes development is a high-specification development of three 3-bedroom detached houses and three 1-bedroom bungalows. The development is located on Castle Road West, Oldbury, B68 0EN.

**Figure 6.6 - Development Map of Castle Grove**



**Figure 6.7 – Castle Grove Location**



Source: Google MyMaps (July 2023)

**Table 6.8 - Asking Prices at Castle Grove**

Property Type	Asking Price (£)	Size (sqm)	Asking Price (£/sqm)
3-Bed Detached	£395,000	97	£4,053
3-Bed Detached	£395,000	97	£4,053
3-Bed Detached	£425,000	109	£4,053

Source: Rightmove (July 2023)

6.24 There are currently 3 No. properties advertised for sale at Castle Grove with asking prices for houses ranging from £395,000 - £425,000 with an average of £405,000. On a £ psm basis asking prices ranged from £3,903 - £4,053 psm equating to an average of £4,003 psm

## 7 Site-Specific Appraisal Values

- 7.1 We have reviewed a sample of typical site-specific viability assessments submitted to Sandwell MBC to sense-check our value assumptions.

### High Street, West Bromwich – Financial Viability Assessment (March 2023)

- 7.2 The Financial Viability Assessment (FVA) for Block 3, 410-416 High Street, West Bromwich, B70 9LB is a review on behalf of SMBC for the development of 17 flats (6 No. 1-bed, 11 No. 2-bed) within a 3 ½ story block across a 0.964-acre (0.39 hectares) site.
- 7.3 The site is situated in a medium-value zone highlighted in Figure 5.4
- 7.4 The adopted values within the report provided by Thomas Lister are expressed in the table below.

**Table 7.1 - Proposed Average Sales Values and Areas for Block 3 Development**

Dwelling Type	No. units	Average Assumed Capital Value	Average Value (£psm)	Average Dwelling Size (sqm)
1-Bed Flat	6	£149,167	£2780	54
2-Bed Flat	11	£199,318	£2645	76

Source: Thomas Lister (March 2023)

- 7.5 The data shown in Table 7.1 indicates that average values for flats adopted within the appraisal range from £2,645 - £2,780 psm.

### Factory Locks, Tipton - Financial Viability Assessment (February 2022)

- 7.6 The Financial Viability Assessment (FVA) for the proposed residential development of Factory Locks, Factory Road, Tipton is a review on behalf of SMBC for the development comprising 46 No. 1 and 2-bedroom apartments and conversion of a boat house to 4 No. 2-bed residential units. The site extends to a total area of 1.13-acres (0.46-hectares)
- 7.7 The site is situated in a low-value zone highlighted in Figure 5.4
- 7.8 The applicant and assessor have agreed on the average sales value of £2164 psm across the units at this development

### Land at Bloomfield Road, Tipton – Financial Viability Assessment (January 2022)

- 7.9 The Financial Viability Assessment (FVA) for the proposed residential development of Land at Bloomfield Road, Tipton, DY4 9ES, is a review on behalf of SMBC for the development comprising 28no. 2, 3 and 4-bedroom dwellings.
- 7.10 The site is situated in the low-value zone highlighted in Figure 5.4.

**Table 7.2 -Proposed Average Sales Values and Areas for Development on Bloomfield Road**

Dwelling Type	No. units	Average Assumed Capital Value	Average Value (£psm)	Average Dwelling Size (sqm)
2-Bed Terrace	4	£192,500	£3007	64
3-Bed Semi-Detached	4	£200,000	£3124	54
3-Bed Terrace	6	£223,333	£2792	80
3-Bed Semi-Detached	5	£235,000	£2937	80
4-Bed Semi Detached	9	£310,000	£2480	125

Source: Thomas Lister (January 2022)

- 7.11 The data shown in Table 7.2 indicates that average values for houses adopted within the appraisal range from £2,480 - £3,124 psm.

## 8 Aspinall Verdi Value Assumptions

- 8.1 Our value assumptions have had regard to both new-build achieved values and asking prices. The achieved values provide a benchmark for the assumptions whilst the asking prices allow us to 'sense check' our assumptions. We are mindful that they are often aspirational and therefore the asking prices aren't always achieved.
- 8.2 For the purposes of our area-wide viability assessment, we have applied the following values and floor areas within our financial appraisals.
- 8.3 Table 8.1 summarises our assumptions for Absolute Market Values within the 3 defined value areas.

**Table 8.1 - Absolute Market Value Assumptions**

Property Type	Lower Value Zone	Medium Value Zone	Higher Value Zone
1-Bed House	£145,000	£150,000	£165,000
2-Bed House	£170,000	£190,000	£210,000
3-Bed House	£205,000	£240,000	£280,000

<b>4 Bed House</b>	£265,000	£300,000	£325,000
<b>5+ Bed House</b>	£340,000	£355,000	£395,000
<b>1-Bed Apartment</b>	£115,000	£135,000	£150,000
<b>2-Bed Apartment</b>	£135,000	£150,000	£185,000

Source: 230710\_All EPC Matched Data Houses\_v1

- 8.4 Table 8.2 summarises our assumptions for £ per square meter values within the 3 defined value areas.

**Table 8.2 - £ psm Value Assumptions**

<b>Property Type</b>	<b>Floor Area (sqm)</b>	<b>Lower Value Zone (£ psm)</b>	<b>Medium Value Zone (£ psm)</b>	<b>Higher Value Zone (£ psm)</b>
<b>1-Bed House</b>	53	£2,735	£2,830	£3,113
<b>2-Bed House</b>	72	£2,361	£2,639	£2,916
<b>3-Bed House</b>	85	£2,411	£2,823	£3,294
<b>4 Bed House</b>	105	£2,523	£2,857	£3,095
<b>5+ Bed House</b>	160	£2,125	£2,219	£2,469
<b>1-Bed Apartment</b>	50	£2,300	£2,700	£3,000
<b>2-Bed Apartment</b>	70	£1,929	£2,142	£2,642

Source: 230710\_All EPC Matched Data Houses\_v1

- 8.5 As shown previously in this market paper the value zones within the Borough of Sandwell achieve a range of different values. The asking price section has clearly shown that there is a significant range of products being delivered within the borough and it can be argued that where a development is situated and benefits from superior environs and amenities then there may be a premium over comparable developments nearby.
- 8.6 Most developers benefit from varying levels of economies of scale and the specification of their product is typically tailored to a specific target market. Some developments are even of a scale where they benefit from a 'placemaking' premium where they may require extra land to deliver communal facilities such as open green space and child play facilities.
- 8.7 Developers in some cases exclusively deliver executive homes or luxury family homes which typically achieve a premium over the standard volume housebuilder stock, however, these are not typically representative of the wider new-build market and are often discounted or take less precedence in our analysis.

## 9 Affordable Housing Transfer Values

---

- 9.1 For the purposes of our appraisals, we have assumed the following Transfer Values for affordable housing.

**Table 9.1 - Affordable Housing Transfer Value Assumptions**

Tenure	Tenure Mix	AH Value (% of MV)
First Homes	25%	70%
Affordable / Social Rent	75%	80%

Source: SMBC (July 2023)

London | Leeds | Liverpool | Newcastle | Birmingham

Property | Infrastructure | Planning  
Development | Regeneration

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**Aspinall**  
**Verdi** property  
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consultants

## Appendix 4 – Land Market Paper

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## Land Market Paper

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Local Plan Viability

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Sandwell Metropolitan Borough Council



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August 2023

Private and Confidential

## Quality Assurance

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Date of Report

August 2023

Version

V2

Filename and path

S:\\_ Client Projects\ 2306 Local Plan Viability\_ Sandwell MBC\\_ Reports\ 2306 Land Market Paper\2306 Sandwell Land Market Paper V2

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Prepared by

[REDACTED]

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Checked by

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Date

July 2023

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Authorised by

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Date

July 2023

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## Limitation

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# 1 Introduction

---

- 1.1 This report sets out the Benchmark Land Values (BLV) found across Sandwell. These assumptions are fundamental in terms of whole plan viability. It will act as an addendum to our man viability appraisal report. We set out below our approach to land values for the viability assessment, before reviewing land values across Sandwell in order to inform our assumptions for the BLV used in the appraisals.
- 1.2 The purpose of this study is to assess the viability of the Council's local plan. This has regard to the cumulative impact of policy costs and other development value and cost assumptions, including land value. This paper includes the following sections:

<b>2) Land Value Approach</b>	This section summaries our approach to the BLV. It should be read in conjunction with the more detailed discussion and analysis in the main Viability report.
<b>3) UK Land Context</b>	This section provides contextualises land values at a national and regional level. This includes development land as well as agricultural land to gain a better understanding of benchmark land values.
<b>3) Existing Evidence Base Review</b>	In this section we review the existing evidence base with regard to land values from previous viability studies.
<b>4) Residential Development Land Values</b>	This section sets out residential development land value evidence (i.e., from land that has either obtained planning permission or has outline planning consent for residential use and/or is allocated for residential development).
<b>5) Agricultural Land Values</b>	This section sets out the market information for agricultural land values across Birmingham.
<b>7) Benchmark Land Value Assumptions</b>	Finally, we set out our BLV assumptions. These are derived from the above research and interrogation of our confidential land value database.

## Disclaimer

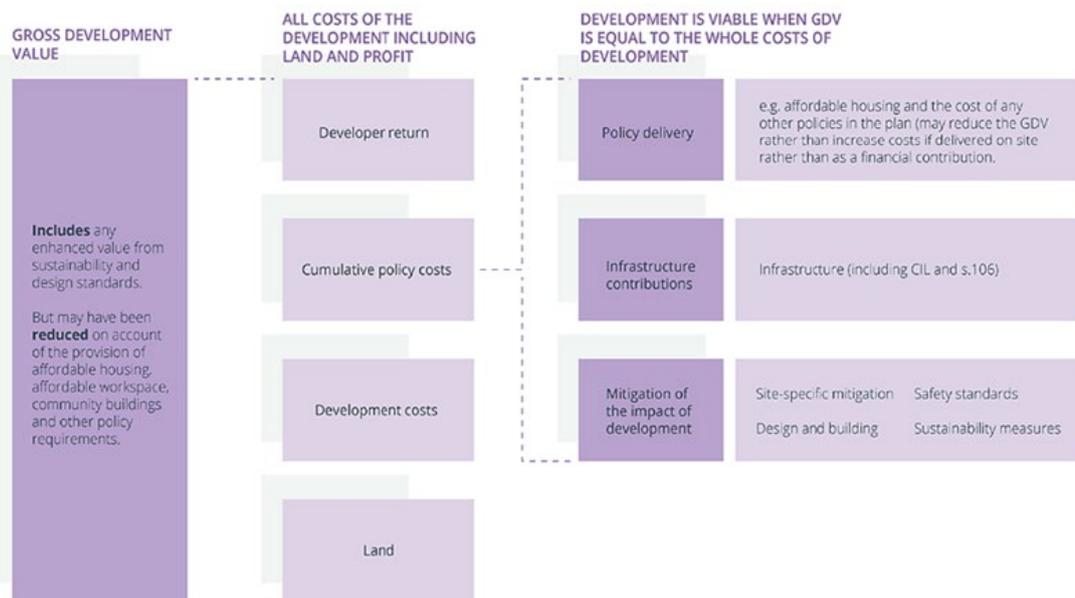
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- 1.3 The COVID-19 Pandemic has impacted global financial markets and increased uncertainty within the land market. Our market research is based on existing available evidence and assumptions therefore conclusions may be subject to change due to this market uncertainty. We recommend that the conclusions of this report are kept under review.

## 2 Land Value Approach

- 2.1 In a development context, the land value is calculated using a residual approach – the Residual Land Value (RLV).
- 2.2 The RLV is calculated by the summation of the total value of the development, less the development costs, planning obligations, developers return/profit to give the land value. This is illustrated on the following diagram Figure 2.1.

**Figure 2.1 - Development Viability**



Source: RICS - Assessing viability in planning under the NPPF 2019 for England – 1<sup>st</sup> edition, March 2021

- 2.3 In order to determine whether development is viable in the context of area-wide studies, the NPPF is silent on the requirements of landowners and developers<sup>1</sup>. It now simply states that, '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.'<sup>2</sup>
- 2.4 The PPG Viability provides guidance on the land values and particularly benchmark land values for the purposes of viability assessment:
- How should land value be defined for the purpose of viability assessment? – 'a benchmark land value should be established on the basis of the existing use value (EUV) of the land,

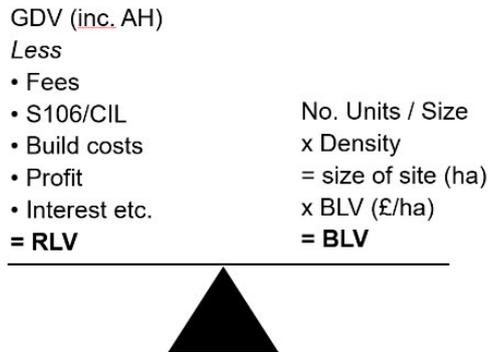
<sup>1</sup> Previously paragraph 173 of the NPPF (2012) stated that 'to ensure viability, the policy costs should provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable'

<sup>2</sup> Paragraph 57, February 2019, Ministry of Housing, Communities and Local Government, National Planning Policy Framework

plus a premium for the landowner'. Paragraph: 0013 Reference ID: 10-013-20190509  
Revision date: 09 05 2019

- What factors should be considered to establish benchmark land value? – *'In plan making, the landowner premium should be tested and balanced against emerging policies.'* Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019 [our emphasis]
  - What is meant by existing use value in viability? '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)'. Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019
  - How should the premium to the landowner be defined for viability assessment? – '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.' Paragraph: 016 Reference ID: 10-016-20190509, Revision date: 09 05 2019
- 2.5 The above PPG guidance is described in detail in the main report (section on National Policy Context). The PPG does not provide any guidance on the quantum of premiums. One therefore has to 'triangulate' the BLV based on market evidence.
- 2.6 In this respect we have created a land value database of Sandwell land value evidence and we are able to interrogate this by evidence source, value basis and zone.
- 2.7 Hence for plans and schemes to be viable, the RLV has to be tested against the benchmark which would enable sites to come forward – the Benchmark Land Value (BLV). This is illustrated in the following diagram Figure 2.2.

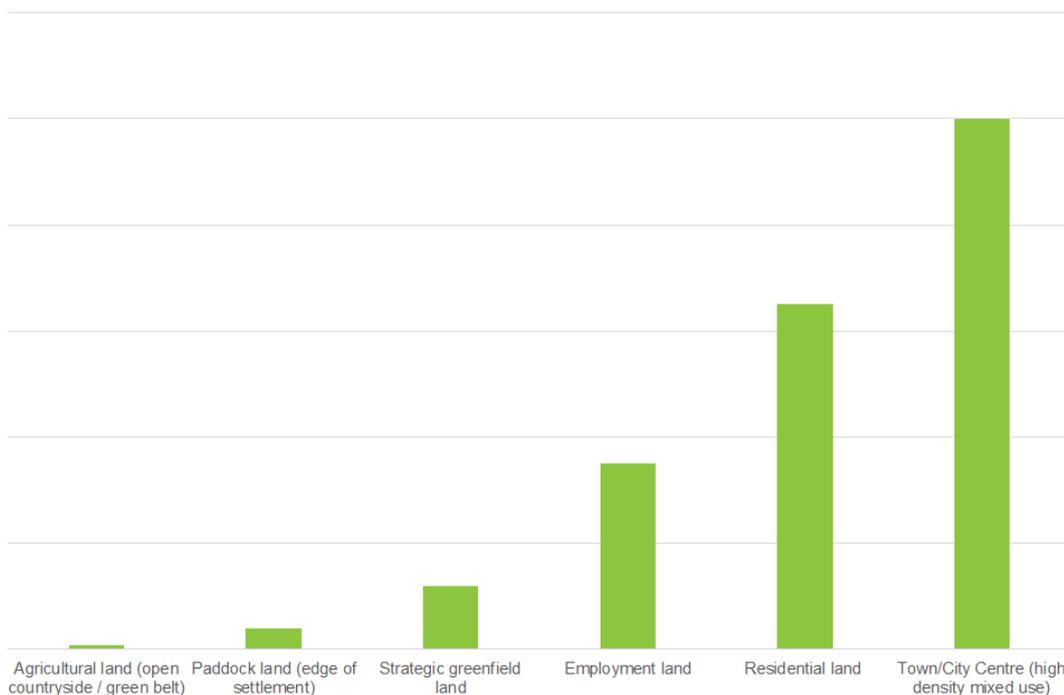
**Figure 2.2 - Balance between RLV and BLV**



Source: AspinallVerdi (© Copyright)

2.8 The fundamental question is, ‘*what is the appropriate BLV?*’ The land market is not perfect but there is a generally accepted hierarchy of values based on the supply and demand for different uses. This is illustrated on an indicative basis in the following chart (Figure 2.3).

**Figure 2.3 - Indicative Land Value Hierarchy**



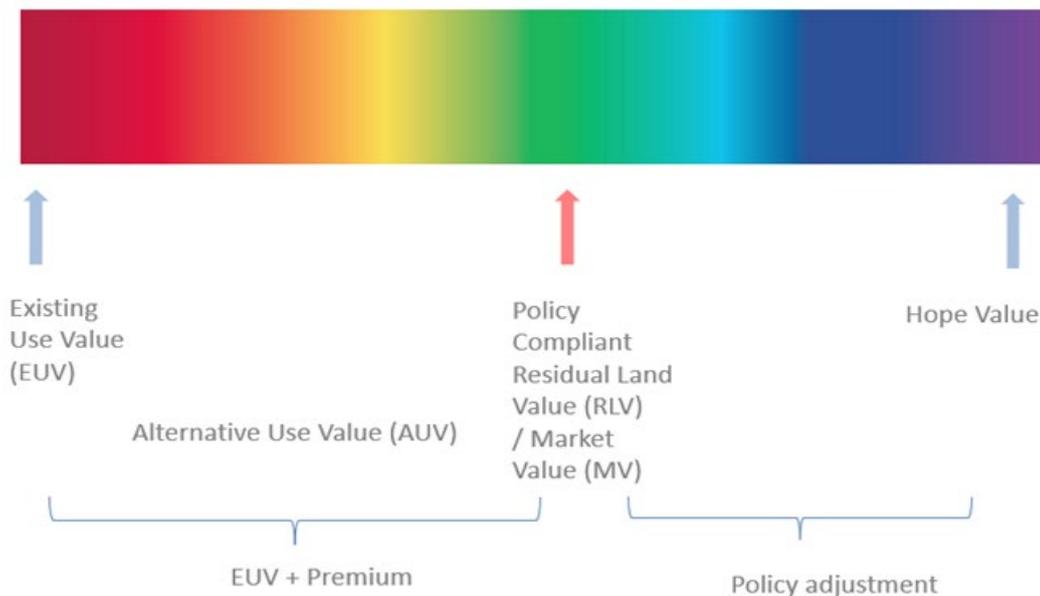
Source: AspinallVerdi (© Copyright)

2.9 Note that the value of individual sites depends on the specific location and site characteristics. In order for development to take place (particularly in the brownfield land context) the value of the alternative land use has to be significantly above the existing use value to cover the costs of site acquisition and all the cost of redevelopment (including demolition and construction costs) and

developers profit / return for risk. In an area-wide context we can only be broad-brush in terms of the BLV as we can only appraise a representative sample of hypothetical developments typologies.

- 2.10 Note also that some vendors have different motivations for selling sites and released land. Some investors (e.g., Oxbridge colleges) take a very long-term view of returns, whereas other vendors could be forced sellers (e.g. when a bank forecloses).
- 2.11 Finally, 'hope value' has a big influence over land prices. Hope value is the element of value in excess of the existing use value, reflecting the prospect of some more valuable future use or development. The PPG specifically states that hope value (and the price paid) should be disregarded from the EUV. However, hope value is a fundamental part of the market mechanism and therefore is relevant in the context of the *premium*.
- 2.12 The diagram below (Figure 2.4) illustrates these concepts. It is acknowledged that there has to be a premium over EUV in order to incentivise the landowner to sell. This 'works' in the context of greenfield agricultural land, where the values are well established, however, it works less well in urban areas where there is competition for land among a range of alternative uses. It begs the question EUV "for what use?" It is impossible to appraise every single possible permutation of the existing use (having regard to any associated legacy) and development potential.

**Figure 2.4 - Benchmark Land Value Approaches**



Source: AspinallVerdi © (Copyright)

- 2.13 In this context, the Harman report 'allows realistic scope to provide for policy requirements and is capable of adjusting to local circumstances by altering the percentage of premium used in the model. The precise figure that should be used as an appropriate premium above current use

*value should be determined locally. But it is important that there is [Market Value] evidence that it represents a sufficient premium to persuade landowners to sell'.<sup>3</sup>*

- 2.14 The HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) is the only source of specific guidance on the size of the premium. The guidance states:

*There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied. 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.**<sup>4</sup>*

- 2.15 The RICS provides a more market facing approach based on Market Value less an adjustment for emerging policy. This approach has also been endorsed in the Mayor of London CIL Inspectors Report (Jan 2012); Greater Norwich CIL Inspectors Report (Dec 2012); and the Sandwell CIL Inspectors Report (Dec 2014).

- 2.16 Greater emphasis is now being placed on the existing use value (EUV) + premium approach to planning viability to break the circularity of ever-increasing land values. Due to increasing land values (partly driven by developers negotiating a reduction in policy obligations on grounds of 'viability'), we are finding that the range between existing use value (EUV) and 'Market Values' and especially asking prices is getting larger. Therefore (say) 20 x EUV and (say) 25% reduction from 'Market Value' may not 'meet in the middle' and it is therefore a matter of professional judgement what the BLV should be (based on the evidence). Our BLVs are set out in Table 7.1 – at the end of this paper.

- 2.17 In order to provide comprehensive analysis, we also set out a variety of sensitivities in terms of changes to the BLV (and other) assumptions – these are shown for each of the typologies on the appraisals appended (with an explanation of how to interpret the sensitivities in the Main Viability Assessment report).

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<sup>3</sup> Viability Testing Local Plans Advice for planning practitioners - Local Housing Delivery Group - Chaired by Sir John Harman (June 2012), page 29

<sup>4</sup> HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions), August 2010, Transparent Assumptions v3.2 06/08/10

### 3 UK Land Context

3.1 This section provides some background context to residential development land values at a national and regional level. We focus on development land but have also included a section on agricultural land as we are aware that some greenfield sites may come forward and may be tested (appraised) for release to satisfy the housing need.

#### Development Land

3.2 In Q1 2023, Knight Frank produced a short market update on the residential land market. This index highlights that land values have decreased in both greenfield land and urban brownfield land. Despite an uplift in the market since the height of the COVID-19 Pandemic in March 2020. House prices are slowly falling as well as a slowdown in sales rates, impacting major housebuilders. This could be the reason that Knight Frank reports that 73% of housebuilder are looking to delay payments for land. Therefore, an uncertainty remains within the residential development land market.

3.3 Figure 3.1 is taken from Knight Frank’s residential development land index in Q1 2023, reporting that UK greenfield and brownfield values fell on average by 3.0% and 4.6% in Q1 2023. Additionally, the UK inflation rate was 10.1% in March compared to 10.4% in the previous month, a consequence to the cost-of-living crisis we are currently experiencing in England.

**Figure 3.1 Residential development land prices**



Source: Knight Frank, Residential Land Index, Q1 2023

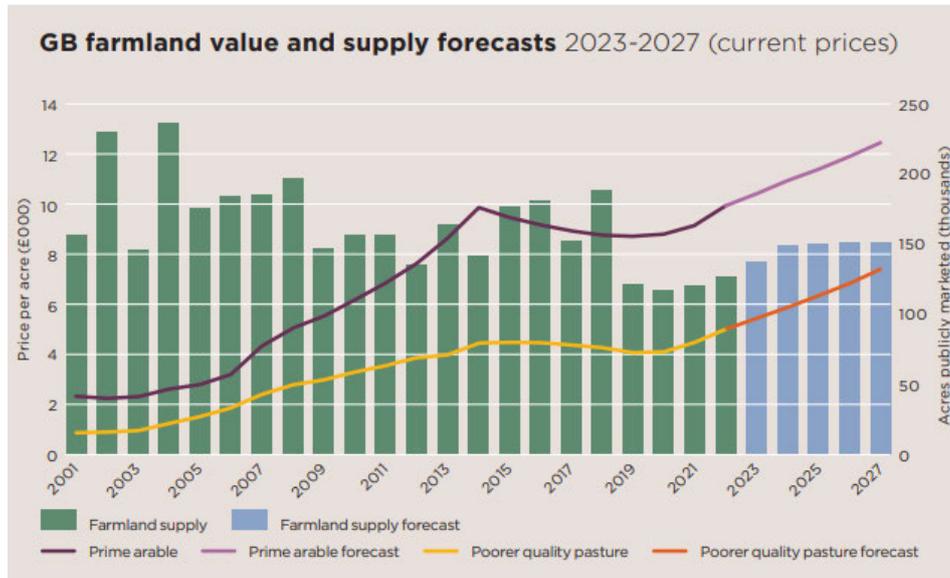
- 3.4 Savills also released a residential development land report for Q1 2023. The headline is that there is uncertainty and variation in land values as the land market has continued to slow. UK greenfield and urban brownfield land values fell by -1.7% and -1.8% in Q1 2023, marking -3.8% and -3.4% falls since September 2022.
- 3.5 Land values will continue to face downward pressure due to rising build costs, falling house prices and slower sales rates in the new build market. Over the past year, build costs have increased by 8.6% and are forecast to increase by 17% over the next 5 years to Q1 2028, according to BCIS. Additionally, house prices in the UK have fallen by -3.1% in the year to March 2023.
- 3.6 Due to the weaker housing market, there has been reduced competition for sites, as parties remain cautious. Savills report an increase in the preference for conditional deals, deferred payment structures and more deals having to be renegotiated.
- 3.7 To summarise, the certainty and demand in the land market largely depends on the recovery of new build sales. Additionally, we can expect to see the land market opening up slowly as more sites are gearing up to launch. However, uncertainty remains over land values in the coming months.

## Agricultural Land

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- 3.8 Whilst understanding the development land market is important, with the changes to the PPG on viability, exploring agricultural land values is equally as important to understand where there are new greenfield sites (e.g., through Green Belt release). This informs the Benchmark Land Value of greenfield allocations.
- 3.9 Savills published their farmland market report in January 2023, which highlighted that the supply of farmland has increased where farmers are exiting the industry. Figure 3.2 illustrates the average farmland values and the forecast in the UK. Here it shows that there has been moderate, but consistent growth in value for all land types. This graph draws particular attention to prime arable and poor livestock land types, again both reporting a moderate period of growth, where the average value of UK farmland increased by 8.90% in 2022 to £7,800 per acre.

**Figure 3.2 - Average UK Farmland Values 2001 - 2027**



Source: Savills Research 2021

- 3.10 Savills report that specifically within the West Midlands region that between 2021-2022, there has been a -7% in supply. This is contrasting as on average, there was a 5% increase in farmland supply on 2021 levels.

## 4 Existing Evidence Base Review

- 4.1 We have undertaken a review of the existing evidence base in regard to land values, reviewing the studies listed below:
- Sandwell CIL Property Market Update Report, DVS, 2020
  - Sandwell CIL Viability Report, DVS, 2018
  - Sandwell CIL Study, AspinallVerdi, 2014 and associated market updates in 2016 and 2017
  - Black Country Plan Viability Assessment, AspinallVerdi, 2021
  - Dudley CIL Viability Assessment, Dudley Metropolitan Borough Council, 2013
  - Walsall CIL Viability Study, DTZ, 2015
  - South Staffordshire Viability Assessment, Dixon Searle Partnership, 2022
  - Stafford Road Corridor Area Action Plan, Site Viability Test, Bruton Knowles, 2013
- 4.2 We believe it is important to include evidence not only from Sandwell, but also from the surrounding areas within the Black Country and neighbouring boroughs, as this will help solidify our conclusions and recommendations, ultimately strengthening our study.
- 4.3 It is important to note that the majority of the studies above have taken place before the NPPF was revised to remove the paragraph 173, and before the more detailed guidance on PPG and BLVs (i.e., the EUV+ Premium approach).

## Sandwell CIL Property Market Update Report, 2020

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- 4.4 This report provides a property market update report across Sandwell, focussing on residential and commercial development land markets.
- 4.5 In summary, the following values have been identified, note this was from Q2 2019 to December 2020:
- Residential land values ranged from £272,000 per acre (£672,112 per hectare) to £1,818,181 per acre (£4,492,727 per hectare)
  - Commercial land values ranged from £90,235.26 per acre (£223,107.57 per hectare) to £555,555.56 per acre (£1,388,888.89 per hectare)
- 4.6 DVS note that there is very limited evidence which provides inadequate guidance. They also note that this expected due to the restrictions which the COVID-19 Pandemic brought about.

## Sandwell CIL Viability Report, DVS, 2018

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- 4.7 This report reviews the property market across the Sandwell Borough to assess whether there have been significant changes since the CIL market updated which was completed in 2017.
- 4.8 In summary, DVS identified the following land values:
- Residential land values ranged from £130,000 per acre (£822,000 per hectare) to £573,000 per acre (£1,400,000 per hectare).
  - Commercial and industrial land values ranged from £333,000 per acre (£822,000 per hectare) to £643,000 per acre (£1,600,000 per hectare).
- 4.9 DVS noted that values varied with the size of the site with the smaller sites attracting a higher value on a price per acre basis. DVS also noted that these values were slightly higher than the values found in the previous study conducted by AspinallVerdi.
- 4.10 These ranges suggest that the residential land values are lower than commercial land values within Sandwell.

## Sandwell CIL Study and Updates, AspinallVerdi, 2017

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- 4.11 We conducted a borough-wide CIL viability study in 2014 and were later commissioned in 2016 and 2017 to provide market updates in the context of a CIL.
- 4.12 In 2014, we adopted the following land values across Sandwell:

Use Type	Description	Land Value (per acre)
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<b>Residential</b>	Fully-serviced, decontaminated	£275,000 - £350,000
	Un-serviced	£225,000
<b>Offices</b>	Fully-serviced	£250,000 – £350,000
<b>Industrial</b>	Fully-serviced, decontaminated	£250,000 - £300,000
<b>Retail</b>	Strategic-centre	£300,000
	Out-of-strategic-centre	£100,000
	Retail Warehouses	£570,000
	Foodstore (280 sqm unit)	£450,000
	Foodstore (1,000 sqm unit)	£1,000,000

Source: AspinallVerdi, 2014

- 4.13 In 2016, our study noted that there was limited comparable evidence in terms of land values and concluded that residential land values ranged between £330,000 to £600,000 per acre, with an average of £410,000 per acre. This indicated an increase since the 2014 assessment.
- 4.14 Additionally, our 2017 study noted that there was still limited comparable evidence; however, we did identify two new comparable transactions which indicated that values remained unchanged.

## Black Country Plan Viability Assessment, AspinallVerdi, 2021

- 4.15 In 2021, AspinallVerdi undertook a land market review for the Black Country Local Plan Viability Assessment which reviewed land values across areas under the Black Country Authorities to inform assumptions for benchmark land values.
- 4.16 This study has been used to substantiate research vital for Sandwell's land value assumptions.
- 4.17 The table below sets out our benchmark land values from our previous work on the Black Country plan viability assessment 2021, for the respective site typologies.
- 4.18 In summary, AspinallVerdi identified the following land values:
- Residential land values for key large sites ranged from £200,000 per acre (£494,200 per hectare) to £250,000 per acre (£617,750 per hectare).
  - Residential Land Values ranged from £200,000 per acre (£494,200 per hectare) to £250,000 per acre (£617,750 per hectare).
  - Residential/ Commercial Land Values ranged from £210,000 per acre (£518,910 per hectare) to £330,000 per acre (£815,430 per hectare).
  - Retail/ Strategic Centres had a Benchmark Land Value of £720,000 per acre (£1,779,120 per hectare).

- 4.19 During our previous research, we noted that the majority of brownfield sites in the Black Country are contaminated and therefore a liability, hence a 5-10% premium over perceived Existing Use Values.
- 4.20 In addition, we assumed that any commercial land that is viable for commercial use will remain in commercial use, further that commercial land in less desirable areas is more likely to come forward for residential development.

**Table 4.1 - Black Country Plan Land Value Assumptions**

Typology	Location	Greenfield /Brownfield	EUV -					Uplift Multiplier x [X] x [Y]%	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		(per acre) (net developable) (rounded)	(per ha) (net developable) (rounded)
Residential Key Large Sites (KLS)	Low Value Area	Greenfield	£7,225	£17,853	50%	£14,450	£35,706	12.8	£200,000	£494,200
Residential Key Large Sites (KLS)	Medium Value Area	Greenfield	£7,225	£17,853	50%	£14,450	£35,706	14.6	£225,000	£555,975
Residential Key Large Sites (KLS)	High Value Area	Greenfield	£7,225	£17,853	50%	£14,450	£35,706	16.3	£250,000	£617,750
Residential	Low Value Area	Greenfield	£7,225	£17,853	75%	£9,633	£23,804	19.8	£200,000	£494,200
Residential	Medium Value Area	Greenfield	£7,225	£17,853	75%	£9,633	£23,804	22.4	£225,000	£555,975
Residential	High Value Area	Greenfield	£7,225	£17,853	75%	£9,633	£23,804	25.0	£250,000	£617,750
Residential/Commercial	Low Value Area	Brownfield	£200,000	£494,200	100%	£200,000	£494,200	5.0%	£210,000	£518,910
Residential/Commercial	Medium Value Area	Brownfield	£250,000	£617,750	100%	£250,000	£617,750	7.5%	£268,750	£664,081
Residential/Commercial	High Value Area	Brownfield	£300,000	£741,300	100%	£300,000	£741,300	10.0%	£330,000	£815,430
Retail/Strategic Centres	Strategic Centres	Brownfield	£600,000	£1,482,600	100%	£600,000	£1,482,600	20.0%	£720,000	£1,779,120

The above values are for Plan-making purposes only. This table should be read in conjunction with our Financial Viability Assessment Report and the caveats therein. No responsibility is accepted to any other party in respect of the whole or any part of its contents.

Source: 201021 Black Country Benchmark Land Values\_v7

Source: AspinallVerdi Black Country Plan Viability Assessment, 2021

## Dudley CIL Viability Assessment, Dudley MBC, 2013

- 4.21 In 2013, Dudley MBC undertook a review of the evidence base to inform the adoption of the CIL charging schedule.
- 4.22 Dudley MBC acknowledged that land values can vary significantly due to the varying levels of contamination and structural failure leading to significant variations in remediation and ground stabilisation costs. Dudley MBC acknowledged that where land is contaminated, it is reasonable to deduct the costs of remediation from the land value where remediation is also included as a development cost item. Within their study, they made no allowance for either remediation costs or the impact of contamination on land values. The land values in their study are therefore for remediated land. The study included the following land values:

Adjusted Development Value: Per ha	Small Sites	Large Sites
DY1	£1,100,000	£1,000,000
DY2	£850,000	£750,000
DY3	£1,100,000	£1,000,000
DY5	£1,000,000	£900,000
DY6	£1,300,000	£1,200,000
DY8	£1,500,000	£1,400,000
DY9	£1,700,000	£1,600,000
B62	£1,300,000	£1,200,000
B63	£1,250,000	£1,150,000
WV14	£850,000	£750,000

Source: Dudley MBC, 2013

- 4.23 On a per acre basis, land values range between £303,500 - £688,000 per acre.
- 4.24 In terms of commercial land values, Dudley MBC assumed £526,000 per acre (£1,300,000 per hectare) for retail, rising to £607,000 per acre (£1,500,000 per hectare) in Dudley and £303,500 per acre (£750,000 per hectare) across the borough for all other commercial uses.

## Walsall CIL Viability Study, DTZ, 2015

- 4.25 DTZ (now Cushman & Wakefield) identified a two-tiered market within the West Midlands region where there is a widening gap between the prime residential locations in the east of the borough, where land values significantly outperformed secondary locations where interest is dependent on land being easily serviceable with no abnormal costs.
- 4.26 DTZ identified that net residential land values ranged between £200,000 -£250,000 per acre as a minimum, rising to £350,000- £400,000 borough wide.
- 4.27 In terms of Commercial values DTZ identified that:

- Retail land values range between £500,000 to £1m per acre, with secondary locations achieving £250,000 per acre.
- Supermarket land values are towards the higher end of this range of between £800,000 - £900,000 per acre.
- Office land values were £200,000 per acre.

## South Staffordshire Viability Study, 2022

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- 4.28 This viability study reviewed sites which were selected for a more specific review as this study acted at 'Stage 2'. It included updated costs and values as well as some policy related costs and anticipated planning obligations.
- 4.29 The report considered greenfield land values to be the most relevant. This placed greenfield land at c. £250,000/ ha where it could be supplied in bulk. Smaller parcels of land that were on the edge of towns or villages or paddocks were placed at £500,000/ ha.
- 4.30 In summary, the following land values have been identified:
- Greenfield Enhancement EUV+ (typically) – potentially £250,000/ ha to £500,000/ ha for small releases/ edge of settlement paddocks or similar (only).
  - Brownfield land (former industrial uses) and/ or former previously developed former employment/ commercial (lower) EUV+ at £625,000/ ha
  - Brownfield former employment/ commercial (upper) EUV+ at £1,000,000/ ha.

## Stafford Road Corridor Area Action Plan, Site Viability Test, Bruton Knowles, 2013

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- 4.31 Bruton Knowles produced a viability report for the viability of specific sites within the Stafford Road Corridor.
- 4.32 They based their benchmark land values on the regional office agency property market report 2011 which stated that industrial land values were £263,000 per acre / £650,000 per ha, and clean development land for commercial uses were £200,000 to £225,000 per acre.
- 4.33 This report highlighted the viability issues along this corridor with most sites being unviable due to contamination and low values.

## Summary

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- 4.34 Except for the most recent viability study in South Staffordshire and AspinallVerdi's Black Country plan viability assessment, the majority of the existing evidence is over 5 years old and therefore

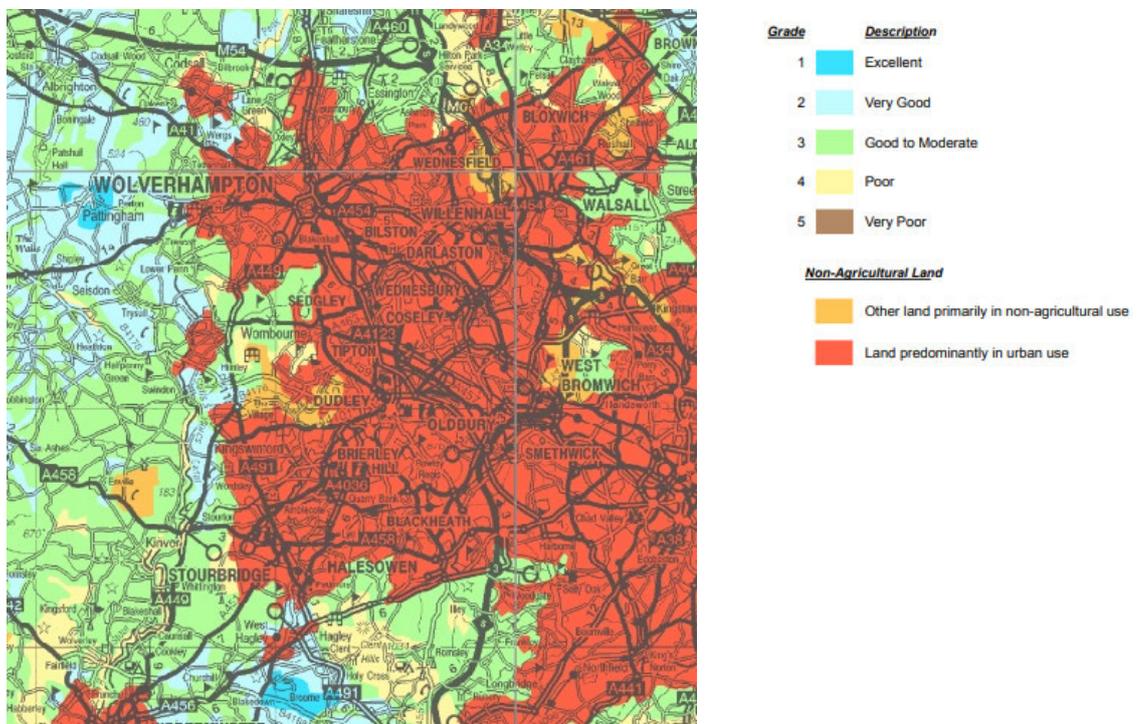
likely to be out of date. Nevertheless, the studies provide a useful benchmark for land values across the area over the past 10 years.

- 4.35 Generally, the studies from 2013-2015 adopted residential land values of between £200,000 to £250,000 per acre for un-serviced land or potentially contaminated land. Remediated sites were achieving values between £225,000 - £688,000.
- 4.36 The 2022 South Staffordshire viability assessment suggests that land values had increased to potentially £250,000 per hectare to £500,000 per hectare.
- 4.37 The 2013 Dudley CIL study adopted the highest residential values of between £526,000 - £607,000 per acre.
- 4.38 For Sandwell, commercial and industrial land values were similar to the residential development land values, though the 2018 Sandwell CIL study found that they were slightly higher.
- 4.39 Retail warehouses and food stores were also higher than residential land values and ranged between £500,000 - £1,000,000 per acre with supermarket land valued at the higher end of this range.

## 5 Agricultural Land Values

- 5.1 When determining a value per acre / hectare (ha) for agricultural land, we have searched for transactional evidence using CoStar, EIG, Egi and Rightmove for current quoting prices and local agent websites.
- 5.2 Figure 5.1 illustrates the classifications of agricultural land within the Sandwell area. The majority of the borough falls within land either predominantly in urban use or land taken up primarily by uses that are non-agricultural, except an area to the east of West Bromwich which is rated grade 3- good to moderate.

**Figure 5.1 Agricultural classification map**



Source: Natural England, 2010

**Table 5.1 - Agricultural Land Evidence Summary**

Land Address/Site Name	Information Type	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
Land off Dark Lane, Cross Green, Wolverhampton, WV10, West Midlands	Asking Prices	30.00	12.14	£300,000	£10,000	£24,711	21/10/20
Land off Farley Lane, Romsley, B62 0LG	Asking Prices	45.78	18.53	£800,000	£17,475	£43,180	01/08/23
Lot A2b Trysull, Staffordshire, WV5 7JA	Asking Prices	3.72	1.51	£75,000	£20,161	£49,819	01/08/23
Lot A1 Trysull, Staffordshire, WV5 7JA	Asking Prices	2.35	0.95	£50,000	£21,277	£52,574	01/08/23
Land off Bridle Lane, Streetly, Walsall B74 2DX	Asking Prices	21.35	8.64	£640,000	£29,977	£74,072	01/08/23
Bellemere Road, Solihull, West Midlands, B92 0AN	Asking Prices	3.88	1.57	£68,000	£17,526	£43,306	01/08/23
Cuttle Pool Lane, Knowle, Solihull, Solihull, B93 0AP	Asking Prices	3.68	1.49	£89,000	£24,185	£59,761	01/08/23
Cuttle Pool Lane, Knowle, Solihull, Solihull, B93 0AP	Asking Prices	1.98	0.80	£38,000	£19,192	£47,423	01/08/23
Sugar Loaf Lane, Iverley, Kidderminster, DY10	Asking Prices	5.48	2.22	£100,000	£18,248	£45,091	01/08/23

Source: AspinallVerdi 230629\_ Sandwell Benchmark Land Values\_v1

- 5.3 Our analysis has identified approximately nine listings for agricultural land. It is noteworthy to mention the relative scarcity of agricultural land transactions in Sandwell, which prompted us to broaden our scope to include adjacent jurisdictions. The proposed values for these listings range between £10,000 per acre and £29,977 per acre, with an average value of £19,782 per acre. It's imperative to emphasise that these findings, contingent upon varying conditions and geographical locations, do not align with the anticipated values within Sandwell. As per the data cited in the 2023 Savills Farmland Market Report, the UK average value for agricultural land stands at £7,800 per acre, which would serve as a more fitting estimation for Sandwell. Hence, we anticipate the land values in this region to align more closely with this national average.
- 5.4 The land off Bridle Lane is marketed to include development potential, therefore, holding an element of speculative 'hope value', which is why it expresses the highest asking value of £29,977 per acre.

- 5.5 We note that it's crucial to understand that listed prices merely denote potential aspirations and do not necessarily reflect the actual market value.

## Paddock Land Values

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- 5.6 We classify paddock land as small-scale (i.e., generally less than 1 acre or thereabouts) agricultural / 'pony paddock' greenfield land which is on the edge of an existing settlement. This type of land typically has 'hope value' attached, perhaps due to a lapsed extant planning permission on the site; or a neighbouring site that has been identified as one with development potential.
- 5.7 We note that we do not place too much weight on paddock land values. This is because they may reflect some hope value which is explicitly not part of the definition of EUV (in the PPG).

## 6 Residential Development Land Values

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- 6.1 For the purpose of this research, residential development land is land which has either obtained planning permission or has outline planning consent for residential use and/or is allocated for residential development within the Council's adopted policy documents.
- 6.2 As with agricultural land, we have utilised EGi and CoStar for transaction-based evidence and supplemented this where possible with stakeholder evidence of agreed prices paid for land. We have also noted sites currently listed on Rightmove and local agent websites to determine a value per acre/hectare and a value on a per unit basis. Dependent upon the availability of information and stakeholder engagement, this process tries to gauge an understanding of what typical market values are for residential land (greenfield and/or brownfield).
- 6.3 Careful consideration has to be given to whether the values are aspirational and/or may not represent policy-compliant market values. It should be noted that within our database of evidence we have carried out background research wherever possible into the planning consent the site has, and whether that is policy compliant or not. More weight is given to evidence which is policy compliant. However, it is difficult to be certain that developers have not offered values (and landowners have not asked for values) which are not sustainable in planning policy terms and therefore challenge viability at the detailed planning stage.
- 6.4 We also recognise that it is difficult to generalise what a typical greenfield or brownfield residential development site is worth across a District given that all sites are unique. It is therefore important to reiterate that this is a plan-wide study and thus the purpose of our research is to establish a suitable Benchmark Land Value for the respective typologies of development to be appraised, utilising both existing use and market values for greenfield and brownfield land.

### Brownfield Sites

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- 6.5 Assuming a value for brownfield land is challenging, given the numerous variables. For examples, existing use, site clearance costs and/ or historic legacy costs. All factors influence the value of brownfield development land.
- 6.6 For the purpose of this study, we have evaluated brownfield sites across Sandwell and immediate surrounding areas in the Black Country boroughs to provide more evidence to support land values within the borough of Sandwell. Land values across the neighbouring authorities are unlikely to differ considerably from Sandwell itself.

## Land Transactions

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- 6.7 We have identified 31 brownfield land transactions sold within the Sandwell and the wider area 10 of these sites were sold for commercial development, and 21 were sold with the potential for residential development.
- 6.8 In our analysis of development land values within Sandwell, we noted significant variability. With residential development land values selling between £104,839 - £3,850,000 per acre.
- 6.9 This variation can largely be attributed to a variety of influential factors. For instance, the inherent attributes of each parcel, such as its size, topographical characteristics, proximity to key amenities, and ease of access to infrastructure, can greatly impact its development value. Furthermore, external factors including alterations in zoning regulations, shifts in planning policies, the prevailing economic climate, and market demand for particular types of developments also contribute to the diversity in land values.
- 6.10 It is important to note that many of these land transactions already have planning permission, thus eliminating speculative value associated with potential future planning consent. Establishing a standardised benchmark for development land values in Sandwell thus presents a complex challenge, necessitating careful consideration of these varied factors and the inherent variability they introduce.
- 6.11 The majority of the brownfield development land sold between £150,000 to £890,000 per acre. With the size ranging from 0.05 to 10.70 acres, the majority of the transactions were for sites under 1 acre.

## Listed Values

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- 6.12 We have identified 4no. Asking values for brownfield sites being advertised in Sandwell with the potential for development. These sites' values were listed between £190,000 and £499,950. Note that asking values are aspirational and do not always reflect the true value of the site.
- 6.13 Furthermore, all of these listings had the potential for residential development. However, our search shows that two of these listings had planning permission granted; both for the construction of two units.

## Site Remediation Costs

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- 6.14 It is important to acknowledge that large parts of Sandwell suffer from the legacy of heavy industry which requires decontamination in order to redevelop and reuse for residential purposes. This places a particular burden on viability and deliverability, due to the scale of the remediation costs this can result in a negative residual land value (RLV) which causes market failure i.e. there is no incentive for the 'polluter pays' principle if the landowner is *still* going to make a loss.

## Summary

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- 6.15 In our assessment of development land values within Sandwell borough, we have adopted a more conservative approach to valuation, which has resulted in estimates that are lower than some observed values. This conservative stance is derived from several key factors.
- 6.16 Firstly, we have given significant weight to the inherent attributes of the land, such as its size, topography, proximity to amenities, and access to infrastructure, which fundamentally determine the land's value for development.
- 6.17 Secondly, we have incorporated a comprehensive understanding of the existing market conditions, including current demand and supply dynamics for various types of developments, and the prevailing economic climate.
- 6.18 Lastly, we have factored in changes in regulations and planning policies that may impact future land use and consequently, the land's value.
- 6.19 These methodological choices have led to our valuations being on the conservative side, thereby providing a more stable and realistic estimate of development land values within the Sandwell borough.

## 7 Benchmark Land Value Assumptions

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- 7.1 Table 7.1 sets out our Benchmark Land Value Assumptions for the respective site typologies, which have been derived from the above research.
- 7.2 For greenfield typologies, the bottom-up approach is based on the net value per acre/ hectare for agricultural land (existing use value (EUV)). This EUV is 'grossed up' to reflect a net developable to gross site area ratio of between 20-75%.
- 7.3 The BLV divided by the (higher) net value per acre/ hectare gives an uplift multiplier of 12-25 reflecting the location (i.e., higher, medium and lower value zones). These are the minimum values that we would assume for the purpose of our hypothetical viability appraisals, and they act as the benchmark to test the RLVs of schemes to determine whether sites would come forward for development.
- 7.4 For residential and commercial typologies on brownfield land, the benchmark land value is based on a 5-10% premium over perceived EUVs. This is a modest premium intended to cover transaction costs and limit incentivisation, given that the majority of brownfield sites in Sandwell would be considered contaminated, in need of site remediation and therefore a liability.
- 7.5 Note that EUVs for brownfield sites are sensitive to the particular use (i.e., the EUV could be lower if the site has a use which is obsolete, or which is not an existing lawful use). We have adopted an EUV for brownfield land at the lower end of commercial land values. This is based

on the assumption that commercial land that is viable for commercial uses will remain in commercial use and that land in less desirable commercial areas is more likely to come forward for residential development.

- 7.6 We have varied the EUVs across the different value areas and we have also assumed that the premium will be slightly higher in the higher value residential market areas notwithstanding any legacy costs of contamination, site remediation and demolition.

**Table 7.1 – Sandwell Benchmark Land Value Assumptions, 2023**

Typology	Location	Greenfield /Brownfield	EUV -					Uplift Multiplier x [X] x [Y]%	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		(per acre) (net developable) (rounded)	(per ha) (net developable) (rounded)
Residential/Commercial	Low Value Area	Brownfield	£225,000	£555,975	100%	£225,000	£555,975	5.0%	£236,250	£583,774
Residential/Commercial	Medium Value Area	Brownfield	£235,000	£580,685	100%	£235,000	£580,685	7.5%	£252,625	£624,236
Residential/Commercial	High Value Area	Brownfield	£275,000	£679,525	100%	£275,000	£679,525	10.0%	£302,500	£747,478
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Residential	Medium Value Area	Greenfield	£8,000	£19,768	75%	£10,667	£26,357	20.1	£225,000	£555,975
Residential	High Value Area	Greenfield	£8,000	£19,768	75%	£10,667	£26,357	22.4	£250,000	£617,750

Source: AspinallVerdi 230629\_ Sandwell Benchmark Land Values\_v1

## 8 Benchmark Land Value Caveats

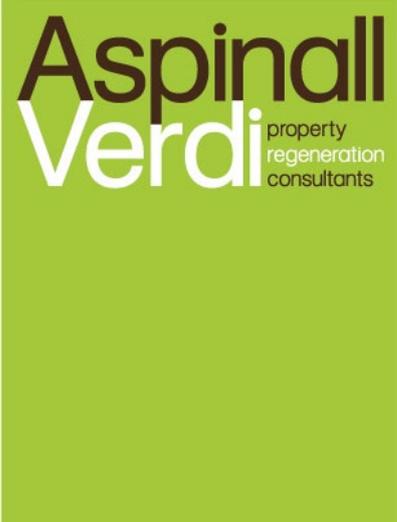
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- 8.1 It is important to note that the BLVs contained herein are for 'high-level' plan / CIL viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications. Where sites have obvious abnormal costs, these costs should be deducted from the value of the land. The land value for site specific viability appraisals should be thoroughly evidenced having regard to the existing use value of the site (as is best practice in the PPG) This report is for plan-making purposes and is 'without prejudice' to future site-specific planning applications.
- 8.2 Furthermore, we are not saying that land can *only* be acquired in the Sandwell area for these BLVs. As the appraisals show, there is often a surplus between the RLV and BLV, in particular on green belt sites, which could be put to a stronger land bid or retained as profit. Conversely, if a site has high abnormal costs, then the land may be worth less than the BLV presented. Furthermore, the sensitivity scenarios show the impact on the surplus (i.e., the difference between RLV and BLV) for various levels of BLV and profit (%). We also show sensitivity to the public sector grant funding requirements.

London | Leeds | Liverpool  
Newcastle | Birmingham

Property | Infrastructure | Planning  
Development | Regeneration

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## Appendix 5 – Stakeholder Consultation and Feedback Matrix

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## Sandwell Local Plan Viability – Stakeholder Consultation Feedback and Analysis Stakeholder Workshop – 07 September 2023

Item / Heading	Date	Comment / Feedback	Consultee	AspinallVerdi Comments
BLV - Call for Evidence, Land Value Evidence	21/9/2023	<p>Site Name: Bromford Road / Fountain Lane, Sandwell</p> <p>Planning permission reference – DC/20/64 152</p> <p>Existing use – Brownfield</p> <p>Transaction date – 1st April 2021</p> <p>Gross site area – 14.86 acres</p> <p>Price paid - £XX</p> <p>Abnormal costs total - £XXXX Full site remediation, retaining walls due to level constraints, import of clean topsoil</p> <p>S106 details – S106 and commuted sums removed via submitted viability assessment to SMBC. CIL applicable at £15/m2 for open market dwellings</p>	Lovell	Added to Land Transaction Database
BLV - Working Assumptions	21/9/2023	<p>Based on the above evidence and also numerous discussions over the past 2 years with owners of Brownfield sites / sites with existing commercial or industrial uses which we have enquired to purchase both the EUV and BLV assumed figures for both 'per acre net' and 'per ha net' for low / medium and high value area are far too low for what landowners are seeking.</p>	Lovell	<p>Our BLV assumptions are based on our findings from the land market paper, which includes our land transaction database which justifies our residential land values across the value zones.</p> <p>We note that Sandwell has many contaminated sites which will require significant remediation, with landowners often seeking more than what their land is worth.</p>
Affordable Housing Assumptions	21/09/23	<p>Affordable Housing 25% agreed – however slight mistake in the slide title (30% AH)</p> <p>Affordable Rent / Social Rent Transfer value (% of OMV). The figure used here is 80% (of OMV), this figure is way too high and would not be allowed at this value to be charge by a registered provider due to rental caps for these tenure models by the Authority (SMBC should be able to advise here). Typical values</p>	Lovell	The figures we used are what the council have adopted and are policy.

Item / Heading	Date	Comment / Feedback	Consultee	AspinallVerdi Comments
		<p>which are much more closer to reality are as follows : Social Rent – 45% of OMV, Affordable Rent 65-70% of OMV.</p> <p>First Homes – Figure agreed as will be SMBC policy</p>		
Unit sizes	21/09/23	<p>Please note SMBC have a Residential Design guide where minimum Internal space standards (floor areas) must be adhered to for any Residential planning application. These differ from the assumptions in the presentation report</p>	Lovell	<p>The DLUHC space standards we have adopted are of a greater standard than those within the Residential Design Guide, this will aid the quality of development and benefit residents more.</p>

## Appendix 6 – Stakeholder Consultation Presentation

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# **Sandwell Metropolitan Borough Council – Local Plan Viability Stakeholder Workshop**

**Thursday 7<sup>th</sup> September 2023 14:00 – 17:00**

# Overview

1. Introduction
2. Local Plan Viability Context
3. Methodology
4. Research and Emerging Assumptions
5. Feedback and Next Steps

# About AspinallVerdi

- Specialist Property Development Consultants
- RICS GP and P&D Surveyors / RTPI
- Local Plan / Affordable Housing Viability
- CIL Viability Studies
- RTPI England Policy Panel / RICS FVIP Panel
- Homes England Property Panel
- Financial Viability Appraisals for S106
- Market Studies to support change of use
- Heritage - Conservation Deficit / Enabling Dev. Appraisals
- London | Leeds | Liverpool | Newcastle | Birmingham



# Objectives of the Study

## Viability Assessment of the Sandwell Metropolitan Borough Council's new Local Plan:

- To undertake a Local Plan Viability Assessment in accordance with national policy and guidance, and to investigate the context for establishing a local viability level and the mechanisms to deliver development
- The Viability Study will provide evidence that the policies are realistic and do not undermine the delivery of the plan, in accordance with the guidance in the National Planning Policy Framework (NPPF).

# Purpose of the Workshop

- To explain our methodology and emerging assumptions
- To engage and receive feedback
  
- We will then refine and revise the assumptions
- Run viability appraisals
- Make recommendations to SMBC

# Overview

1. Introduction
2. Local Plan Viability Context
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## NPPF (July 2021)

**2012 Para 173.** *Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking.....To ensure viability, the costs of any requirements likely to be applied to development (affordable housing, infrastructure contributions etc.) should, when taking account of the normal cost of development, provide **competitive returns to a willing land owner and willing developer** to enable the development to be deliverable*

**2021 Para 58.** 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***.....

.....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.

## NPPF (cont.)

**2021 Para 34.** 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.

# PPG - Viability

Includes sections on:

- Viability and plan making
- Viability and decision taking
- Standardised inputs to viability assessment

- 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***
- Policy requirements should be ***clear so that they can be accurately accounted for in the price paid for land.*** To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range
- ***Different requirements*** may be set for ***different types*** or location of site or types of development

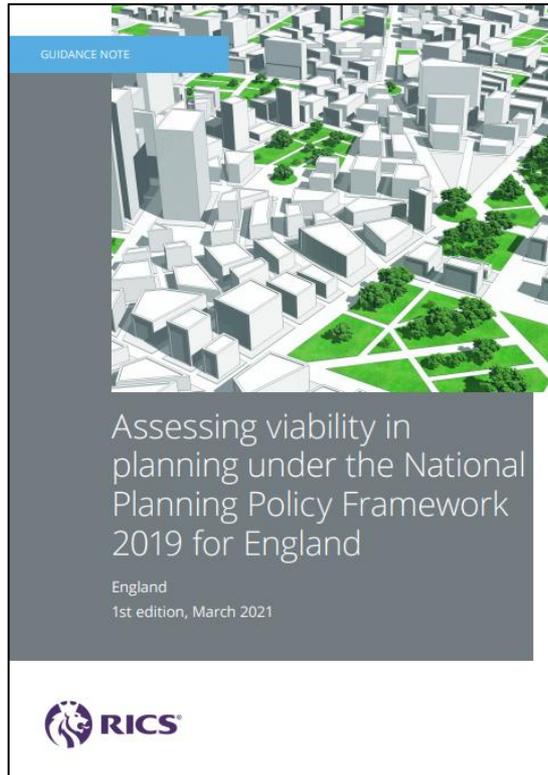
- Paragraph 010 - What are the principles for carrying out a viability assessment? - *strike a balance*
- Paragraph 011 - How should gross development value be defined for the purpose of viability assessment? - *Sales values evidence; rents and yields*
- Paragraph 012 - How should costs be defined for the purpose of viability assessment? - *All costs; including abnormals*
- Paragraph 013 - How should land value be defined for the purpose of viability assessment? - *‘existing use value plus’ (EUV+).*
- Paragraph 018 -How should a return to developers be defined for the purpose of viability assessment? - *15-20% of gross development value (GDV)*

- Strike an ***appropriate balance***
- The levy is expected to have a positive economic effect on development
- Use '***appropriate available evidence***' to inform their draft charging schedule – '*unlikely to be fully comprehensive*'
- No requirement for CIL rate to exactly mirror the evidence
- But, appropriate to ensure that a 'buffer' or margin is included
- Regulations allow charging authorities to apply **differential rates** in a flexible way.... BUT, avoid undue complexity
- Charging authorities can set differential rates that reflect differences in ***land value uplift*** created i.e. greenfield and brownfield

# Overview

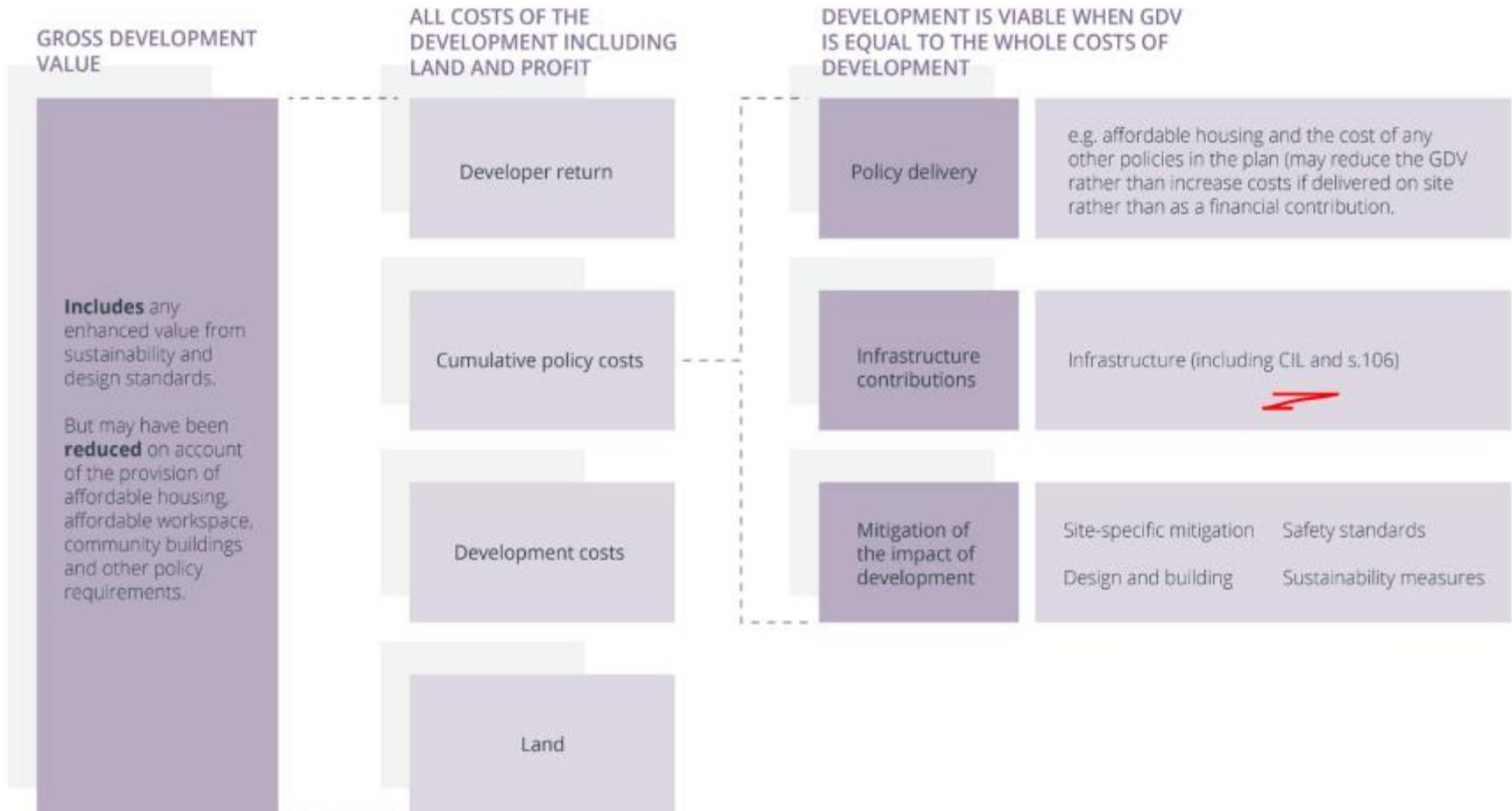
1. Introduction
2. CIL / Local Plan Viability Context
- 3. Methodology**
4. Research and Emerging Assumptions
5. Feedback and Next Steps

# RICS AVIP from 1 July 2021



- Best Practice for RICS Members
- Includes viability testing CIL
- Differential rates: Geographical zones; Types of development; Scale of development, Uplift in land value where, e.g. the site typologies are *greenfield or brownfield*
- Differential rates can be set for strategic sites - higher or lower - taking into account the requirement to deliver specific elements of infrastructure
- The impact of the CIL should be considered alongside the impact of other policy requirements.

# AVIP – Residual Valuation Framework



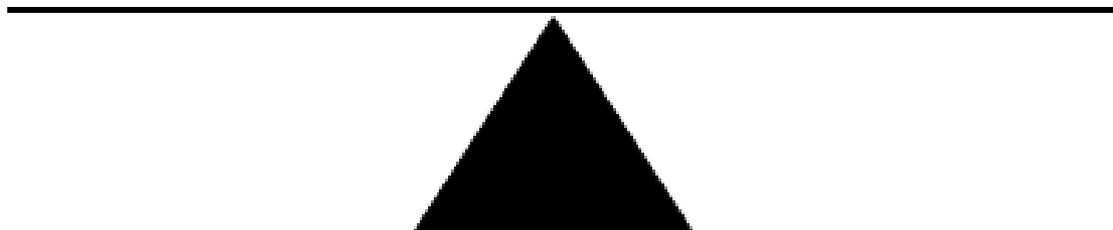
# Best Practice Model

GDV (inc. AH)

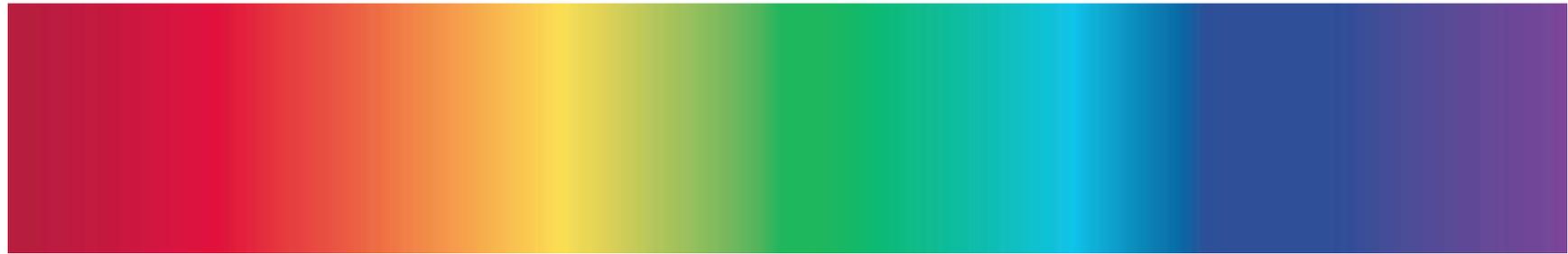
*Less*

- Fees
  - S106/CIL
  - Build costs
  - Profit
  - Interest etc.
- = RLV**

No. Units / Size  
x Density  
= size of site (ha)  
x BLV (£/ha)  
**= BLV**



# BLV Summary



Existing  
Use Value  
(EUV)



Policy  
Compliant  
Residual Land  
Value (RLV)  
/ Market  
Value (MV)



Hope Value

Alternative Use Value (AUV)

EUV + Premium

Policy adjustment

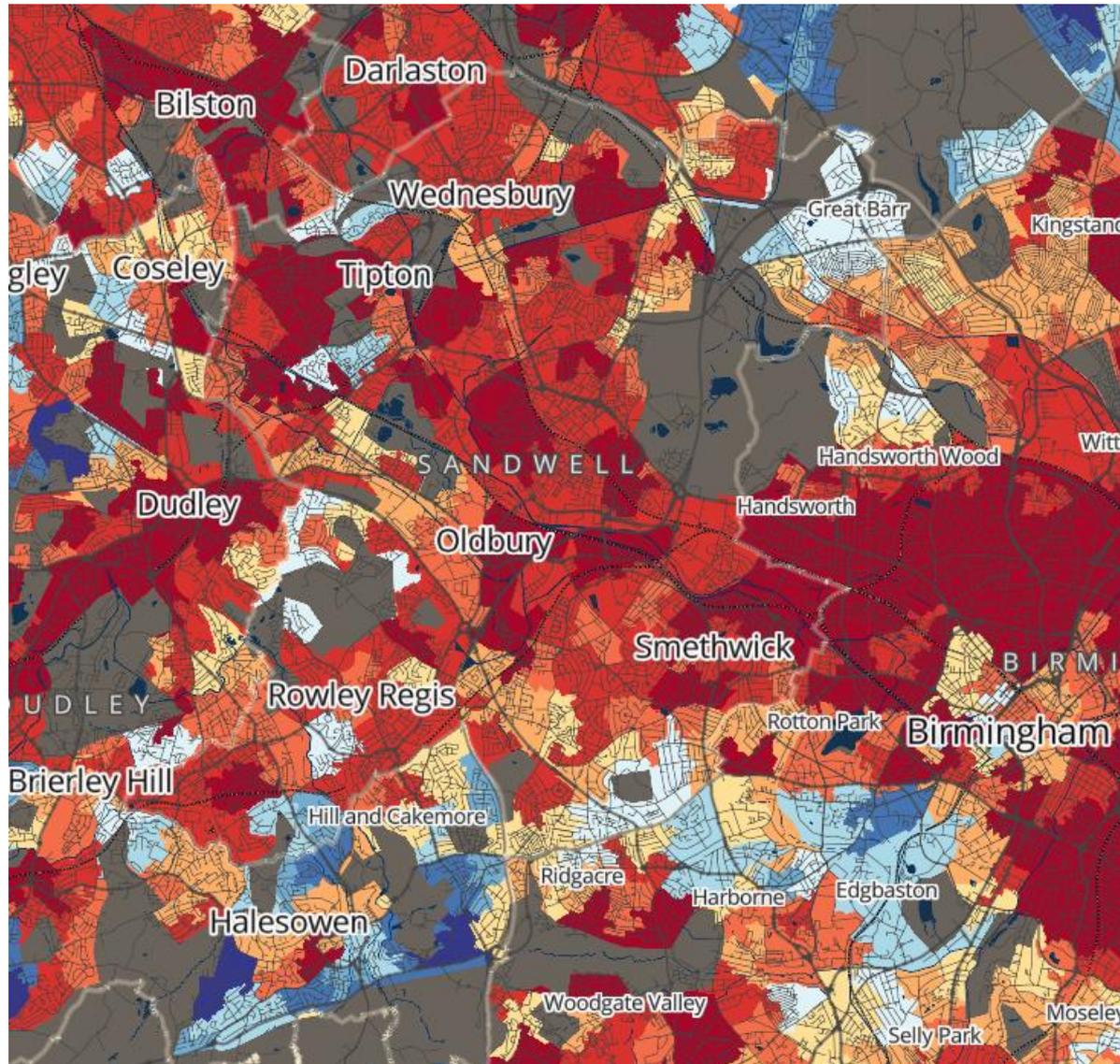
# Overview

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5. Feedback and Next Steps

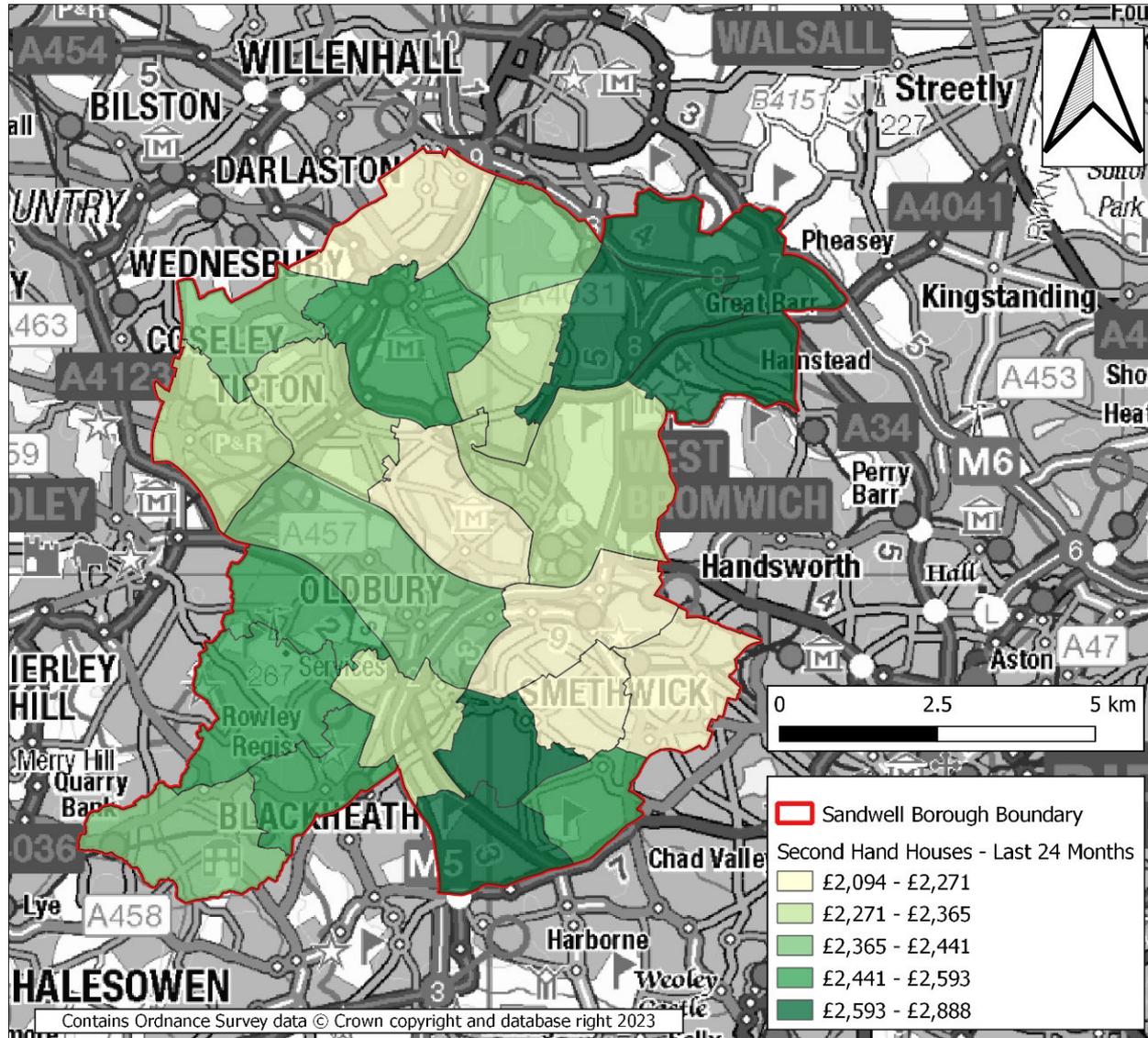
# Residential Values Market Research Paper

- UK and Regional Market Overview
- Existing Evidence Base on Residential Sales Values
- AspinallVerdi Research
  - New Build Achieved Values
  - New Build Asking Prices
  - Second-Hand Achieved Values
  - Site-specific viability assessments
- Conclusions
  - Market Housing Value Assumptions
  - Value Zones

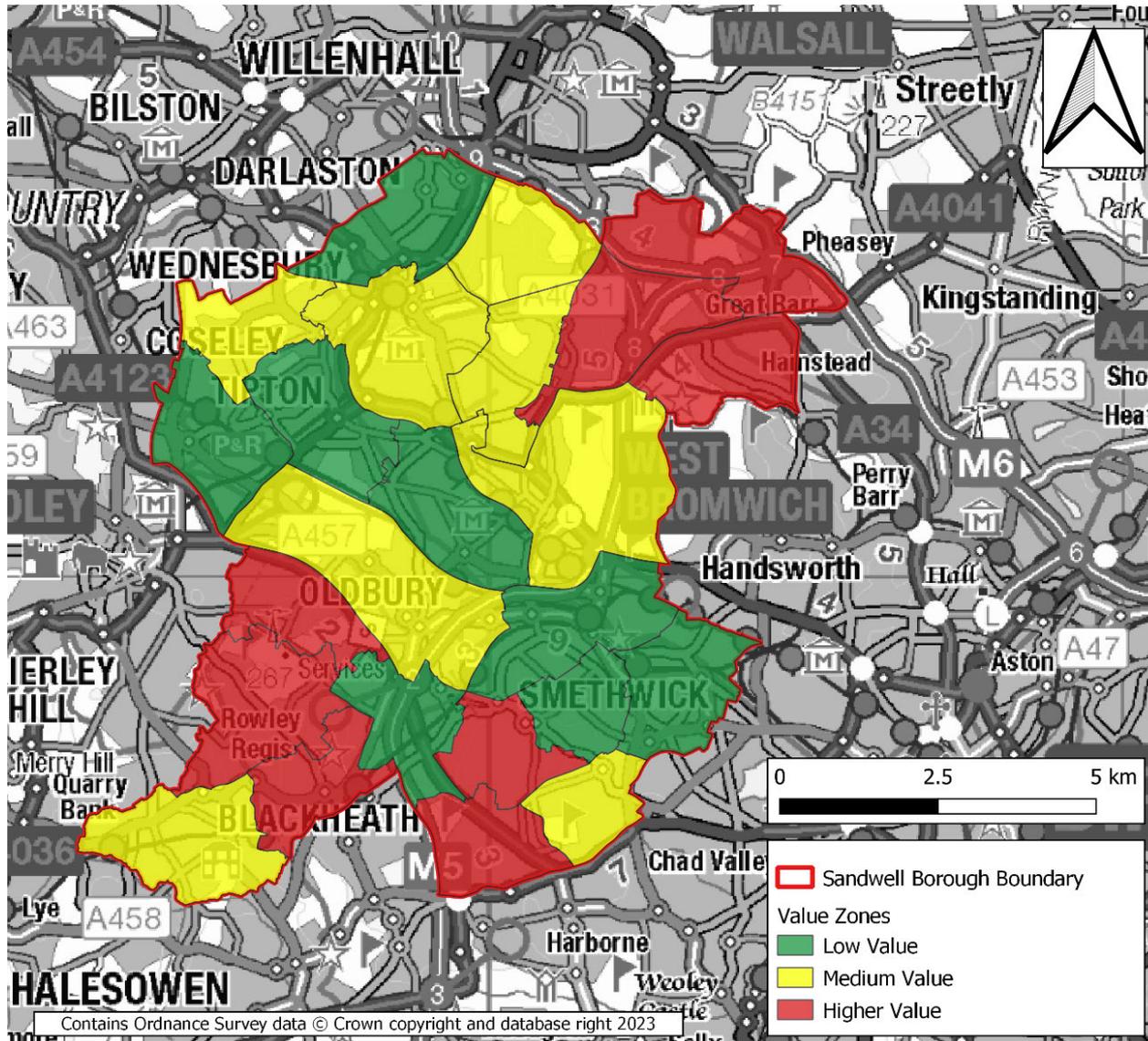
# Index of Multiple Deprivation



# Second Hand Achieved Values 2021 - 2023



# Value Zones by Ward



# Residential Value Assumptions, £ 2023

<b>Property type</b>	<b>Lower Value area</b>	<b>Medium Value Area</b>	<b>Higher Value Area</b>
1 Bed Flat	£115,000	£135,000	£150,000
2 Bed Flat	£135,000	£150,000	£185,000
1 Bed House	£145,000	£150,000	£165,000
2 Bed House	£170,000	£190,000	£210,000
3 Bed House	£205,000	£240,000	£280,000
4 Bed House	£265,000	£300,000	£325,000
5 Bed House	£340,000	£355,000	£395,000

# Residential Value Assumptions, £ psm 2023

Property type	Lower Value Area	Medium Value Area	Higher Value Area
1 Bed Flat	£2,300	£2,700	£3,000
2 Bed Flat	£1,929	£2,142	£2,642
1 Bed House	£2,735	£2,830	£3,113
2 Bed House	£2,361	£2,639	£2,916
3 Bed House	£2,411	£2,823	£3,294
4 Bed House	£2,523	£2,857	£3,095
5 Bed House	£2,125	£2,219	£2,469

# Garage Assumptions

- 3 bed houses - 50% have garages;
- 4 bed houses - 100% have garages;
- 5 bed houses - 150% have garages (i.e. 1.5 garages per units – 100% have single garages and 50% have double garages)
  
- £11,754 cost per garage space

# Affordable Housing Assumptions (30% AH)

Affordable Housing Tenure	% Mix	Transfer Value (% of OMV)
Affordable Housing %	25%*	
Of which...		
Affordable Rent / Social Rent	75%	80%
Intermediate	0%	
First Homes	25%	70% [30% discount capped at £250,000]

# Cost Assumptions – Initial Payments

Item	Assumption	Comments
Planning Application Professional Fees and reports	Allowance for typology	Generally x 3 Stat Planning fees
Statutory Planning Fees	Based on national formula	
CIL / IL	1-14 Units: £20.64 15+ Units: £41.28  *2023 indexed CIL Rates	Will consider headroom for CIL in sensitivity analysis alongside Site Specific S106 (below)
Site Specific S106	Total: £9,884 / unit: Houses & Flats above 100 units.	Provided by Council including open space, sport provisions, education and healthcare - (see Typologies Matrix)  Please note further 106 costs will be analysed at a site specific basis.

# Cost Assumptions – Construction

Item	Build Cost	Comments
Site Clearance, Demolition & Remediation	£133,000 per acre if brownfield	If brownfield site clearance / remediation allowance (as for Local Plan viability)
Site Infrastructure Costs	Inc. in External Works for generic typologies	
Estate Housing	£1,211 – £1,374 psm	Lower – Median BCIS, Sandwell (last 5 years)
Flats 3-5 Storey	£1,576 psm	Median BCIS
Garages	£11,754 per garage	
External Works	15%	

# Cost Assumptions – Design Policies

Item	Cost	Comments
Net Biodiversity Costs (BNG)	£1,003 per unit for greenfield sites £268 per unit for brownfield sites	DEFRA Biodiversity net gain and local nature recovery strategies Impact Assessment (15/10/2019) (Reference No: RPC-4277(1)-DEFRA-EA).
M4(2) Category 2 – Accessible and Adaptable housing	+£521 per unit 100% of all units	DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157
M4(3)(2)(b) Category 3 - Wheelchair Adaptable dwellings	+£10,111 per unit 15% of all units	Equality and Human Rights Commission & Habinteg, A toolkit for local authorities in England: Planning for accessible homes

# Cost Assumptions – Design Policies (cont.)

Item	Assumption	Comments
Net Zero Carbon (2025 Standard)	£6,000 per unit, in addition to the BCIS	From previous Local Plan viability work, thereby also achieving the full FHS implementation, as at 2025.
EV Charging	£1,000 per unit house £2,500 per 4 flats	

# Cost Assumptions - Other

Item	Assumption	Comments
Contingency	+5%	Greenfield / brownfield
Professional Fees	6.5%	Based on recent EVA evidence.
OMS Marketing and Promotion	3%	% of OMS GDV
Sales Agent	1%	As above
Sales Legal	0.25%	As above
AH Legal	£10,000	

# Residential Cost Assumptions – Finance, OH&P

Item	Assumption	Comments
Debit Interest	7.5%	Applies to 100% of cashflow to include Finance Fees etc.
Profit on Market Sales	20%	With sensitivities between 15% and 20%
Profit on Affordable Housing	6%	

# Residential Typologies

- Based on allocations and likely development in Plan period – sites provided by Sandwell MBC.
- Typologies are sites with shared characteristics such as location/value zone, 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.
- Typologies matrix – easy navigation, checks NPPF 10% affordable home ownership requirement.
- Unit sizes based on Nationally Described Space Standards – and Market Evidence.

# Unit Sizes

We have assumed the floor areas as follows:

- 1 Bedroom Flat – 50 sqm
- 2 Bedroom Flat – 70 sqm
- 2 Bedroom House – 79 sqm
- 3 Bedroom House – 100 sqm
- 4 Bedroom House – 128 sqm
- 5 Bedroom House – 160 sqm

## Unit Mixes (affordable housing)

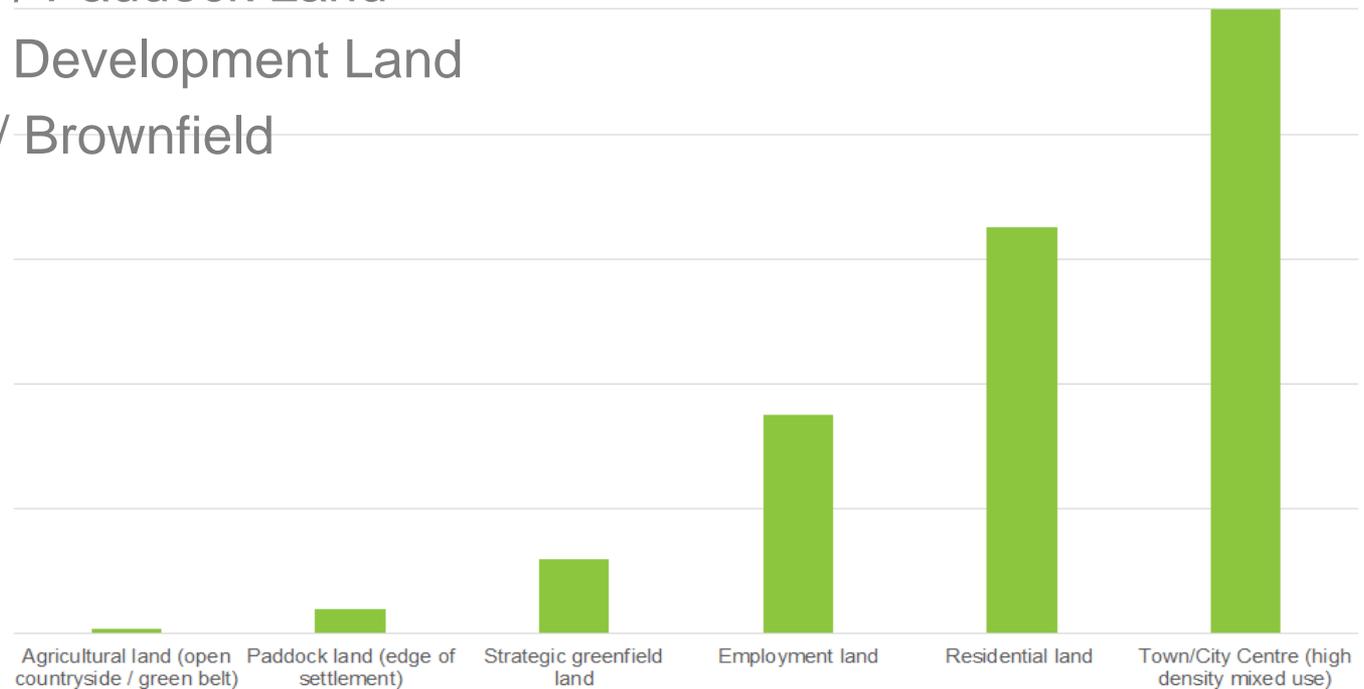
We have assumed the following AH housing mix:

- 1 Bedroom Flat – 22.50%
- 2 Bedroom House – 12.40%
- 2 Bedroom Flat – 12.40%
- 3 Bedroom House – 26.82%
- 4 Bedroom House – 25.88%
- 5 + Bedroom House – 5.90%

# Benchmark Land Value (BLV)

## Approach:

- Existing Evidence Base Review (inc. Neighbouring Authorities)
- UK Land Context
- Agricultural / Paddock Land
- Residential Development Land
- Greenfield / Brownfield



# BLV – Working Assumptions

Typology	Location	Greenfield /Brownfield	EUV -					Uplift Multiplier	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		x [X] x [Y]%	(per acre) (net developable) (rounded)
Residential/Commercial	Low Value Area	Brownfield	£225,000	£555,975	100%	£225,000	£555,975	5.0%	£236,250	£583,774
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Residential	High Value Area	Greenfield	£8,000	£19,768	75%	£10,667	£26,357	22.4	£250,000	£617,750

## BLV – call for evidence

- We would welcome more comparable land value evidence for all land uses (including any minimum land value clauses within agreed option agreements).
- We need specific details of:
  - the existing use (greenfield / brownfield);
  - transaction date;
  - net and gross site area;
  - price paid;
  - planning consent (including affordable housing % and S106 details)
  - abnormal costs
- ***Any confidential information will be treated as such***

# Overview

1. Introduction
2. CIL / Local Plan Viability Context
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5. **Feedback and Next Steps**

## Documents to Issue

1. These presentation slides
2. Policies Matrix
3. Typologies Matrix
4. Residential Market Paper
5. Land Market Paper

# SMBC Feedback

Send written observations/evidence to –

By email to: [Sandwell\\_LocalPlan@sandwell.gov.uk](mailto:Sandwell_LocalPlan@sandwell.gov.uk)

**Deadline for evidence – Thursday 21<sup>st</sup> September**

## Next Steps

1. Review workshop feedback
2. Refine assumptions
3. Run appraisals
4. Prepare recommendations / report to members
5. Publication of Viability Report – for public consultation
6. Examination

Any final questions?

*Please participate / provide feedback*

## Appendix 7 – Residential Appraisals

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## Appendix 8 – BCIS Costs

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## £/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

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Rebased to Sandwell ( 96; sample 59 )

MAXIMUM AGE OF RESULTS: 5 YEARS

Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810.1 Estate housing								
Generally (5)	1,433	769	1,211	1,374	1,591	3,229	229	
Single storey (5)	1,612	974	1,343	1,553	1,763	3,229	51	
2-storey (5)	1,381	769	1,194	1,340	1,544	2,478	173	
3-storey (5)	1,413	1,056	1,182	1,415	1,591	1,822	5	
810.11 Estate housing detached (5)	1,924	1,198	-	1,820	-	2,857	4	
810.12 Estate housing semi detached								
Generally (5)	1,497	908	1,245	1,427	1,638	3,229	62	
Single storey (5)	1,542	1,122	1,250	1,509	1,757	3,229	29	
2-storey (5)	1,447	908	1,232	1,364	1,585	2,478	32	
810.13 Estate housing terraced								
Generally (5)	1,325	860	1,147	1,281	1,473	1,839	11	
2-storey (5)	1,352	860	1,165	1,281	1,593	1,839	9	
816. Flats (apartments)								
Generally (5)	1,702	894	1,413	1,568	1,861	3,545	198	

Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
1-2 storey (5)	1,621	987	1,352	1,497	1,838	3,315	34
3-5 storey (5)	1,706	894	1,410	1,576	1,858	3,545	135
6 storey or above (5)	1,779	1,218	1,464	1,720	1,927	2,490	29