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Castle Point Plan Viability Study

Final Report

For:

Castle Point
BOROUGH COUNCIL

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Contents

1 Introduction to the Viability Study

Background Context and Study Purpose

1.1 Castle Point Borough Council has commissioned Porter Planning Economics Ltd (Porter PE) to provide a high-level economic viability assessment of the emerging Castle Point Plan policies. This is to help inform the Council's decisions about the risk and balance between the policy aspirations of achieving sustainable development and the realities of economic viability that would inform the Castle Point Plan.

1.2 This study is a requirement of the National Planning Policy Framework (NPPF) December 2024, which requires Local Plans to be informed by viability assessments based on market evidence. Specifically, the NPPF paragraph 32 states:

"The preparation and review of all policies should be underpinned by relevant and up to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals."

1.3 The NPPF considers the issue of viability more closely in paragraph 59, which notes:

"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 practice guidance, including standardised inputs, and should be made publicly available."

Assessment Approach

1.4 The viability assessment approach in this study has been guided by the:

- Planning guidance that sets out the government's recommended approach to viability assessments for local plans[1];
- Harman guidance, which sets out the Royal Town Planning Institute's (RTPI) recommended approach to viability testing local plans[2];
- Royal Institution of Chartered Surveyors (RICS) guidance on assessing viability in planning under the NPPF 2019'[3], on land measurement for planning and development purposes[4], and on conduct and reporting[5].

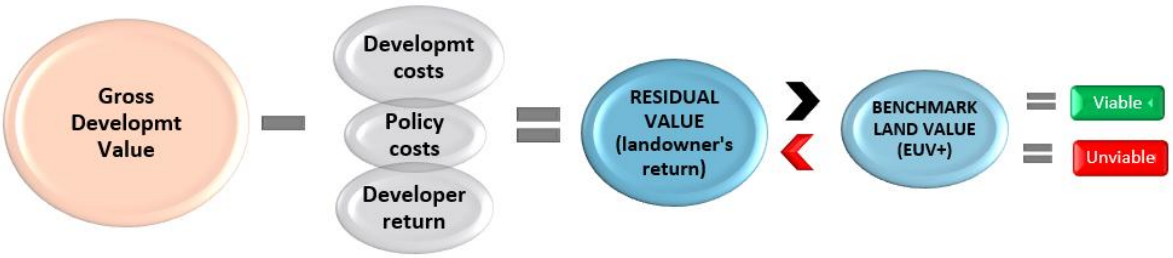
1.5 The viability appraisals used in the assessment are based on a residual land value (RLV) methodology informed by the noted guidance above. This RLV method estimates the difference between development values and costs[6], including likely policy costs, and compares this with a

[1] PPG Viability, as last updated in December 2024.
[2] The Local Housing Delivery Group and chaired by Sir John Harman 'Viability Testing Local Plans - advice for planning practitioners', June 2012.
[3] RICS Guidance note, 'Assessing viability in planning under the National Planning Policy Framework 2019 for England', March 2021.
[4] RICS Guidance note, 'Land measurement for planning and development purposes', May 2021.
[5] RICS Professional Standards and Guidance, England, 'Financial viability in planning: conduct and reporting' 1st edition, May 2019.
[6] i.e., what is left over after the cost of building the scheme is deducted from the potential sales value of the completed site/buildings.

benchmark land value (BLV). The BLV reflects the minimum required value over and above the existing use value with a premium that a landowner would accept in bringing their site to the market for development. If the RLV is greater than the BLV in the bulk of the tested development types, then the tested policy requirements in the Castle Point Plan are considered to be viable. If the RLV is less than the BLV in the bulk of the tested development types, then the tested policy requirements in the Castle Point Plan are considered to not be viable, and we would recommend that the Council apply some flexibility in the planning requirements where it is possible to do so, to avoid putting the bulk of future site allocations in the Castle Point Plan at risk of not coming forward.

1.6 The broad method for the RLV assessment is illustrated in **Figure 1.1**. Examples of the viability appraisals (excluding the cashflow breakdown, which are too detailed to include) are provided in the appendices to this report.

Figure 1.1 Example approach to residual land value assessment for the Castle Point Plan viability testing



1.7 It is important to note that the viability assessment uses proportionately 'high-level' viability testing of a range of hypothetical (typology) sites and a sample of strategic sites, to identify the likely level of development headroom that will be available for securing planning requirements. The tested site typologies and strategic sites reflect the emerging Castle Point Plan site allocations in the Castle Point area and/or potential types of development that the emerging Castle Point Plan expects to come forward over the planning horizon. The tested emerging Castle Point Plan requirements include the level of affordable housing provision or contribution, Future Homes Standards, zero net carbon, alongside key infrastructure and/or mitigation required to support development such as education, health, flood and water management, green infrastructure and habitats, and transport.

Limitations of the Report

1.8 The arithmetic of RLV appraisal is straightforward (a bespoke spreadsheet model is used for the appraisals). However, the inputs to the calculation are hard to determine for a specific site as can be demonstrated by the complexity of many section 106 negotiations. The difficulties grow when making calculations that represent a typical or average site. Therefore, our viability assessments in this report are necessarily broad approximations, subject to a margin of uncertainty.

1.9 Also, most of the market research regarding values and costs was carried out in mid to late 2024. To reflect changing market conditions over the life of the emerging plan, sensitivity testing of future market conditions is also used to guide the study conclusions and recommendations.

1.10 As such, no responsibility whatsoever is accepted for any third party who may seek to rely on the content of the report for investment purposes.

Consultations

1.11 As part of this study, discussions were held with the local development industry to help inform the development assumptions tested within this report. This included the Council arranging a viability workshop with the local development industry in October 2024, which had participants from six property and development companies, including local agents and land promoters from both

nationally known volume builders and more local, small/medium housebuilders. The workshop was also attended by members of the Council's housing and planning team.

1.12 A meeting note was supplied after the workshop for attendees to comment on the study but no further evidence to inform the assumptions in this report has been provided by the attendees.

1.13 A copy of the workshop presentation and meeting notes are included in **Appendix A**.

Report Structure

1.14 The remainder of this report is structured as follows:

- Chapter 2 sets out the policy and legal requirements relating to the Castle Point Plan viability testing, which this assessment should comply with;
- Chapter 3 sets out the emerging Castle Point Plan policies, identifying any that may require testing for their potential impact on viability;
- Chapter 4 outlines the development site typologies to be tested;
- Chapter 5 outlines the evidence for sales values, development costs, tested policy cost assumptions and benchmark land values informing the viability assessment testing of the residential and non-residential typologies;
- Chapter 6 reviews the viability appraisal findings for the emerging Castle Point Plan policies; and
- Chapter 7 provides the conclusions from the viability assessment of the emerging Castle Point Plan policies.

2 National Policy Context

Introduction

2.1 This chapter considers the relevant national policy context for the viability assessment to demonstrate that the Castle Point Plan is deliverable.

2.2 At a national level, this includes the National Planning Policy Framework and the Planning Practice Guidance, as well as best practices set out in the Harman Report and RICS Professional Guidance Note. The key points from these various documents are summarised below.

National Framework

National Planning Policy Framework (NPPF)

2.3 The revised National Planning Policy Framework (NPPF) was published in December 2024. It sets out the government's planning policies for England and how these are expected to be applied, which may impact on setting Castle Point Plan policies to ensure the future delivery of sites.

Sustainable development

2.4 NPPF paragraph 8 makes very clear that sustainable development needs to be achieved in part by:

"…ensuring that sufficient land of the right types is available in the right places and at the right time to support growth".

2.5 Along with ensuring that the right sites can come forward in meeting needs, the NPPF in paragraph 129 requires local planning authorities to consider the impact of viability and infrastructure on the future delivery of the Plan, so that…

"Planning policies and decisions should support development that makes efficient use of land, taking into account:.. the identified need for different types of housing…local market conditions and viability…the availability and capacity of infrastructure and services…the importance of securing well-designed, attractive and healthy places.".

Development contributions

2.6 To secure the right levels of infrastructure through sustainable plan making, the NPPF sets out the requirement for plans to secure developer contributions without undermining the deliverability of the plan. As such, in supporting sustainability by maintaining deliverable sites, the NPPF is concerned with ensuring that the bulk of the development is not rendered unviable by unrealistic policy costs, as noted in paragraph 35:

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

2.7 Also, when preparing plans that may include developer contributions (including CIL charging) towards infrastructure funding, paragraph 32 of the NPPF states that:

"The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals."

2.8 So, testing sites should be informed by a review of current local market conditions for informing viability assessments. The NPPF considers the issue of viability more closely in paragraph 59, which notes:

"All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning practice guidance, including standardised inputs, and should be made publicly available."

2.9 The planning practice guidance for viability sets out some key principles of how development viability should be considered in planning practice, and provides recommendations for standardised inputs. This guidance is considered later in this chapter.

Residential development

2.10 For housing land assessment, this report is seeking to comply with the NPPF paragraph 72, which states that:

"Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability."

2.11 It is important to recognise that economic viability will be subject to economic and market variations over the Castle Point Plan timescale. Concerning housing development, the NPPF in paragraph 72 creates the two concepts of 'deliverability' and 'developability'. In doing so the following sites need identifying (our emphasis is included):

"a) specific, deliverable sites five years following the intended date of adoption; and b) specific, developable sites or broad locations for growth, for the subsequent years 6-10 and, where possible, for years 11-15 of the remaining plan period."

2.12 So, in the shorter term, to generate more certainty by maintaining a deliverable supply of sites in meeting housing needs, the NPPF at paragraph 78 notes:

"Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies."

2.13 For the longer period of the plan, the NPPF is advising that a more flexible approach may be taken to the sites coming forward from year six onwards. These sites might not be viable now and might instead only become viable at a future point in time (e.g., when a lease for the land expires or property values improve). This recognises the impact of economic cycles and variations in values and policy changes over time.

2.14 Consequently, some sites might be identified with marginal viability, however a small change in market conditions over the Plan period may make them viable. Such sites could contribute towards the Castle Point Plan housing target in the latter period of the Plan.

Non-residential development

2.15 Regarding economic land development, the NPPF paragraph 86 states that local planning authorities should:

"…set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth…local policies for economic development and regeneration…seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and… to enable a rapid response to changes in economic circumstances."

2.16 This is quite different from housing because local authorities are expected to have only a general understanding of possible obstacles to delivery, including viability. They are not under specific requirements to predict the timing of delivery or demonstrate that sites are deliverable / developable according to precise criteria or within a given time frame. For instance, paragraph 87 notes that:

"Planning policies and decisions should recognise and address the specific locational requirements of different sectors."

2.17 This is a less demanding test than it is for housing. It implies that authorities should allocate sites for employment only if they expect those sites to be developable (or, if already built, able to be maintained) for employment uses. But for economic uses, unlike housing, this requirement relates to any point in the plan period; and sites/areas should be allocated where this meets requirements but not necessarily only where it is viable to do so at the current time.

2.18 That notwithstanding, in terms of allocating non-residential uses, planning authorities also rely on different evidence comprising market indicators and qualitative criteria, normally through strategic retail studies and employment land reviews. That is because viability assessments are generally based on testing current day values and cost assumptions for speculative developments, and, in most cases, employment uses are not immediately viable.

2.19 For these reasons, employment land and non-residential uses that do not form part of allocated residential development sites are not assessed within this study.

National policy on affordable housing

2.20 When informing future policy on affordable housing, national policy in paragraphs 35, 63 and 64 states that it is important to understand the national policy on affordable housing, and plans should set out the contributions expected from development and these must not undermine the deliverability of the plan. This includes setting out the levels and the types (i.e. tenure) of affordable housing provision required.

2.21 A national requirement for the threshold is the key to when affordable housing should be sought from development. The NPPF sets a threshold for seeking affordable housing on sites with major development, which in planning terms should be from sites with 10 or more residential dwellings or sites with 6 or more dwellings in rural parishes, as noted in the NPPF paragraph 65:

"Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer)."

2.22 Paragraph 65 also notes that affordable housing may not always be possible on brownfield sites, and incorporating a degree of flexibility is sensible to reflect supply side circumstances:

"To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount."

2.23 The proportionate amount is equivalent to the existing gross floorspace of the existing (in use or vacant but not abandoned) buildings.

2.24 Where required, the NPPF expects affordable housing to be delivered on-site but also accepts that, in some instances, off-site provision or a financial contribution of a broadly equivalent value may contribute towards creating mixed and balanced communities, as stated in paragraph 64:

"Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless: a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and b) the agreed approach contributes to the objective of creating mixed and balanced communities."

2.25 It is also anticipated in national policy paragraph 66 that affordable dwellings on appropriate sites should be for Social Rent, other affordable for rent and home ownership tenure (such as shared ownership or intermediate housing).

2.26 The NPPF sets out what are defined as 'Golden Rules' for Green Belt residential development, which includes a specific affordable housing requirement (or requirements) for major development either on land that is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should:

"a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability)."

2.27 As such, any major allocations or expected major windfall sites within the Green belt will need to be viability tested with at least a 50% affordable housing rate to help inform a maximum rate of affordable housing above 50%. However, later in the NPPF at paragraph 157, an increase of 15 percentage points above the highest existing affordable housing requirement is set within the Golden Rules, and this will be subject to a cap of 50% (excluding rural exemption sites).

National policy on infrastructure provision

2.28 Along with meeting housing needs, the NPPF in paragraph 129 requires local planning authorities to consider the impact of infrastructure on the future delivery of the Plan so that…

"Planning policies and decisions should support development that makes efficient use of land, taking into account: …the availability and capacity of infrastructure and services – both existing and proposed – as well as their potential for further improvement…"

2.29 This is specifically noted in paragraph 86, which suggests that local authorities should address any local infrastructure deficiencies to support development in that they should…

"…seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment;"

2.30 To secure the right levels of infrastructure through sustainable plan making, the NPPF sets out the requirement for plans to secure developer contributions, as noted in paragraph 35 (covered earlier in this chapter), to balance with deliverability to avoid undermining the deliverability of the plan.

Relevant Planning Guidance

Practice Guidance – Viability (December 2024)

2.31 The PPG guides viability testing for plan making and decision making. The PPG reiterates the national framework's regard to plan viability evidence, highlighting the underlying principles of the need for viability in planning. Specifically, concerning this, it states:

"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."[7]

2.32 A '*consistent approach*' is sought when assessing the impact of planning on development viability to inform policies and decision making. In doing so, the planning authority needs:

"…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."[8]

2.33 This suggests that there needs to be a balance between meeting the Castle Point Plan policy requirements through development and the economic reality regarding the delivery of development. To help inform this balance, a '*collaborative*' approach to viability assessments is sought by the PPG involving both the development industry and local authorities, with transparency of evidence being encouraged where possible.

2.34 In doing so, the PPG notes that this should be based on a high-level understanding of viability, as follows:

"…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."[9]

2.35 Therefore, the purpose of viability testing, in line with the NPPF, is concerned with ensuring that the bulk of the development is not rendered unviable by unrealistic policy costs including planning obligations and CIL. Therefore, not all sites are required or expected to meet full requirements within the Castle Point Plan and the CIL rates that have been set. As the PPG notes:

"Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence".[10]

Defining site typologies

2.36 When defining suitable sites, the PPG notes that site typologies can be used to reflect the allocation of sites. In doing so, the PPG notes that they should include:

[7] PPG Viability para 002.
[8] Ibid para 010.
[9] Ibid para 001.
[10] Ibid para 003.

"…the type of sites that are likely to come forward for development over the plan period.

In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development."[11]

2.37 However, the PPG also notes the importance of viability testing specific sites where:

"In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies." [12]

2.38 Such sites normally include those sites supporting the delivery of many homes as part of the housing target, or smaller sites within key locations where place making/regeneration activities are a key component of the Castle Point Plan.

2.39 The PPG also notes that typology testing should reflect high-level assumptions regarding the type of development that may occur and development assumptions, stating that:

"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."[13]

2.40 In assessing typologies and/or any key sites, the PPG sets out the government's recommended approach to viability assessment for planning, especially in setting the benchmark land value, which is discussed next.

Defining Viability and Benchmark Land Value (BLV)

2.41 PPG Viability sets out the government's recommended approach to viability assessment for planning. Importantly, in defining viability it states that a residual land value (RLV), after costs are deducted from revenue, should be compared to:

"…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." [14]

2.42 In this case, if the viability testing RLV is equal to or above the EUV with a minimum premium (referred to as EUV+), the site is deemed viable.

2.43 In assessing the premium to be added to an EUV, to assess the viability of the Castle Point Plan, the PPG states that this should be:

"…an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance … or differences in the quality

[11] Ibid para 004.
[12] Ibid para 003.
[13] Ibid para 011.
[14] Ibid para 013.

of land, site scale, market performance of different building use types and reasonable expectations of local landowners."[15]

2.44 The BLVs should therefore reflect both existing and anticipated policy requirements and planning obligations, and be informed by comparable market evidence, which may or may not have anticipated policy requirements. In certain circumstances, as defined in the PPG, it may also be appropriate to apply alternative use values as the benchmark land value, but this should include no land value premium and should be limited to:

"…those uses which would fully comply with up to date development plan policies, including any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan."[16]

Plan making viability assumptions

2.45 As noted earlier in the NPPF, plan making viability assessments should follow the government's recommended approach to assessing viability, including the uses of standised inputs as set out in PPG Viability, which should be proportionate, simple, transparent and publicly available.

2.46 In this regard, PPG Viability notes that:

"Assessment of costs should be based on evidence which is reflective of local market conditions."[17]

2.47 The PPG lists one of the acceptable sources for cost information to be the Build Cost Information Service (BCIS), which is published by the Royal Institution of Chartered Surveyors (RICS). The PPG also notes that costs should be based on current figures, as follows:

"As far as possible, costs should be identified at the plan making stage."[18]

2.48 To incentivise delivery the level of developer return (profit) that should be assessed within plan viability, the PPG Viability notes:

"*…an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing…"*[19]

2.49 Also, PPG Viability guidance, quoted below (our emphasis is underlined) notes that some contingencies should apply to site specific viability assessments, where there is justification:

"…explicit reference to project contingency costs <u>should be included in circumstances</u> where scheme specific assessment is deemed necessary, with a justification for contingency."[20]

[15] Ibid para 016.
[16] Ibid para 017.
[17] Ibid para 014.
[18] Ibid para 014.
[19] Ibid para 018.
[20] Ibid para 012.

2.50 But for plan making viability assessments, which is not site specific, then the 'outturn' variables could be lower as much as they are higher than those being tested, so the reasoning for applying any contingency is deemed pointless.

Practice Guidance – Planning Obligations (September 2019)

2.51 The PPG guides planning obligations that may be relevant when viability testing for plan making and decision making.

2.52 The PPG states that where planning obligations in the Castle Point Plan apply, which is to be secured through section 106 (s106), then this must meet the statutory tests set out in the Community Infrastructure Levy (CIL) Regulations 2010 and as policy tests in the NPPF. As the PPG notes,

"Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind."[21]

2.53 Concerning affordable housing, the PPG Planning Obligations provides an incentive for bringing back into use brownfield sites where affordable housing may be required through the application of a Vacant Building Credit (VBC). Specifically, concerning this, it states:

"National policy provides an incentive for brownfield development on sites containing vacant buildings. Where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace."[22]

2.54 PPG also provides advice for local authorities on how to plan for new school places that are required due to housing growth, through the provision of new schools or expansions to existing schools. It outlines general principles, such as that central government grants and other forms of direct funding do not negate the need for developers to mitigate the impact of development on education, and an assumption that land and funding for schools will be provided within housing developments. This is covered within PPG topic notes on Planning Obligations, which states:

"Government provides funding to local authorities for the provision of new school places, based on forecast shortfalls in school capacity.

(Government) Funding is reduced … to take account of developer contributions, to avoid double funding of new school places. Government funding and delivery programmes do not replace the requirement for developer contributions in principle.

Plan makers and local authorities for education should therefore agree the most appropriate developer funding mechanisms for education, assessing the extent to which developments should be required to mitigate their direct impacts."[23]

[21] PPG Planning Obligations para 002.
[22] Ibid para 026.
[23] Ibid para 007.

2.55 Also, PPG Viability notes the following points to be considered:

"It is important that costs and land requirements for education provision are known to inform site typologies and site-specific viability assessments, with an initial assumption that development will provide both funding for construction and land for new schools required onsite, commensurate with the level of education need generated by the development.

The total cumulative cost of all relevant policies should not be of a scale that will make development unviable. Local planning authorities should set out future spending priorities for developer contributions in an Infrastructure Funding Statement."[24]

2.56 As such, education contributions may need to be considered within the balance of sustainable development and economic realities, along with other Castle Point Plan policy requirements.

Practice Guidance – Biodiversity Net Gain (May 2024)

2.57 The Government's Environmental Bill was given Royal Assent in June 2023, nearly three years after it first appeared in Parliament, which has led to this new PPG being introduced. Its purpose is to make provision for targets, plans and policies for improving the natural environment through environmental protection, with a special focus on nature and biodiversity.

2.58 One major implication of the new Act is that all new developments (with a few exceptions) are required to deliver a 10% net increase in biodiversity, and this has to be managed for at least 30 years. This will require developments to be assessed for the type of habitats and their conditions at the application stage, and then identifying how they will be improving biodiversity, such as through the creation of green corridors, planting more trees, forming local nature spaces or through off-site mitigations by paying a levy for habitat creation or improvement elsewhere. This will impact development densities as well as incurring direct development costs.

Other Potential Planning Policy Influences

Building Safety Act

2.59 The Building Safety Act received Royal Assent in April 2022, taking full effect from April 2024, with some secondary legislation explaining how its core policies will be enacted still to come into fruition. The new Act introduced several measures intended to make buildings and residents safer, with greater accountability for fire and structural safety.

2.60 One of the biggest changes is to apply to the Building Regulations with a new category of higher-risk buildings (HRBs) that will be at least 18 metres in height or have at least seven storeys, and contain at least two residential units but including those where people reside temporarily for a period such as student accommodation, hospitals and care homes. HRBs will be required to develop a second staircase, while the threshold for sprinkler systems to be required in new apartment buildings is reduced from 30 metres to 11 metres.

2.61 The Building Safety Act 2022 introduced powers to impose a levy on new residential buildings requiring certain building control approvals in England, to raise revenue to be spent on building safety, and to ensure that the industry contributes to the costs of correcting existing defects in buildings. As part of this developer tax, called the Building

[24] Ibid para 029.

Safety Levy (the levy), the government has committed to making sure buildings over 11 metres tall with unsafe cladding are fixed as quickly as possible, and to protect the taxpayer and leaseholders from costs. It will be charged on all new dwellings and purpose-built student accommodation in England (with certain exemptions) requiring a building control application.

2.62 The levy charge will depend on the floorspace of the development by being charged on a rate per square metre (GIA), set per local authority area by the government to capture the geographical variation in house prices. There will be a discounted levy rate of 50% for developments built on brownfield land.

2.63 With the new levy regulations requiring secondary legislation that is proposed to be laid in Parliament late in 2025, the levy is planned to come into effect in Autumn 2026. As such, it does not currently require development sites to meet this requirement. Also, it is unknown for how long the levy will remain in place, but there is a £3.4 billion revenue target for the levy. The government proposes to monitor the requirements of building safety ambitions and review the figures as work is done before considering adjusting the revenue target as appropriate. As such, but the current rate will not be subject to indexation and the government has stated that they will review the levy every 3 years.

2.64 Certain buildings will be exempt from the levy charge, which include affordable housing, non-social homes built by not-for-profit registered providers, NHS hospitals, care homes and supported housing including homes for armed services personnel, criminal justice and all developments of fewer than 10 dwellings.

Future Homes Standards and Building Regulations

2.65 As part of its plan to achieve 'net zero' greenhouse gas emissions by 2050, the government is proposing to set new energy efficiency standards for new homes and extensions. The previous government published its findings and responses to various consultations on 'The Future Homes Standard' (FHS) between 2020 and 2023, with the necessary legislation expected to be introduced to ensure that new homes built from 2025 will produce 75-80% less carbon emissions than homes delivered under the 2013 Building Regulations. It is also expected that in meeting this requirement, new homes will be zero carbon ready homes, so that once the national grid has moved to being carbon neutral then so will the new homes built from 2025 onwards.

2.66 In the interim towards the Future Homes Standard in 2025, the previous government introduced some changes to the Building Regulations, which came into force in the 2021 Building Regulations. This included updating Approved Documents F (ventilation) and L (energy and carbon emissions), and new Building Regulations O (overheating) and S (electric vehicles), which seek to introduce higher standards of energy efficiency, intended to reduce carbon emissions from new houses by 31% compared with the 2013 Building Regulations.

2.67 Although the new government remains committed to delivering the previous government's Future Homes Standard agenda, the full details of the full standard are still to be mapped out and then brought forward through legislation, which was planned in 2024/25 but is yet to be progressed. Also, with the likely transitional arrangement, it should now be expected that most schemes in the emerging Castle Point Plan coming forward within the next two years, at least, will be able to come forward without meeting the standard and incurring additional costs in doing so.

2.68 A previous Government Ministerial Statement in December 2023 stated that plan-makers should not set local energy efficiency standards for buildings that go beyond current or planned Building Regulations. So local authorities should not set higher energy efficiency

standards for new homes in their area if they do not have a well-reasoned and robustly costed rationale that ensures that development remains viable.

National Space Standards for Housing, March 2015

2.69 The previous Government's 'Technical Housing Standards – Nationally Described Space Standard' (NSS) replaces the previous space standards used by local authorities. It is not a building regulation and remains solely within the planning system as a new form of technical planning standard.

2.70 The NSS deals with the internal space of new dwellings and sets out the requirement for Gross Internal Area (GIA). GIA is defined as the total floor space measured between the internal faces of perimeter walls. The standard is organised by the number of people and number of bed spaces, and provides an inclusive area for built-in storage sizes.

2.71 NSS states that the minimum prescribed GIA:

'…will not be adequate for wheelchair housing (Category 3 homes in Part M of the Building Regulations) where additional internal area is required to accommodate increased circulation and functionality to meet the needs of wheelchair households.' [25]

2.72 The criteria for meeting accessible homes and wheelchair user homes categories are now included within Building Regulations as Category M4(2): Accessible and adaptable buildings and Category M4(3): Wheelchair user dwellings. The M(4)3 category is also split into two sub-categories, M4(3)A: accessible and adaptable standards and the more costly M4(3)B: accessible and liveable standards. Local authorities only have the right to request that housing be built to meet M4(3)B compliance from homes for which they have nomination rights, therefore these will likely be affordable homes.

2.73 This national standard on new homes is likely to impact build costs through processes/adaptability requirements within new homes and the sizes of new homes.

Raising Accessibility Standards for New Homes

2.74 The previous Government focused on accessibility at the heart of the design process, and published its response in 2022 to the consultation on raising accessibility standards for new homes in September 2020. The consultation considered options for higher accessibility standards in new homes. This particularly focussed on the need for suitable homes for older and disabled people based on the accessible and adaptable standard for homes (known as M4(2) in Part M of the Building Regulations) and the wheelchair user standard (known as M4(3)).

2.75 These requirements will be supported by statutory guidance in Approved Document M informing the current Part M (Access to and Use of Buildings) of the Building Regulations, which sets minimum access standards for all new buildings. The Approved Document sets out one way in which new buildings work, material change of use or material alterations to dwellings in most common situations should make reasonable provision for accessibility. It sets out five options that it consulted on, which are:

- Option 1: Maintaining the existing use of optional technical standards impacts in the NPPF.
- Option 2: To mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes, which covers wheelchair accessible homes being

[25] Technical Housing Standards, CLG (March 2015) para 9.

acceptable in exceptional circumstances, so that M4(3) applies where there is a local planning policy in place that is based on identified and evidenced need. This was the previous Government's preferred option, with M4(2) becoming the mandatory minimum standard across England.

- Option 3: Same as option 2 but removing M4(1) altogether.
- Option 4: Same as option 2 but set a percentage of M4(3) homes to be applied in all areas.
- Option 5: Create a revised M4(1) minimum standard. This revised standard could be pitched between the existing requirements of M4(1) and M4(2), adding more accessible features to the minimum standard.

2.76 In response, the previous government's proposed option 2 in the consultation, which is the M4(2) (Category 2: Accessible and adaptable dwellings) requirement to be mandated in Building Regulations as a minimum standard for all new homes. The previous Government planned to consult further on the technical changes to the Building Regulations to mandate the higher M4(2) accessibility standard, and changes to Approved Document M (volume 1).

2.77 The previous Government proposal for M4(3) (Category 3: Wheelchair user dwellings) was for this category to continue as an option subject to a Plan policy requirement justified by an identified and evidenced need.

Good Practice for Defining and Testing Plan Viability

The Harman Report: Local Housing Delivery Group Chaired by Sir John Harman (2012) Viability Testing Local Plans

2.78 The Local Housing Delivery Group (cross industry, House Builders Federation, Local Government Association and the then Department for Communities and Local Government (DCLG) Harman Report provides detailed guidance regarding viability testing and provides practical advice for plan making (including CIL) viability testing that limits delivery risk. Along with the relevant PPG Viability, the Harman Report forms the basis for the approach to the Castle Point Plan viability testing in this report.

2.79 As an expansion on the PPG, the Harman Report defines viability as:

"An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs, and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place, and generates a land value sufficient to persuade the land owner to sell the land for the development proposed." (p.14)

2.80 Concerning viability testing in plan making, the Harman Report acknowledges that this is a high-level assessment to provide some assurance that the development industry will not be excessively affected by the cumulative costs of settling any planning obligations (including CIL) due for a scheme, therefore making projects unviable:

"…plan-wide test will only ever provide evidence of policies being 'broadly viable.' The assumptions that need to be made to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is one reason why our advice advocates a 'viability cushion' to manage these risks."

2.81 It should be noted that the Harman Report approach to viability assessment does not require all sites in the plan to be viable. The Harman Report says that a site typologies approach (i.e., assessing a range of example development sites likely to come forward) to understanding plan viability is sensible. That is, the whole plan viability:

"…does not require a detailed viability appraisal of every site anticipated to come forward over the plan period… (p.11)

…[we suggest] rather it is to provide high-level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan. (p.15)

A more proportionate and practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies." (p.11).

2.82 The Harman Report states that the role of the typologies testing is not required to provide a precise answer as to the viability of every development likely to take place during the plan period.

"No assessment could realistically provide this level of detail…rather, [the role of the typologies testing] is to provide high-level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan." (p.18)

2.83 The Harman Report points out the importance of minimising risk to the delivery of the plan. Risks can come from policy requirements that are either too high or too low. So, planning authorities must have regard for the risks of damaging plan delivery with excessive policy costs - but equally, they need to be aware of lowering standards to the point where the sustainable delivery of the plan is not possible. Good planning in this respect is about '*striking a balance*' between the competing demands for policy and plan viability.

RICS: Assessing viability in planning under the National Planning Policy Framework 2019 for England

2.84 In April 2021, RICS published updated guidance titled 'Assessing viability in planning under the National Planning Policy Framework 2019 for England'. The guidance has been published in response to changes under the revised NPPF and updated national PPG. The guidance aims to provide clarity on certain aspects within the PPG, rather than necessarily conflict or contradict. The guidance is, however, understood to replace the original RICS guidance, 'Financial viability in planning' published in 2012, and is to guide plan making viability from late July 2021. Along with the relevant PPG Viability and the Harman Report, this informs the basis for our approach to testing the GNSP viability in this report.

2.85 One area of particular focus in the updated RICS guidance is how values are used to derive appropriate Benchmark Land Values. Consistent with the PPG, the guidance accepts that the Existing Use Plus methodology (EUV+) is the method that should be used first and foremost when testing viability for plan-making purposes. Not least, this is to address the issue of 'circularity' that RICS has identified to be a problem with basing the BLV on market prices.[26] To reduce this problem, the revised guidance introduces a five-step approach. This

[26] Where inflated BLVs were used to reduce the levels of policy requirements, since the more a developer pays for the land, the less the contribution can be argued to be supportable. This circularity leads to a reduction of

approach advocates a thorough analysis of individual components of an appropriate land value including an existing use, a suitable premium, an alternative use, a residual valuation of a policy compliant scheme and market comparison evidence.

2.86 Further to considering an appropriate BLV based on EUV+, the guidance also notes:

"…development land value…to be a function of a residual value of the potential development of the site….once all relevant costs have been deducted."[27]

2.87 This is the point where viability needs to be considered based on the residual value supporting a suitable premium for a generic/typical (not a specific) landowner to become a willing seller against any other options for the site.

2.88 The guidance states that due to inherent value variation over time, the viability assessment should undertake alternative testing that considers other economic scenarios (such as changes in the willingness of site owners to sell their land) and sensitivity testing of future values and costs based on projections. This is identified as a mandatory requirement for all viability assessments in the RICS professional standards and guidance on conduct and reporting.[28]

2.89 Aside from benchmark land values, the guidance also places a greater focus on site-specific assumptions rather than standardised assumptions, and advocates a greater role for sensitivity testing of different scenarios and outcomes.

public gain since higher land prices reduce developer contributions and reduced developer contribution expectations can fuel higher land values.

[27] RICS (2021), op cit. para 2.3.7, p18.

[28] RICS (2019), op cit.

3 Local Policy Impacts on Viability

Introduction

3.1 To identify the implications of local policies on development viability within Castle Point borough, the emerging policy requirements within the emerging Castle Point Plan have been reviewed. This is to identify those policies with a likely and notable cost implication over and above that expected through standard delivery by the market, and which will generate a viability impact across the bulk of sites likely to be allocated in the Castle Point Plan, or on specific key strategic sites. These policies are then considered in later chapters in this report.

Castle Point Plan Emerging Policies

3.2 This review of the emerging Castle Point Plan likely impact on development is provided in **Table 3.1**. This uses a 'traffic light' coding system for the policy cost implications, which is based on the following colour coding:

Unlikely to have any significant viability impact	
May have a viability impact so needs to be considered and possibly tested	
Expected to have a viability impact and will need to be tested	

3.3 It should be noted that within the emerging Castle Point Plan, as there are in all Local Plans, there will be policies relating to good planning principles in line with the national framework (NPPF) and Town and Country Planning Acts. These might cover specific site and/or area policies relating to general layout/design considerations, which the market would be expected to comply with without direction. Therefore, where such planning principles are specified, then there is no need to test the impact of these policies because developers will normally treat them as standard practices.

3.4 But where there are policies that are not necessary for meeting the Town and Country Planning Acts and NPPF, or where there is some flexibility, such as in meeting higher than the current building regulations required housing standards or affordable housing, then such policies are highlighted in the policy review matrix **Table 3.1**.

Table 3.1 Viability Policy Matrix for the emerging Castle Point Plan, at December 2024

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
Castle Point's Spatial Strategy and Strategic Policies				
SP1	Supporting Enhancement of the Borough's Green Spaces			
SP2	Making Effective Use of Urban Land and Creating Sustainable Places		Supports a design-led approach to establishing optimal site densities on developable land; including recognising urban intensification and brownfield redevelopment as important sources of supply; and supporting mixed use developments in appropriate locations.	Typology sites reflect the future site allocations and windfalls, which have been informed by the Policy rationale that identifies the following target densities: • Canvey Town Centre = 125 dph • Long Road = 100 dph • Canvey Suburban = 65 dph • Mainland Town Centres = 150 dph • A13 = 125 dph • Mainland Suburban = 70 dph This has been considered in **Chapter 4** and tested in **Chapter 6**. However, it should be noted that there is an ongoing study considering the suitability of the identified densities relating to this policy, so the required densities may change as the emerging Castle Point Plan evolves.
SP3	Meeting Development Needs		Plan will deliver a minimum of 5,436 new homes over the period 2026-2043, and ensure that there is sufficient employment land and commercial floorspace to support the needs of the local economy. Notes there to be a windfall allowance of 47 dwellings per annum, and sets out broad housing allocations totals by broad locations.	Sets out the overall type and volume of development expected, which may affect the realised value of development. Typology sites reflect the future site allocations in this plan plus windfall sites based on the distribution of site allocations. This has been considered in **Chapter 4** and tested in **Chapter 6**.
SP4	Development contributions		The Council will seek contributions towards the provision of infrastructure required to make a development proposal acceptable in planning terms, using S106 agreements and/or CIL.	Additional infrastructure costs to be identified in the tested site's external and/or opening costs and through applying CIL, and mitigations have been included in the policy testing as a S106 allowance.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
				This has been considered in **Chapter 5** and tested in **Chapter 6**.
Canvey Island				
C1	Canvey Town Centre		Creating, maintaining and enhancing active ground floor frontages that include adaptable floor space, with new commercial and or residential uses above and behind. Allocates specific development sites in Canvey Town Centre.	Typology sites reflect the future site allocations in Canvey TC, with ground floor commercial uses and residential above. This has been considered in **Chapter 4** and tested in **Chapter 6**.
C2	Canvey Seafront Entertainment Area			
C3	Canvey Port Facilities			
C4	West Canvey		Identifies this area in Canvey Island for housing and employment developments.	Typology sites reflect the future site allocations and windfalls in Canvey Island. This has been considered in **Chapter 4** and tested in **Chapter 6**.
C5	Improved Access to and around Canvey Island			
C6	The South Canvey Green Lung			
C7	Canvey Lake			
C8	Residential Park Home Sites, Canvey Island		Allocates specific development sites in Canvey Island.	Typology sites reflect the future site allocations and windfalls in Canvey Island. This has been considered in **Chapter 4** and tested in **Chapter 6**.
C9	Land at the Point, Canvey Island			
C10	Other Housing Site Allocations on Canvey Island			
Benfleet				
B1	South Benfleet Town Centre		Establishing a new development typology within the centre focused on provision of active ground floor frontages with residential and commercial uses above and behind.	Typology sites reflect the future site allocations in Benfleet TC, with ground floor commercial uses and residential above. This has been considered in **Chapter 4** and tested in **Chapter 6**.
B2	Tarpots Town Centre			
B3	Former Furniture Kingdom site		Allocates specific development site in Benfleet.	Typology sites reflect the future site allocations and windfalls in Benfleet. This has been considered in **Chapter 4** and tested in **Chapter 6**.
B4	South Benfleet Leisure Quarter			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
B5	Canvey Supply, London Road, Benfleet		Allocates specific development sites in Benfleet.	Typology sites reflect the future site allocations and windfalls in Benfleet. This has been considered in **Chapter 4** and tested in **Chapter 6**.
B6	159-169 Church Road, Benfleet			
B7	Other Housing Site Allocations in Benfleet			
B8	Manor Trading Estate			
B9	South Benfleet Playing Fields			
Hadleigh Town Centre				
Had1	Hadleigh Town Centre		Establishing a new development typology within the centre focused on provision of active ground floor frontages with residential and commercial uses above and behind.	Typology sites reflect the future site allocations in Hadleigh TC, with ground floor commercial uses and residential above. This has been considered in **Chapter 4** and tested in **Chapter 6**.
Had2	Hadleigh Country Park, Hadleigh Farm and Benfleet & Southend Marshes			
Had3	Hadleigh Clinic		Allocates specific development site in Hadleigh.	Typology sites reflect the future site allocations in Hadleigh. This has been considered in **Chapter 4** and tested in **Chapter 6**.
Had4	Land south of Scrub Lane			
Thundersley				
Thun1	Thundersley Centre		Retail and services use will be protected at ground floor level consistent with the requirements of policy TC2 for those properties.	Typology sites including commercial ground floor uses are reflected in the site typologies. This has been considered in **Chapter 4** and tested in **Chapter 6**.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
Thun2	Kiln Road Campus		Allocates specific development sites in Hadleigh. Masterplanned redevelopment of this site to create improved community facilities, a new local shopping parade, open spaces, and 617 new residential units. A masterplan will be required for this site to create a new campus environment, containing a mix of uses focused on a new piece of pedestrian-oriented public realm. This should serve as a key new civic and service space including a new shopping parade within Thundersley. A new suite of open spaces should be created in tandem with site Thun2 which meet the standards set out in Policy Infra4.	This large strategic site has informed the site typologies in **Chapter 4** and is tested in **Chapter 6**.
Thun3	Other Site Allocations in Thundersley		Allocates specific development site in Thundersley.	Typology sites reflect the future site allocations in Thundersley. This has been considered in **Chapter 4** and tested in **Chapter 6**.
Thun4	Green Space Connectivity in Thundersley			
Thun5	Coalescence of Thundersley and Benfleet			
Daws Heath				
DH1	Green Space Connectivity in Daws Heath			
DH2	Coalescence of Settlements – Daws Heath			
Providing the Right Types of New Homes				
Hou1	Preventing the Loss of Housing			
Hou2	Securing More Affordable Housing		New residential development resulting in 10 or more net additional homes (or 0.5 has or	This policy is likely to have a key impact in viability terms. This full policy cost has been considered in **Chapter 5** and tested in **Chapter 6**.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			more) will be required to deliver affordable housing at the following area rates: a. 10% of homes will be affordable home ownership, rounded up. b. A further 10% of homes on urban brownfield sites that do not have commercial uses on the ground floor will be for social rent. c. A further 20% of homes on urban greenfield sites will be for social rent. All Greenbelt/Greybelt land will provide 50% of homes as affordable housing, including half for social rent and half for affordable home ownership.	
Hou3	Housing Type and Mix		Residential developments are expected to meet housing need based on a policy prescribed housing mix.	Typologies have been tested to reflect the local policy on mix/type/size of units. This has been considered in **Chapter 4** and tested in **Chapter 6**.
Hou4	Specialist Housing Requirements		Development provision should be made for the needs of the older persons through provision of specialist housing. New housing will deliver homes in accordance with the following accessibility standards: a. 100% of all new homes built to standard M4(2); and b. 10% of all new homes built to standard M4(3). A condition will be attached to the grant of permission to secure dwellings for self and custom build housing where there is an identified need as set out by the Council's Self and Custom Build Register.	This policy is likely to have a key impact in viability terms. This full policy cost has been considered in **Chapter 5** and tested in **Chapter 6**. Owing to evidence from elsewhere, any requirements for Self and Custom Build Register are considered to have a de minimis impact on viability, so this is not factored into the testing.
Hou5	Park Homes			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
Hou6	Gypsy and Traveller Provision			
Supporting Employment and Tourism				
E1	Development on Strategic Employment Land			
E2	Development of New Employment Floorspace in and around Town Centres			
E3	Development of Local Skills		Major developments will be required to demonstrate how local training and employment opportunities will be delivered during the construction phase; S106 Agreement for any major development contributions towards education, skills and economic development programmes that ensure that end users (businesses and residents) have access to initiatives that support productivity; and support the development of post 16 education and skills training infrastructure.	Typologies have been tested to allow for planning obligations based on typical S106 payments and/or the IDP supporting the Castle Point Plan. This has been considered in **Chapter 5** and tested in **Chapter 6**.
E4	Culture and Tourism			
Supporting Local Retail Services				
TC1	Town Centres and Primary Shopping Areas		New E Class development proposals of 1,500+ sqm will be required to produce an impact assessment.	E-class typologies have been tested to allow for professional fees that will incorporate this requirement. This has been considered in **Chapter 5** and tested in **Chapter 6**.
TC2	Local Shopping Parades			
TC3	Retail Parks and Out of Centre Locations		New E Class development proposals of 1,500+ sqm will be required to produce an impact assessment.	E-class typologies have been tested to allow for professional fees that will incorporate this requirement. This has been considered in **Chapter 5** and tested in **Chapter 6**.
TC4	Protecting Local shops			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
TC5	Hot Food Takeaways and Fast-Food Outlets		A Health Impact Assessment of the proposal is required and mitigation on health measures identified. Development that will create trips associated with deliveries of hot food should include a Travel Plan.	Retail typologies have been tested to allow for professional fees that will incorporate this requirement. This has been considered in **Chapter 5** and tested in **Chapter 6**.
Achieving Well Designed places				
D1	Design Objectives			
D2	Design on Larger Sites and within Premium Sustainability Areas		Higher densities and greater mixes of use will be sought in areas with premium sustainability, defined as: a. Sites within 800m of a town centre or railway station; and b. Sites within 400m of a bus stop.	Typologies have been tested to reflect the local policy densities. This has been considered in **Chapter 4** and tested in **Chapter 6**.
D3	Master Planning			
D4	Landscaping			
D5	Advertisements			
D6	Residential Annexes			
D7	The Appearance of Town Centre Business Premises			
D8	Public Art			
D9	Conserving and Enhancing the Historic Environment			
Protecting our Green Belt				
GB1	Development affecting the Green Belt			
GB2	Previously Developed Land in the Green Belt		Establishes the principles for proposed development in the Green Belt, including dwellings being limited to 2.5 storey in height.	Typology sites reflect the future site allocations within the Green Belt. This has been considered in **Chapter 4** and tested in **Chapter 6**.
Protecting our Biodiversity and Landscape				
ENV1	Protecting and Enhancing the Landscape and Landscape Features			
ENV2	Coastal & Riverside Strategy			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
ENV3	Securing Nature Recovery and Biodiversity Net Gain		Sets requirement for RAMS payment currently at £163.86 for 2024/25 for every net new dwelling– will inflate with RPI in April. Requires BNG net gain at the following rates by type of site: • Brownfield sites at 10% BNG; and • Greenfield sites at 20% BNG. Additionally, this policy also sets a requirement for an urban greening factor score of 0.3 in line with the model Urban Greening Factor for England for: • all major commercial development proposals; and • 0.4 for all major residential development proposals.	RAMS payments are included in the policy testing. The BNG requirements are considered based on the Government's impact assessment and a BNG viability report commissioned by ECC[29]. A Viability Study Addendum Report (GLA, 2018, p12)[30] assessed the potential costs of the new UGF London Plan policy requiring a residential target score of 0.4 and noted that any cost impact was marginal because most urban greening types are already typical in developments, and it is expected that developments would apply other types only if there is a commercial case for doing so. As such, typologies have been tested to allow for external site costs that will incorporate this requirement. All these costs have been considered in **Chapter 5** and tested in **Chapter 6**.
ENV4	Local Wildlife and Geological Sites			
ENV5	Design Features that Encourage Biodiversity			
ENV6	Best and Most Versatile Agricultural Land			
Providing the Infrastructure Required to Support Growth				
Infra1	Community Facilities		To allow communities to meet their daily needs, infrastructure projects identified in the IDP will be supported. To secure improvements to community facilities.	Typologies have been tested to allow for planning obligations based on typical S106 payments and/or the IDP supporting the Castle Point Plan. Consideration has also been given to the "Essex

[29] Viability Assessment of Biodiversity Net Gain in Essex, Final Report, Essex County Council and Essex Local Nature Partnership.
[30] Greater London Authority London Plan Viability Study Addendum Report, November 2018, Three Dragons, Turner & Townsend and Housing Futures Ltd

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			Conditions and/or S106 Agreements will be used.	County Council Developers' Guide to Infrastructure Contributions (Revised 2024)" to determine the level of contributions likely to be sought. Producing a HIA is a factor that is tested within the professional fee assumption on major developments. These costs have been considered in **Chapter 5** and tested in **Chapter 6**.
Infra2	Education, Skills and Learning		Where a development increases demand for education, health and social care facilities beyond those available within the local area, development will be required to make proportionate contributions to support capacity improvements to these services' infrastructure. Health Impact Assessment (HIA) will be required on all development sites delivering: i. 50 or more dwellings; ii. all development in Use Class C2; iii. all non-residential developments delivering 1,000+ sqm GIA.	
Infra3	Improving Health and Wellbeing			
Infra4	Open Spaces		New open spaces will be required in large developments, where there is a deficiency (by quantity or access) of open space types, or where the implementation of the development itself will lead to a deficiency.	Any cost impact is considered marginal because such standards are already typical in developments. As such, typologies have been tested to allow for external site costs that will incorporate this policy's requirement. This has been considered in **Chapter 5** and tested in **Chapter 6**
Infra5	Sports Provision		Where appropriate, developer contributions will be sought including the provision of land to enable the delivery of additional leisure and sport facilities.	Typologies have been tested to allow for planning obligations based on typical S106 payments and/or the IDP supporting the Castle Point Plan. This has been considered in **Chapter 5** and tested in **Chapter 6.**
Infra6	Communications Infrastructure			
Promoting Sustainable Transport				
T1	Transport Strategy			
T2	Highway Improvements		Where necessary, development must deliver highway projects necessary to accommodate the growth arising from this plan.	Typologies have been tested to allow for planning obligations based on typical s106 payments and/or the IDP supporting the Castle Point Plan. This has been considered in **Chapter 5** and tested in **Chapter 6.**
T3	Active Travel Improvements			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
T4	Improvements to Public Transport infrastructure and Services			
T5	Highway Impact		Developers will be required to prepare a Transport Assessment or Transport Statement, and a Travel Plan, having regard to the guidance on thresholds published by the Highway Authority. Where necessary, development must deliver Highway mitigation works necessary to accommodate the growth arising from this plan.	Typologies have been tested to allow for technical studies under professional fees allowances, and planning obligations based on typical s106 payments and/or the IDP supporting the Castle Point Plan. This has been considered in **Chapter 5** and tested in **Chapter 6.**
T6	Safe Access		Where it is not possible to generate access to public transport services within 400m of the site a contribution will be sought to improving access to existing public transport services or residential travel packs.	
T7	Parking Provision		All new development will be expected to have regard to the Essex Vehicle Parking Standards, and provide at least one dedicated electric vehicle charging point per 10 parking spaces provided.	Typologies have been tested to allow for external site costs that will incorporate this requirement. Also, the requirement for electric vehicle charging points (EVCP) in accordance with building regulations has already been factored in the build costs under external costs.
T8	Access for Servicing			
Sustainable Development				
SD1	Tidal Flood Risk Management			
SD2	Non-Tidal Flood Risk Management		SuDS should be incorporated into the landscaping proposals for development schemes.	SuDS is increasingly applied in developments, and can be achieved through design. As such, its impact has been considered within the typologies through external site costs.
SD3	Sustainable Drainage Systems (SuDS)		All major development will be required to submit a drainage strategy for flood risk management; and mitigation measures should	

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			be satisfactorily integrated into the development.	
SD4	Net Zero Carbon Development (in Operation)		All new development should seek to minimise its impact on climate change as the United Kingdom pursues a Net Zero future, and sets the standards to achieve this. All new buildings must be designed and built to be Net Zero Carbon in operation. All development proposals must demonstrate the measures taken to minimise embodied carbon.	These policies is likely to have a key impact in viability terms, which is covered in the draft Essex Embodied Carbon Policy - Study technical evidence, June 2024. These full policy cost have been considered in **Chapter 5** and tested in **Chapter 6**.
SD5	Net Zero Carbon Development (Embodied Carbon)		All large scale new-developments, including 100+ dwellings and/or 5,000 sqm of commercial space floorspace must submit a Whole Life-Cycle Carbon Assessment that demonstrates the policy specified building targets for reducing embodied carbon have been met.	
SD6	Pollution Control		All major development proposals must be accompanied by a Construction Environment Management Plan regarding pollution prevention guidance. Under exceptionally, measures may be secured to control pollution and/or disturbance necessary to make the impacts of development acceptable.	Typologies have been tested to allow for technical studies under professional fees allowances, and planning obligations based on typical s106 payments and/or the IDP supporting the Castle Point Plan. This has been considered in **Chapter 5** and tested in **Chapter 6.**
SD7	Development on Contaminated Land		Where appropriate, development proposals on land classified as contaminated, potentially contaminated, or suspected as being contaminated, should be supported by a	This is standard practice within brownfield developments, and typologies have been tested to allow for technical studies under professional fees allowances. Should mitigations be required, then is will normally be met through adjusting land values to

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			desktop environment study, and (if necessary) an intrusive site investigation. Where a site is contaminated, the Council will only permit development where it is satisfied that land is capable of remediation and is fit for the proposed use.	compensate for the additional costs. This has been considered in **Chapter 5** and tested in **Chapter 6.**
SD8	Development near Hazardous Uses			
SD9	Water Supply and Waste Water		Residential development should meet the water efficiency requirements of 90 litres per person per day (lpppd), but where this is not feasible, this should be limited to 100 lpppd as set out in part G2 and Regulation 36(2)(b) of the Building Regulations. New developments should incorporate rainwater harvesting and grey water technologies for non-potable water uses on site. Non-residential development should achieve full credits for Wat 01 of BREEAM.	Viability testing includes an uplift in build costs to account for achieving Net Zero Homes, and water efficiency cost are considered de minimis in this regard. The BREEAM 'Excellent' cost uplift on commercial developments is known to include additional costs so it is assumed to have a notable viability impact. This has been considered in **Chapter 5** and tested in **Chapter 6**.

4 Viability Testing Typology Assumptions

Introduction

4.1 It is not possible to get a perfect fit between a site, the site profile and cost/revenue categories for every site likely to come forward within Castle Point borough. Therefore, viability testing of the Castle Point Plan can utilise typologies (hypothetical developments) to reflect a range of sites that the Castle Point Plan is expecting to come forward to help meet its targets and ambitions, as noted in the national guidance PPG for viability:

"Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence".[31]

4.2 This is because typologies reflect hypothetical characteristics of known development sites, which allows the study to deal efficiently with the extremely high level of detail that would otherwise be generated by an attempt to viability test every likely site. This approach to testing typologies is also acknowledged in the Harman Report, which states:

"No assessment could realistically provide this level of detail…rather, [the role of the typologies testing] is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan."[32]

4.3 In the viability testing, as noted in the PPG on viability, the typologies should reflect sites based on:

"…shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development."[33]

4.4 The objective of this chapter is to formulate a list of typologies that broadly represent potential site allocations within the emerging Castle Point Plan. This includes a series of assumptions about site types (e.g, Brownfield/Greenfield/Green Belt/Grey Belt), site coverage and built floorspace mix, which will generate an overall sales turnover, benchmark land value and policy requirement, which are discussed in the this and the following chapters.

Development Typologies

4.5 To identify suitable site specific typologies, the emerging Castle Point Plan potential site allocations have been considered. In summary, these sites have the following site characteristics:

- 44.4% of sites and 36.2% of potential housing delivery are located within Canvey Island;
- 22.2% of sites and 14.6% of potential housing delivery are located within Mainland East, covering Hadleigh and Daws Heath;

[31] Ibid para: 003
[32] Local Housing Delivery Group (2012), op cit (para 15).
[33] PPG Viability, Paragraph: 004

- 33.3% of sites and 49.2% of potential housing delivery are located within Mainland West & Central, covering Thundersley and Benfleet;
- 83% of sites have coverage of less than one hectare;
- Two-thirds of sites are expected to achieve densities of 100 or more dwellings per hectare;
- Based on densities, 60% of sites are identified as flatted developments, and 86% of the flatted developments are proposed with active, typically ground floor, commercial uses; and
- 43% of potential allocation sites are owned by either Castle Point Borough Council or Essex County Council.

4.6 Additionally, there may be Green Belt/Grey Belt sites that potentially could come forward (as reflected in Policy GB2 – Previously Developed Land in the Green Belt), although the details of such potential sites are currently unknown. Under Policy Hou2 Affordable Housing, if such sites come forward they would be subject to higher affordable housing requirements, in line with the NPPF 'Golden Rules'. Therefore, large Green Belt/Grey Belt typologies have been considered in terms of the viability implications of this element of Policy Hou2.

4.7 There will also be smaller windfall sites, normally with fewer than 5 houses or 10 flats expected to come forward over the emerging Castle Point Plan period, so some small sites will be tested.

Densities and Storey Height

4.8 Densities will have an important impact on viability, since the more units (or rather floorspace) that can be sold relative to the site area, the more income that is likely to be generated, which significantly affects viability. Consequently, the site typologies have been identified to reflect typical developments based on the densities that the Council has identified for the potential allocation sites, as noted earlier in **Table 3.1** Policy SP2 - Making Effective Use of Urban Land and Creating Sustainable Places, along with some typical standards for smaller windfall sites. However, there is an ongoing study considering the suitability of the identified densities relating to this policy, so the required densities may change as the emerging Castle Point Plan evolves. For now, the identified densities in the policy has informed the site typologies.

4.9 Storey heights also impact viability due to the greater per square metre build costs due to sites with higher densities of dwellings being stacked into flatted blocks, the need for shared circulation spaces and cores, stairs and lifts, plus the likelihood of deeper foundations. There will also be additional costs for tall buildings (HRBs[34]) considered a higher risk, which is defined as being over 18 metre tall and/or over six storey, which is subject to greater building regulations compliance following the emergence of the new Building Safety Act that took effect from April 2024. However, the typical site plans for developments in Castle Point are unlikely to require developments of HRBs and, anecdotally, developers are avoiding building at these heights due to the impacts of the additional costs related to HRBs.

[34] This provides a new framework for the design, construction and occupation of high-risk residential buildings (HRB), defined as those having at least 18 metres or 7 storey in height and comprise of at least two domestic premises. This will typically apply to high-rise apartment blocks and student accommodation, but hotels are not currently included in scope of the new controls.

4.10 The assumptions for the likely densities based on the emerging Castle Point Plan Policy SP2 – 'Making Effective Use of Urban Land and Creating Sustainable Places' vis-a-vis likely storey heights have informed the typologies of sites to be tested.

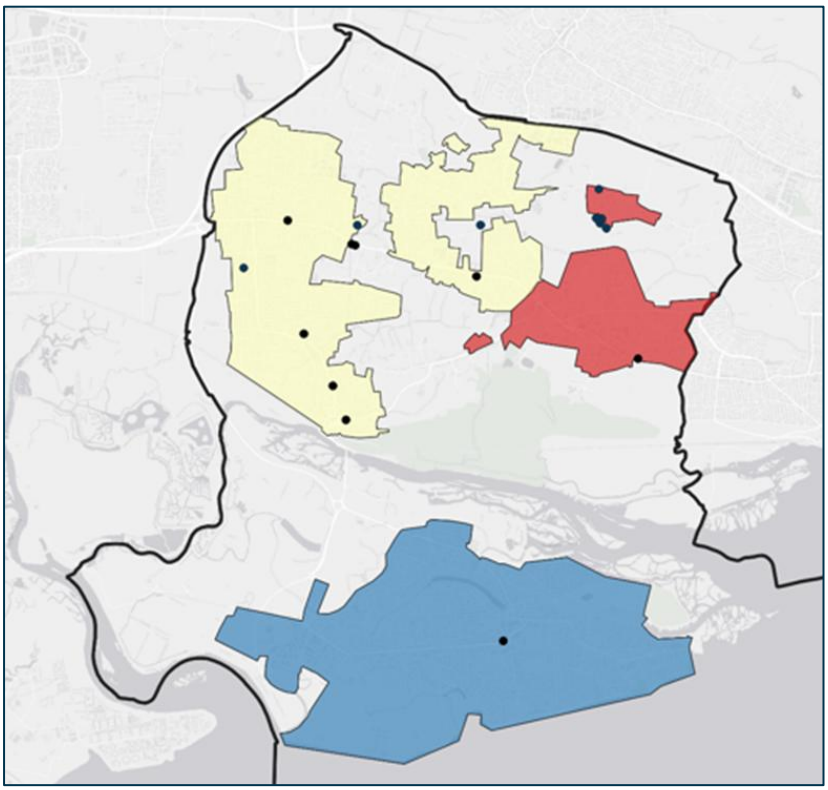
Value Zones

4.11 Residential sales values will differ across Castle Point, and these differences are likely to affect site viability. Sales values may also significantly differ between neighbouring streets due to factors such as being on a main road or next to a park or a well performing school, but this level of granular differences is hard to account for within this high level study.

4.12 So instead, average residential sales prices for the three main settlements within Castle Point, as shown in **Figure 4.1** below, where values are notably different, have been obtained. This is to generate appropriate values in the viability testing. As discussed in **Chapter 2**, such an approach is consistent with the PPG Viability.

4.13 The three distinct settlement areas for values, which are discussed further in **Chapter 5**, are Canvey Island, Mainland West and Mainland East & Central.

Figure 4.1 Settlement boundaries in Castle Point.



Source: QGIS, Google, Castle Point Council, Land Registry, EPC, Urbà

Site Typologies

4.14 Based on the characteristics of development sites in the emerging Castle Point Plan, along with the value areas in which they are located, the site typologies to test emerging policies against are shown in **Table 4.1**. This is a slight variation to the site typologies that were discussed with Council officers and at a developer workshop to check their suitability, which led to some changes being made to reflect the feedback and the most recent list of potential site allocations and likely windfall sites, which include typologies for Grey Belt sites within the Green Belt.

4.15 Some typologies include the letters 'PSA', which relate to potential allocation sites that have been identified within 'Premium Sustainability Areas' (PSAs), which tend to be high density and have commercial uses assigned to them.

4.16 The value areas in **Figure 4.1** may have different 'types' of development and therefore **Table 4.1** includes the typologies considered likely in each value area as separate sections.

Table 4.1 Tested site typologies

#	Typology by value area	Land type	Site size (ha)		Development details		
			Gross area	Net area	Dph	No. of storey	Commercial flsp (sqm)
Canvey Island Value Area							
1	7 Mixed	Brownfield	0.11	0.11	65	1-2	
2	12 Mixed	Brownfield	0.18	0.18	65	1-2	
3	30 Mixed	Brownfield	0.46	0.46	65	1-2	
4	30 Mixed (PSA)	Brownfield	0.30	0.30	100	3-5	366
5	150 Mixed	Brownfield	2.88	2.31	65	1-2	
6	150 Mixed (PSA)	Brownfield	1.88	1.50	100	3-5	1,830
7	12 Flats (PSA)	Brownfield	0.10	0.10	125	3-5	146
8	30 Flats (PSA)	Brownfield	0.24	0.24	125	3-5	366
9	50 Flats (PSA)	Brownfield	0.40	0.40	125	3-5	610
10	200 Flats (PSA)	Brownfield	2.00	1.60	125	3-5	2,440
11	7 Houses	Greenfield	0.11	0.11	65	1-2	
12	12 Mixed	Greenfield	0.18	0.18	65	1-2	
13	50 Houses	Green Belt	1.38	1.25	40	1-2	
14	200 Houses	Green Belt	6.25	5.00	40	1-2	
15	400 houses	Green Belt	13.33	10.00	40	1-2	
Mainland East Value Area							
16	7 Mixed	Brownfield	0.11	0.11	65	1-2	
17	12 Mixed	Brownfield	0.18	0.18	65	1-2	
18	80 Mixed	Brownfield	1.43	1.14	70	1-2	
19	12 Flats	Brownfield	0.10	0.10	125	3-5	
20	40 Flats (PSA)	Brownfield	0.27	0.27	150	3-5	488
21	75 Flats (PSA)	Brownfield	0.50	0.50	150	3-5	915
22	7 Houses	Greenfield	0.11	0.11	65	1-2	
23	12 Mixed	Greenfield	0.18	0.18	65	1-2	
24	50 Houses	Greenfield	1.38	1.25	40	1-2	
25	50 Houses	Green Belt	1.38	1.25	40	1-2	
26	200 Houses	Green Belt	6.25	5.00	40	1-2	
27	400 houses	Green Belt	13.33	10.00	40	1-2	
Mainland West & Central Value Area							
28	7 Mixed	Brownfield	0.10	0.10	70	1-2	
29	12 Mixed	Brownfield	0.17	0.17	70	1-2	
30	30 Mixed	Brownfield	0.43	0.43	70	1-2	
31	30 Flats (PSA)	Brownfield	0.20	0.20	150	3-5	366
32	50 Flats (PSA)	Brownfield	0.30	0.33	150	3-5	610
33	80 Flats (PSA)	Brownfield	0.64	0.64	125	3-5	976
34	300 Flats (PSA)	Brownfield	3.43	2.40	125	3-5	3,660
35	7 Houses	Greenfield	0.10	0.10	70	1-2	
36	12 Mixed	Greenfield	0.17	0.17	70	1-2	
37	50 Houses	Green Belt	1.38	1.25	40	1-2	
38	200 Houses	Green Belt	6.25	5.00	40	1-2	
39	400 houses	Green Belt	13.33	10.00	40	1-2	

Site Mix

4.17 The type of units has an important impact on the viability of a site because of the differences between dwellings by number of bedrooms and space sizes, which affects costs, values and development phasing. The assumed dwelling mixes to be tested within the site typologies have been informed by the supporting information to the emerging Castle Point Plan Policy Hou3 Housing Type and Mix. This is replicated in **Table 4.2** below.

4.18 The emerging Castle Point Plan also defines some allocations as being within 'Premium Sustainability Areas' (PSAs) that have higher densities. The typologies that are considered to reflect the PSA potential allocations are shown in **Table 4.21**. For these sites, a different mix of property types is assumed to reflect their higher densities. These are also shown in the below table.

Table 4.2 Recommended dwelling mixes

Unit type	PSA market dwellings	PSA affordable dwellings	Market dwellings	Affordable dwellings
1-bed	15%	40%	0%	10%
2-beds	60%	40%	35%	35%
3-beds	25%	20%	45%	40%
4+-beds	0%	0%	20%	15%

Source: Draft Local Castle Point Plan

4.19 The mix in **Table 4.2** covers the whole of the Castle Point borough, and because individual sites will differ in scale and provide just flats or houses, the mix may differ within specific sites.[35] Therefore, for testing in this assessment, the recommended mixes are split into specific proportions to best fit the different site typologies, as summarised in **Table 4.5**.

Table 4.5 Tested dwelling mix

Tenure	Site type	1-bed flat	2-bed flat	3-bed flat	2-bed house	3-bed house	4+ bed house
Market	Housing only				35.00%	45.00%	20.00%
	Mixed sites with flats and houses		17.50%	2.25%	17.50%	42.75%	20.00%
	Mixed sites with flats and houses (PSA)	15.00%	30.00%	2.50%	30.00%	22.50%	0.00%
	Flats only		88.60%	11.40%			
	Flats (PSA)	31.50%	63.20%	5.30%			
Affordable	Housing only				45.00%	40.00%	15.00%
	Mixed sites with flats and houses	10.00%	17.50%	2.00%	17.50%	38.00%	15.00%
	Mixed sites with flats and houses (PSA)	40.00%	20.00%	2.00%	20.00%	18.00%	0.00%
	Flats only	33.90%	59.30%	6.80%			
	Flats (PSA)	64.50%	32.30%	3.20%			

[35] For example, flatted development often include a greater delivery of one and two bed properties as opposed to three and four bed units. For houses, there will likely be no one bed dwellings.

Unit Sizes

4.20 The size of units has an important impact on the viability of a site, since the greater the floorspace more value can be generated.

4.21 In the testing, the residential units are assumed to be built to the average of the minimum National Space Standards (NSS)[36] overall sizes or above. The tested sizes are shown in **Table 4.4**. These sizes are appropriate because they closely match the floorspace records for recently sold new build houses in Castle Point borough, which have been obtained from EPC records[37] and matched to minimum National Space Standards. These sizes also broadly match the tested unit sizes in the s106 viability appraisals that have been reviewed.

Table 4.4 Tested size of dwellings by unit type

Type	Floorspace (sqm)
1-bed flat	45 NIA
2-bed flat	66 NIA
3-bed flat	85 NIA
2-bed house	75 GIA
3-bed house	96 GIA
4+ bed house	120 GIA

4.22 For flats, the net lettable areas (NIA) are used to determine the sales values, and the gross internal areas (GIA) are assumed to be larger for determining build costs. The GIA allows for additional circulation and shared space, such as foyers and stairwells, etc, within flats. The tested net to gross rates for flats are shown in **Table 4.5**, which are based on industry standards by size of development.

Table 4.5 Flat net to gross floorspace ratios

Flatted unit storey height	Net to gross area
1 to 2 storey	90%
3 to 5 storey	85%

4.23 The sizes of any identified commercial uses within typologies are based on the formula that is used by the Council in estimating the commercial floorspaces associated with the potential site allocations. The formula assumes 20% of the dwelling numbers within the site are multiplied by 61 sqm (the average size expected for commercial retail, office or workshop units). The tested total size of the commercial elements within the site typologies is shown in **Table 4.1**.

Older Person Residential Typologies

4.24 Older person accommodation within the C3 class use is being planned for in the emerging Castle Point Plan and therefore the policy requirements relating to them, which are the same for general houses, need to be viability tested against these specialist housing forms.

[36] See Technical housing standards – nationally described space standard, Table 1.

[37] EPC floorspaces is provided for flats, bungalows, terraced, semi-detached and detached properties, whereas the minimum NSS is provided for properties by their number of beds and habitants. Therefore, some pragmatism is required when comparing between the reported housing types sizes for a complete unit based on EPC records and the reported identified for the minimum NSS for a complete unit dwelling by beds and habitants.

Two types of older person and supported living accommodations are tested. These are defined in the PPG Housing for older and disabled people, as follows:

"Retirement living or sheltered housing: This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care: This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses."[38]

4.25 Such accommodation uses are likely to come forward within all areas, and therefore sales values may vary. The following typologies have been considered based partly on the development assumptions identified by the Retirement Housing Group (RHG) guidance[39]:

- Retirement accommodation with 55 flats on a gross site area of 0.5 ha (i.e., 110 dph). This is based on a net internal area of 50 sqm for each 1-bed retirement home and 75 sqm for each 2-bed retirement home. Since the split is assumed to be 50:50 between 1-bed and 2-bed apartments, a blended floorspace of 62.5 sqm NIA is assumed. When accounting for non-chargeable space of 25% this provides a blended GIA of 83.3sqm.
- Extra care accommodation with 45 dwellings on a gross site area of 0.5 ha (i.e., 90 dph). This is based on a net internal area of 65 sqm for each 1-bed retirement home and 80 sqm for each 2-bed retirement home. A 50:50 split between 1-bed and 2-bed apartments is assumed and therefore a blended floorspace of 72.5 sqm NIA is used. This equates to a GIA floorspace of 116 sqm when accounting for non-chargeable space of 37.5% as recommended in RHG Guidance.

4.26 Such accommodation types often have operational service charges to cover the normal ongoing costs. The service charges cover costs to upkeep communal facilities, including allowances for properties not yet sold that are not contributing towards shared facilities. Such service charges are treated solely as a business operational cost and are not a development return or cost that needs to be reflected in the viability assessments for planning purposes.

Other older person accommodation

4.27 It is worth noting that there will also be other forms of older person accommodation within the C3 Land Use Class that are built to the same standard as general market dwellings, albeit built to Accessibility Standards equivalent to M4(2), which are like lifetime homes. However, as identified in **Chapter 2**, this standard is expected to be a requirement for all open market dwellings going forward, and most new build have already come forward in meeting standards due to the aging nature of the population and purchasers.

[38] PPG Housing for older and disabled people, para 010.

[39] RHG (2016), 'Community Infrastructure Levy And Sheltered Housing/Extra care Developments A Briefing Note On Viability Prepared For Retirement Housing Group By Three Dragons Amended February 2016'

4.28 These forms of older person dwellings only really differ from standard C3 open market dwellings by setting restricting covenants for the occupier to be above a minimum age. While having a restrictive covenant relating to age may limit their revenue potential, this is considered unlikely because such accommodation tends to be very attractive to the older person market. Therefore, they are unlikely to incur any notable additional costs or values to a standard residential development, so they are treated no differently to other residential dwellings in viability terms.

5 Development Assumptions for the Viability Testing

Introduction

5.1 The viability testing of the typologies discussed in the previous chapter relies on using appropriate development assumptions. This chapter identifies these development assumptions by focussing on sales values, construction costs, emerging Castle Point Plan policy costs (as discussed in **Chapter 3**) and benchmark land value assumptions. These are all considered in turn.

Development Value Assumptions

Residential Open Market Values

5.2 **Chapter 4** provided an overview analysis of sales value areas based on recently achieved average sales values across all dwelling types. This section focusses on average new build sales values within the three sales value settlement areas.

5.3 For this, new build reported transactions between January 2020 and July 2024[40] have been obtained from the Land Registry. To remove the influence of market conditions at the time the properties were sold, the recorded sales values have been indexed using the Land Registry House Price Index (HPI) by unit type from the date each property transaction was sold to July 2024[41] values using the Land Registry House Price Index (HPI) by unit type.

5.4 To reduce other price point influences relating to the sizes of dwellings (i.e., larger properties will generally generate more value than smaller properties), we obtained floorspace data from the Energy Performance Certificate (EPC) for each reported Land Registry transaction, where this was possible, to derive a comparable per square metre value (£psm) for each sold property. This is to eliminate the impact of the type or size of sold house on average prices.

5.5 After excluding any non-market transactions and transactions lacking an identifiable EPC record with floorspace, this identified 5,240 properties that have been recorded as being sold in the Castle Point area between January 2020 and July 2024. Within this data, 145 were for new build transactions (2.8% of the total), comprising 94 new flats and 51 new houses. These new build transactions and derived indexed £psm values by settlement area are listed in **Appendix B** and summarised in **Table 5.1**.

Table 5.1 Average residential sales value psm by value area (sample size shown in parenthesis)

Settlement areas	Average price of flats		Average price of houses	
	Existing properties	New properties	Existing properties	New properties
Canvey Island	£3,523 (46)	£4,224 (3)	£3,888 (1,996)	-
Benfleet	£3,887 (235)	£4,236 (85)	£4,330 (2,593)	£4,374 (51)
Thundersley	£3,590 (21)	-	£4,283 (152)	-
Hadleigh	£3,795 (40)	£4,831 (6)	£4,806 (150)	-
Daws Heath	-	-	£4,461 (7)	-
Total	£3,814 (342)	£4,277 (94)	£4,185 (4,898)	£4,374 (51)

Source: Porter PE using Land Registry data and matching EPC records

[40] This was the latest date available for when the study data was collected.
[41] This was the latest index date available during the study data collection period.

5.6 As shown in **Table 5.1** there is a scarcity of new build transactions within Castle Point. To determine sales values for this assessment the new build figure tends to be the most appropriate, however, in areas where the sample is smaller the existing price has also been considered. The following have been used within the assessment, grouped by the value areas shown in **Chapter 4 Figure 4.1**:

- Canvey Island: £3,900 psm for houses and £4,250 for flats;
- Mainland East & Central: £4,800 psm for houses and £4,800 for flats; and
- Mainland West: £4,400 psm for houses and £4,300 for flats

5.7 The assumed average sales value for this site applied in the viability testing is shown in **Table 5.2** for general housing.

Table 5.2 Tested average residential sales value by value area

Value area	Flats £psm	Houses £psm
Canvey Island	£4,250	£3,900
Mainland East	£4,800	£4,800
Mainland West & Central	£4,300	£4,400

Source: Derived from Land Registry data and matching EPC records

Older Person Accommodation Sales Values

5.8 Retirement and Extra care properties will often have different sales values to general flatted housing. While the Land Registry will report these transactions, it does not distinguish them from general housing.

5.9 Therefore, a review of retirement properties on sites such as Rightmove was used, which identified one older person accommodation development being for sale, which is Clermont House located on Canvey Island. Two Retirement dwelling transactions in this development included floorspace data, which were 2-bed properties advertised at £270,000 (£4,749 psm) and £280,000 (£4,925 psm).

5.10 Since there are relatively few easily identifiable older person accommodation properties transactions or for sale, the search was widened to include newly built older person accommodation schemes during the past 20 years, which identified five Retirement dwelling schemes, shown in **Table 5.3**. In a similar approach to general housing, these transactions have been indexed from the time they took place to July 2024 prices. Records of these transactions are included in **Appendix C** and **Table 5.3** summarises the achieved £psm figures for each identified scheme.

Table 5.3 Summary of Retirement dwelling transactions

Scheme	Settlement	Year built	Transaction dates	No.	Indexed £psm
Aragon Court	Hadleigh	2006	Oct'05 to Jun'07	13	£5,969
Aston	Benfleet	2006	Jan'06 to Mar'07	15	£4,749
Brook Lodge	Benfleet	2016	Jul 16 to Apr'17	10	£5,017
Hamilton Court	Canvey Island	2010	Aug'10 to Aug'12	21	£4,340
Sandringham Court	Hadleigh	2005	Oct'04 to Dec'05	31	£5,188
Overall average					**£5,052**

Source: Land Registry and EPC Data

5.11 There were no extra care properties advertised at the time of reporting. Where there is a lack of suitable evidence, as is in this case, guidance is provided by the Retirement Housing

Group[42] that suggests that values for extra care properties are, on average, 25% higher than retirement properties, however extra care properties are also larger, so the difference at a psm rate is much less, typically being about 7% to 8% higher in the extra care dwellings.

5.12 Based on the review of retirement schemes from a mix of Land Registry records and the Clermont House scheme advertised on Rightmove, and RHG guidance for extra care properties, the tested average sales values older person accommodation by settlement value areas are shown in **Table 5.4**.

Table 5.4 Tested average older person sales value by value area

Value area	Retirement flats, £psm	Extra care flats, £psm
Canvey Island	£4,600[43]	£4,950
Mainland East	£5,600[44]	£6,000
Mainland West & Central	£4,900[45]	£5,300

Commerical Sales Values

5.13 Some potential site allocations include non-residential, typically ground floor active commercial uses within their allocation. Such commercial uses are typically likely to be either retail or office uses.

5.14 To establish the sales values for the typologies with commercial uses, data on rents and yields are required to capitalise the potential values. This information has been obtained from the following sources:

- CoStar – subscription database that records commercial transactions by agents;
- Published commercial property reports; and
- Commercial agents' websites.

5.15 But owing to the lack of recent new builds, most of the listed sales data and website searches are for resale properties within the Castle Point borough area, and new non-residential properties will often achieve a significant price premium over resale units, particularly when there are more efficient uses of energy or renewable energy supply. Also, due to the small sample data of transactions for some uses in the Castle Point borough area, it has been necessary to extend the search area to cover regional and national data, to obtain more robust sample sizes.

5.16 From the analysis of the non-residential commercial markets, which are discussed in detail in **Appendix D**, the tested sales values for non-residential units are derived from the figures shown in **Table 5.5**.

Table 5.5 Tested sales values (rent and yields)

Typology	Rent £psm	Yield
Town centre office with 85% net to gross floorspace	£237	8.0%
Express convenience retail with 100% net to gross	£230	6.0%
Town centre comparison retail with 100% net to gross	£248	10.0%

[42] A Briefing Note on Viability prepared for Retirement Housing Group By Three Dragons, May 2013, Amended February 2016
[43] Based on the average of 'Clermont House' and 'Hamilton Court'.
[44] Based on the average of 'Aragon Court' and 'Sandringham Court'.
[45] Based on the average of 'Aston' and 'Brook Lodge'.

5.17 From this review, the following blended rental rates and yield are tested on the commercial floorspace with an assumed 95% net to gross saleable area:

- Rent = £238 psm;
- Yield = 8.0%.

5.18 The capitalised values are discounted by a purchaser cost of 6.6% to cover stamp duty, and legal and surveyor fees. The yield is assumed to be inclusive of any rent-free period or voids.

Development Cost Assumptions

Build Costs

5.19 As noted in **Chapter 2**, PPG Viability lists one of the acceptable sources for cost information to be the Build Cost Information Service (BCIS), which is published by the Royal Institution of Chartered Surveyors (RICS). The costs in **Table 5.5** are derived from are taken from BCIS tender prices for new builds in the marketplace in the last 5 years, rebased to Castle Point prices at the 3rd quarter 2024 prices in line with the rebased sales values.

5.20 The build costs for the older person accommodation follow the RHG guide, which suggests the BCIS category 'supported housing (generally)' for retirement properties and extra care properties is appropriate.

5.21 For the commercial spaces within the tested typologies, and average is taken from the build costs for Town centre offices, Convenience retail – express and Comparison retail - town centre that are shown in **Table 5.6**.

5.22 The tested build costs data is shown in **Appendix E** and are summarised in **Table 5.6**.

Table 5.6 Tested residential build costs rebased to Castle Point prices at 3Q 2024

Type	Builder type	£psm	Source
Houses	Medium housebuilder (4 to 49 units)	£1,696	BCIS median average for 810.1 Estate housing (generally). Data based on the last 5 years
	Large housebuilder (50+ units)	£1,453	BCIS lower quartile average for 810.1 Estate housing (generally). Data based on the last 5 years
Flats	Flats 1-2 storeys	£1,741	BCIS median average for 816 Flats (1-2 storey). Data based on the last 5 years
	Flats 3-5 storeys	£1,841	BCIS median average for 816 Flats (3-5 storey). Data based on the last 5 years
Older person accommodation	Retirement flats	£1,916	BCIS median average for 843. Supported housing (Generally) Data based on the last 5 years
	Extra care flats	£1,916	
Commercial space (average = £1,863)	Town centre offices	£2,175	BCIS median average for 320. Offices Generally
	Convenience retail - express	£1,811	BCIS median average for 344. Hypermarkets, supermarkets Up to 1000m2
	Comparison retail - town centre	£1,602	BCIS median average for 345. Shops Generally

Source: Derived from BCIS

Extra-Over Build Costs

Updated Building Regulations

5.23 The BCIS costs for new houses may not yet be capturing the full cost of the recently introduced changes in Building Regulations Parts L, F and O (BR 2021), which are now

mandatory for all new builds. A survey by BCIS[46] costs the impact of meeting Part L, Part F and Part O as being equal to an additional 3.9%[47] of BCIS build costs. Also, a study for Essex Climate Action Commission[48] in August 2022 identified specific average costs of meeting the changes in Building Regulations 2021 to be £3,000 per house and £1,900 per flat. This additional cost has therefore been included in the viability testing as an extra-over cost to the BCIS costs shown in **Table 5.6**.

Electric vehicle charging points (EVCP)

5.24 From 2022, the changes in Building Regulations Approved Document S make it mandatory for new homes (and other new buildings such as supermarkets and workplaces, and those undergoing large-scale renovation) to have electric vehicle charging points (EVCP) installed. The government's research[49] identifies the impact of EVCP will be £976 per unit. Therefore, a cost of £1,000 per plot is applied to all houses and half of the flats within each typology to allow for EVCPs.

Garages

5.25 It is unknown how many separate garages are likely to be provided on-site partly because the City Council has stated that it will not specify garages instead of parking space to be provided. Therefore, for this viability assessment, the additional costs for garages have been limited to open market houses with 3 bedrooms, based on the proportion of semi-detached and detached homes in England with a garage that has been ascertained by the RAC[50]:

- 3-bed houses: 49%; and
- 4+ bed houses: 86%.

5.26 The additional cost of a garage is based on 20 sqm and a typical cost of £600 psm, which sums to £12,000 per garage.

Externals

5.27 The BCIS build costs do not include the costs associated with the site curtilage of the built areas. Such items include garden spaces (incorporating urban greening) and landscaping costs (including trees and hedges, and soft and hard landscaping), connections for drainage and utilities with the site infrastructure, and contributions to the estate access roads. The typical industry rate for these externals costs is 10% to 15% of build costs depending on whether a separate (i.e., not integrated[51]) garage is included.

5.28 Since the costs of garages are treated separately, the externals costs for new build houses are limited to 10% of build costs. For flatted developments, it is typical that the amount of expenditure on external costs as a proportion of the main build costs reduces.

5.29 Based on this information, the allowances for externals in this assessment are set out as follows:

[46] BCIS (2023) Housebuilding inflation eases but pressures continue to mount on the housing sector published 19/09/2023 and accessible via https://bcis.co.uk/news/private-housing-construction-price-index/#:~:text=Cost%20impact%20of%20updated%20Building,4.3%25%20as%20reported%20in%202Q2022.

[47] Made up of 2.8% to meet Part L; 0.4% to meet Part F and 0.7% to meet Part O.

[48] See Figure 10.8 in Report for Essex Climate Action Commission, NET ZERO CARBON VIABILITY AND TOOLKIT STUDY, Report of findings August 2022

[49] DfT, Residential charging infrastructure provision, 24th September 2021.

[50] These estimates are taken from an RAC study findings.

[51] BCIS include dwellings with integrated garages within their published average tender price cost information.

- Houses: 10% of build costs;
- Flats (1-2 storey): 10% of build costs;
- Flats (3-5 storey): 7.5% of build costs; and
- Older person units: 10% of build costs.

Site Works

5.30 Depending on the land type and size of the sites, there may be additional costs in preparing a site for delivering housing plots. This may form different components including meeting a mandatory requirement for 10% Bio-diversity Net Gain (BNG), and opening costs depending on land type.

Bio-diversity Net Gain

5.31 The Government's Environmental Act requires all major developments from February 2024 and all minor developments from April 2024 (with a few exceptions) to deliver a 10% net increase in biodiversity, which would have to be managed for at least 30 years. The Government estimates that this will impact direct development costs, which we apply in the emerging Castle Point Plan testing. The estimates of costs are based on a Government Impact Assessment[52] for Scenario 3, off-site bio-diversity credits (the most expensive of three tested scenarios).

- Greenfield: £997 per dwelling; and
- Brownfield: £450 per dwelling.

5.32 A more recent study for BNG costs in Essex[53] identified the average costs to be similar across four tested Greenfield sites and much lower than this on three tested Brownfield sites. This assumed that each biodiversity unit costs £25,000 based on information from ECC and supported by a review of published literature, although some habitats may significantly exceed this. From our review of this work the average estimates of costs are:

- Greenfield: £997 per dwelling; and
- Brownfield: £182 per dwelling.

5.33 Also, we are mindful to consider the feedback from the developer workshop that implied that BNG was problematic in terms of delivery on Brownfield sites. So, in consideration of the feedback and the evidence available, the following rates are included in the tested development cost assumptions.

- Greenfield: £1,000 per dwelling; and
- Brownfield: £450 per dwelling.

Brownfield site costs

5.34 As discussed in **Chapter 4**, many of the future site allocations are brownfield sites and developing brownfield sites delivers different risks in opening costs, such as site demolition of existing buildings and remediation, which can vary significantly in associated costs depending on the site's specific characteristics.

[52] DEFRA (2019) 'Biodiversity net gain and local nature recovery strategies: impact assessment' accessed online https://www.gov.uk/government/consultations/biodiversity-net-gain-updating-planning-requirements

[53] Source: SQW, Viability Assessment of Biodiversity Net Gain in Essex, for Essex County Council and Essex Local Nature Partnership, 2024

5.35 Where remediation and demolition costs to clean the site for reuse will be required in some cases, by default this is excluded from the benchmark land value and included as an additional cost. Since it will not be possible to know at this stage what such costs may be required for individual sites, a high-level ready reckoner for demolition and land remediation costs is sourced from a Homes England (formerly the HCA) study[54], with allowances for cost inflation.[55]

5.36 The tested cost rate is shown on a per developable hectare basis in **Table 5.7** below.

Greenfield site opening costs

5.37 Unlike Brownfield sites, where the necessary strategic infrastructure is normally in place from their existing or previous uses, larger Greenfield sites usually incur additional opening costs beyond standard externals for bringing such site specific infrastructure to the site. This normally includes strategic utilities, opening of road junctions for entrance to the site, and on very large sites it may be necessary to build a central spine road that is not covered by 'externals' and links the access roads through the developable area that is covered by external costs.

5.38 Such opening requirements on smaller schemes are normally minor and absorbed within the standard allowances for 'externals'. Therefore, for Greenfield sites with less than 50 units, it is assumed that there would be no requirement for opening costs to be additional to plot externals and professional fees.

5.39 On the larger greenfield typology sites with 50 or more dwellings, a cost per unit is added to cover strategic infrastructure costs, as shown in **Table 5.7**.[56] These average costs are high level valuation estimates based on information about strategic site opening costs in the Harman Report, plus additional information from HBF member developers collated by Savills about other CIL examinations around the country[57], and from other experiences in dealing with greenfield site masterplan viabilities and Section 106 assessments.

Table 5.7 Tested site costs

No. of units per scheme	Cost
Brownfield sites - all	£500,000 per net ha
Greenfield sites with 50 to 199 dwellings	£7,500 per dwelling
Greenfield sites with 200 to 499 dwellings	£15,000 per dwelling
Greenfield sites with 500 to 2,999 dwellings	£20,000 per dwelling
Greenfield sites with 3,000+ dwellings	£25,000 per dwelling

5.40 Should the actual site opening or remediation costs be higher than this, this will need to be reflected in a reduced land value, as reflected in PPG Viability and discussed in **Chapter 2**.

[54] HCA Guidance on dereliction, demolition and remediation costs (2015).
[55] It will be important to recognise in the viability results, conclusions and recommendations that the testing of brownfield site typologies include no allowances for CIL exemptions or vacant building credit that may apply to vacant but unabandoned existing buildings.
[56] Note that some strategic infrastructure like highway improvements, may already be paid for separately through S106/278 charges.
[57] Provides a summary table from 26 CIL examinations, which identified Scheme Enabling & Abnormals cost per unit for tested urban extensions at different sizes. The evidence was submitted to the South Somerset CIL Examination. It is important to exclude costs relating to s106 when analysing the data to provide comparable estimates of site opening costs.

Contingency

5.41 As discussed in **Chapter 2**, the purpose of testing a typology of sites for plan making policy assessments is based on using average values and cost estimates for a typology of sites. This is not site specific, and the 'outturn' values and costs within site specific developments could be lower as much as they are higher than this assumed for the typologies.

5.42 Therefore, no contingencies are included in the viability testing assessments for generic typologies.

Professional Fees

5.43 This input incorporates all professional fees associated with the development, including fees for planning, designs, surveying, project managing, etc. Professional fees will typically range between 6% to 12% of build costs, depending on the complexity of sites and scheme costs, although for standard residential developments, it is rarely above 8% of build costs, and much lower on very large sites due to the fixed nature of such fee costs.

5.44 An allowance of 8% of residential units' build cost plus all extra-over costs (i.e. Externals and site costs).

Sales Fees

5.45 The Gross Development Value (GDV) from open market sales will incur sales costs relating to the agents, marketing and legal fees in disposing of the completed residential units. The industry standard accepted scales are applied, which are:

- Open market dwelling at 2% of the and commercial space GDV;
- Commercial space at 2% of the non-residential GDV;
- Older person accommodation, which according to the RHG Viability Guidance has a higher marketing and sales fee rate at 6% of GDV; and
- Affordable units, which are transferred to a Registered Provider, there are no sales fees but there will be a legal fee cost, which typically is about £600 per dwelling.

Land Purchase Costs

5.46 The acquisition of land in the development process will typically incur surveying and legal costs to a developer. The industry standard and tested land purchase cost assumptions are shown in **Table 5.8**. Also, a Stamp Duty Land Tax (SDLT) is payable by a developer when acquiring development land, which is applied to the site (residual) land value at the HM Customs & Revenue scaled rates.

Table 5.8 Tested land purchase costs

Land purchase costs	Rate	Unit
Surveyor's fees	1.00%	land value
Legal fees	0.75%	land value
Stamp Duty Land Tax	HMRC rate	land value

Community Infrastructure Levy

5.47 The Castle Point Community Infrastructure Levy (CIL) came into effect in May 2023. The current CIL rates, which are shown on the Council's website[58] and have been indexed to 2024 values, are:

5.48 For developments on the mainland (Benfleet, Thundersley and Hadleigh)

- Houses: £268.31 per CIL liable sqm;
- Flats: £96.59 per CIL liable sqm;

5.49 For Canvey Island

- Housing: £128.79 per CIL liable sqm if Greenfield and £36.49 per CIL liable sqm if Brownfield;
- Flats: £32.20 per CIL liable sqm if Greenfield and £28.98 per CIL liable sqm if Brownfield;

5.50 For sheltered/retirement there is a zero rate in all locations in Castle Point borough.

5.51 For the commercial element, any retail elements would incur a CIL charge but no other non-residential uses would. For simplicity, no CIL is assumed.

Financing – Development Scheme Phasing and Cost of Borrowing

5.52 The viability appraisals calculate the interaction of costs and values for each site through a monthly cashflow that is subject to a borrowing cost discussed below. Based on the typical build rates within the local area, the high-level testing model assumes straight-line projections based on:

- The land being purchased at the start of the appraisal;
- The first six months are used for site preparation works;
- Construction starts at 3 months and increases at a diminishing rate with the size of the scheme[59];
- Housing sales lag housing construction start by six months;
- Apartment sales on smaller sites, where there is likely to be on block of flats, start towards the end of the construction of flats;
- Apartment sales on larger sites where the scheme comes forward in more than one block, start around halfway through the construction of the flats;
- Commercial sales occur as a one-off in the last month of the residential sales; and
- Developer central overheads at 3.5% of GDV are drawn down throughout the timeline, with net developer profit drawn down at the end of the sales period.

[58] Castle Point Council (2025) accessed via https://www.castlepoint.gov.uk/cil-charging-schedule
[59] The marginal build rate per additional unit reduces with each additional unit.

5.53 To provide an example, some of the timescales by sites of different yields are shown in **Table 5.9**.

Table 5.9 Examples of tested build out rates

Typology	No. of units pa	Build out rates in	
		Months	Years
7 Mixed @ 65dph Canvey Island Brownfield	5.6	15	1.25
12 Mixed @ 65dph Mainland East Brownfield	9.0	16	1.33
50 Flats (PSA) @ 125dph Canvey Island Brownfield	27.3	22	1.83
150 Mixed @ 97dph Canvey Island Brownfield	56.3	32	2.67
300 Flats (PSA) @ 197dph Mainland West & Central Brownfield	83.7	43	3.58

5.54 The viability appraisals calculate the interaction of costs and values for each site, subject to a monthly cost of borrowing and the risk associated with the current economic climate and the near-term outlook and associated implications for the housing market. The current interest rate is higher than the long term average, but the current economic climate is improving, with the Bank of England expected to make further cuts in the current base rate of 4.5%.

5.55 On this basis, the typical 'all-in' rate of finance costs[60] is tested at 7.5% APR, including the fixing fees. Conversely, a credit rate of 1.5% per annum is included on periods where there is a positive balance.

Developer Return

5.56 As discussed in **Chapter 2**, to incentivise delivery, PPG Viability provides guidance on the level of developer return (gross profit) that should be assessed within plan viability, as an assumption of 15-20% of gross development value (GDV), and varying within this range by development risk within the local market. Since the current residential market is on the rise having experienced a slight fall in recent sales values, albeit mortgage rates remain relatively high but supply side issues within build costs are reducing, and the residential sales market is expected to return to growth from 2025, a mid-level of developer return is expected to be appropriate for allocated sites testing.

5.57 PPG Viability also recommends that a lower developer return rate in delivering affordable housing is applied because of the lower risk to the developer who is normally able to transfer the asset directly to a Registered Provider, which significantly reduces any sales.

5.58 The developer's return on the commercial elements is normally around 15% to 25% of development costs, which is inclusive of developer overheads. Since many of the typologies are in Council ownership, it would be reasonable to expect that a lower return would be required. This is considered later in the sensitivity testing.

5.59 On this basis, the developer return rates shown in **Table 5.10** have been tested. Note that the figures in **Table 5.8** reflect the gross profit including central overheads, which are assumed at 3.5% of GDV.

Table 5.10 Tested rates of developer return (gross profit inc 3.5% for overheads)

Gross profit	Rate	Applied to
Market housing	17.5%	OM GDV
Affordable housing	6.0%	AH transfer values
Commercial uses	17.5%	Non-residential GDV

[60] Including the fixing fees.

Tested Castle Point Plan Policy Costs

5.60 This section identifies the potential cost of meeting those policies in the emerging Castle Point Plan that were identified to impact viability in **Chapter 3**. It should be noted that there are other policy requirements with the potential for impacting viability that are not discussed further here because they have already been factored into the assumptions (e.g., housing mix and densities) when defining site typologies in **Chapter 4**, external costs allowances (e.g., urban greening) and professional fees (e.g., impact assessments, etc) discussed in **Chapter 5**.

Emerging Castle Point Plan Policy Costs

5.61 From reviewing the Council's Emerging Castle Point Plan policy requirements, along with discussions with the Council about potential policy costs, the following policies have been tested through site typology viability appraisals.

Policy SP4 - Development contributions, and other policy costs through section 106

5.62 The emerging Castle Point Plan includes several policies that may require financial contributions to ensure that developments are compliant with the Castle Point Plan are directly related to the site and are necessary to make sure that the scheme is acceptable. This may include but is not limited to 'Infra1: Community Facilities', 'Infra2 Education, Skills and Learning', Infra3 'Improving Health and Wellbeing' and 'T2 Highway Improvements', 'T5: Highway Impact' and 'T6: Safe Access'. A monitoring cost has also been assumed within all sites.

5.63 The costs for S106 to cover these policy costs have been derived from guidance published by Essex County Council on developer obligations[61], which are summarised in **Table 5.11** below. The ECC guidance includes thresholds for applying a cost, which typically apply to major developments, so the s106 costs are included in the testing of site typologies with 10 or more dwellings.

5.64 In considering the ECC guide, CPBC has informed this study that there is likely to only be contributions required for early years education and special educational needs and disabilities in Canvey Island and the Mainland, although the latter will also require additional primary school places. The identified support for Infra1: Community Facilities and T2: Highway Improvements, T5: Highway Impact, and/or T6: Safe and Sustainable Access will be case specific because they are not listed in the ECC guide. Some of this will be captured in any opening costs that are applied to Greenfield sites. This should be taken into consideration when reviewing the viability results.

Table 5.11 S106 developer contribution assumptions

Policy reference	Trigger for contribution*	Canvey Island		Mainland	
		Per flat	Per house	Per flat	Per house
Infra2: Education, Skills and Learning	20+ dwellings	£2,150	£4,112	£5,439	£10,690
Infra3: Health and Social Care Provision	10+ dwellings	£550	£550	£550	£550
S106 monitoring costs	20+ dwellings	£750	£750	£750	£750

* 1-bed units and dwellings such as student and elderly accommodation, are excluded from the calculation.
Source: Castle Point Council, Essex County Council

[61] The Draft Essex County Council Developers' Guide to Infrastructure Contributions, Revised 2025

5.65 For schemes that fall under the 10 dwelling 'major' development threshold, a s106 charge may still be expected and a nominal cost of £2,000 has been tested. This figure has also been used for Retirement and Extra care units.

Policy Hou2 - Securing More Affordable Housing and Policy GB2 - Previously Developed Land in the Green Belt

5.66 For sites with 10 or more new residential dwellings, the emerging Castle Point Plan seeks the following affordable housing rates rounded up to the nearest whole number) and tenures. As set out in the policy, the shared ownership element is rounded up to the nearest whole unit based on the following rates and tenures:

- Brownfield sites with commercial uses: 10% AH (comprised of shared ownership);
- Brownfield sites with no commercial uses: 20% AH (comprised of 10% of the total AH requirement being shared ownership and a further 10% provided as social rented);
- Greenfield sites: 30% AH (comprised of 10% of the total AH requirement being shared ownership and a further 20% provided as social rented); and
- Green Belt/Grey Belt sites: 50% AH (comprised of 25% of the total AH requirement being shared ownership and a further 25% provided as social rented).

5.67 This policy is tested with affordable housing being delivered onsite and the testing assumes that affordable housing will command a transfer value to a Registered Provider at a lower than market rate. Based on the feedback from stakeholders attending the Castle Point developer workshop, it is understood that there has been little interest in Registered Providers securing affordable dwellings from s106 sites. However, consultations with Registered Providers within Essex and elsewhere, along with the analysis of comparable schemes, identified the following discounts to open market value to be appropriate for standard viability assessments.

- Shared ownership = 70% of open market value (OMV);
- Affordable rent products = 60% of OMV; and
- Social rent products = 40% of OMV.

Policy Hou4 - Specialist Housing Requirements

5.68 As noted in **Chapter 4,** the sizes used within the appraisal are based closely on meeting the overall minimum site sizes outlined in the National Space Standards. But the emerging policy also seeks that all new developments will be provided to M4(2) standards (Accessible Adaptable Dwellings).

5.69 Generally, while most new homes are built with the Building Regulations Part M4(2) standards in mind, there is no certainty that the average BCIS build costs being used in the viability testing would comply with this standard. Therefore, to ensure future dwellings are made from materials capable of being adapted, such as specialist handrails, etc., the following rates obtained from a Government Impact Study on accessible homes have been applied as an extra-over policy cost in the appraisals[62]:

- M4(2): £1,400 per dwelling.

5.70 For major developments, the policy also seeks that 10% of market dwellings should meet the requirements of M4(3) accessible homes. Owing to restrictions within the standard, it is assumed that this policy will require Building Regulations Part M4(3)(2)A wheelchair

[62] DCLG Raising accessibility standards for new homes consultation paper (2020).

adaptable homes standard within open market dwellings, and 10% of affordable housing meeting the requirements of Part M4(3)B wheelchair accessible homes.

5.71 In testing this policy, the following rates taken from a Government Impact Study[63] on accessible homes have been tested:

- M4(3)(A) Adaptable: £10,500 per house applied to 10% of open market houses;
- M4(3)(A) Adaptable: £8,000 per flat applied to 10% of open market flats;
- M4(3)(B) Accessible: £23,000 per house applied to 10% of affordable houses; and
- M4(3)(B) Accessible: £8,000 per flat applied to 10% of affordable flats.

Policy E3 - Development of Local Skills

5.72 This policy requires major development contributions towards education, skills and economic development programmes, and post-16 education.

5.73 The Essex County Council guidance on developer obligations[64] has been used to provide an approximate estimate of the costs involved in meeting this policy. The costs have been estimated based on the prescribed formula and general assumptions about the cost (i.e. £150,000) and size (i.e. 100 sqm) of an average dwelling. From this, a policy cost equal to around £2,000 per dwelling for schemes with 20 or more dwellings is identified, which is tested in the viability appraisals.

Policy ENV3 - Securing Nature Recovery and Biodiversity Net Gain

5.74 This policy sets a requirement for RAMS payment, which is currently at £163.86 for 2024/25 per net new dwelling. This has been tested at £164 per residential dwelling.

5.75 This emerging policy also requires a 10% Biodiversity Net Gain (BNG) within all development sites, which has already been factored in the appraisal costs under external costs that were discussed earlier.

5.76 The Council has also requested consideration of a policy impact with BNG at 20% within the greenfield sites. In considering this, it is noted in the Government Impact Assessment[65] that the additional cost to developers for achieving 20% BNG would be 19% more than the 10% BNG cost impact. Also, the Viability Assessment of Biodiversity Net Gain in Essex, Final Report, Essex County Council and Essex Local Nature Partnership found similar evidence in their work. This study concludes that a shift from 10% to 20% BNG in most cases will not materially affect viability when delivered onsite or offsite. The study identifies that the additional cost of achieving 20% BNG ranges from £77 to £308 per dwelling on greenfield sites.

5.77 Therefore, this policy option is tested as an additional cost of £300 per unit in addition to the costs already applied for meeting the mandatory 10% BNG costs.

Policy SD4 - Net Zero Carbon Development (in Operation)

5.78 This policy requires all developments to be energy and resource efficient by achieving Net Zero Carbon in operation. In testing this policy impact, the cost allowances have been

[63] DCLG Housing Standards Review Cost Impacts (Sept 2014), prepared by EC Harris.
[64] The Essex County Council Developers' Guide to Infrastructure Contributions, Revised 2024
[65] DEFRA (2019) 'Biodiversity net gain and local nature recovery strategies: impact assessment' accessed online https://www.gov.uk/government/consultations/biodiversity-net-gain-updating-planning-requirements, page 62.

obtained from a report commissioned by Essex County Council[66], from which **Figure 5.3** below has been copied.

5.79 Based on the Essex CC study, the following assumptions for build costs above the current Building Regulation 2021 rates have been tested for achieving the operational Net Zero carbon:

- Houses: +6.3%[67]; and
- Flats (including Retirement and Extra care units): +6.9%.

5.80 Where commercial floorspace alongside residential floorspace is included, the commercial floorspace has been tested at BREEAM 'Excellent'. BREEAM notes that the BREEAM 'Excellent' standard is associated with a 32% reduction in carbon emissions over the 2013 building regulations. Research into the costs of meeting BREEAM classifications shows the expected average increases in capital for different building types and certification levels, including for the 'Excellent' standards that are reflected as follows:

- 0.4% on industrial building costs;
- 0.8% on office building costs;
- 1.8% on retail building costs; and
- 1.5% on mixed use building costs, which is applied to all other non-residential uses.

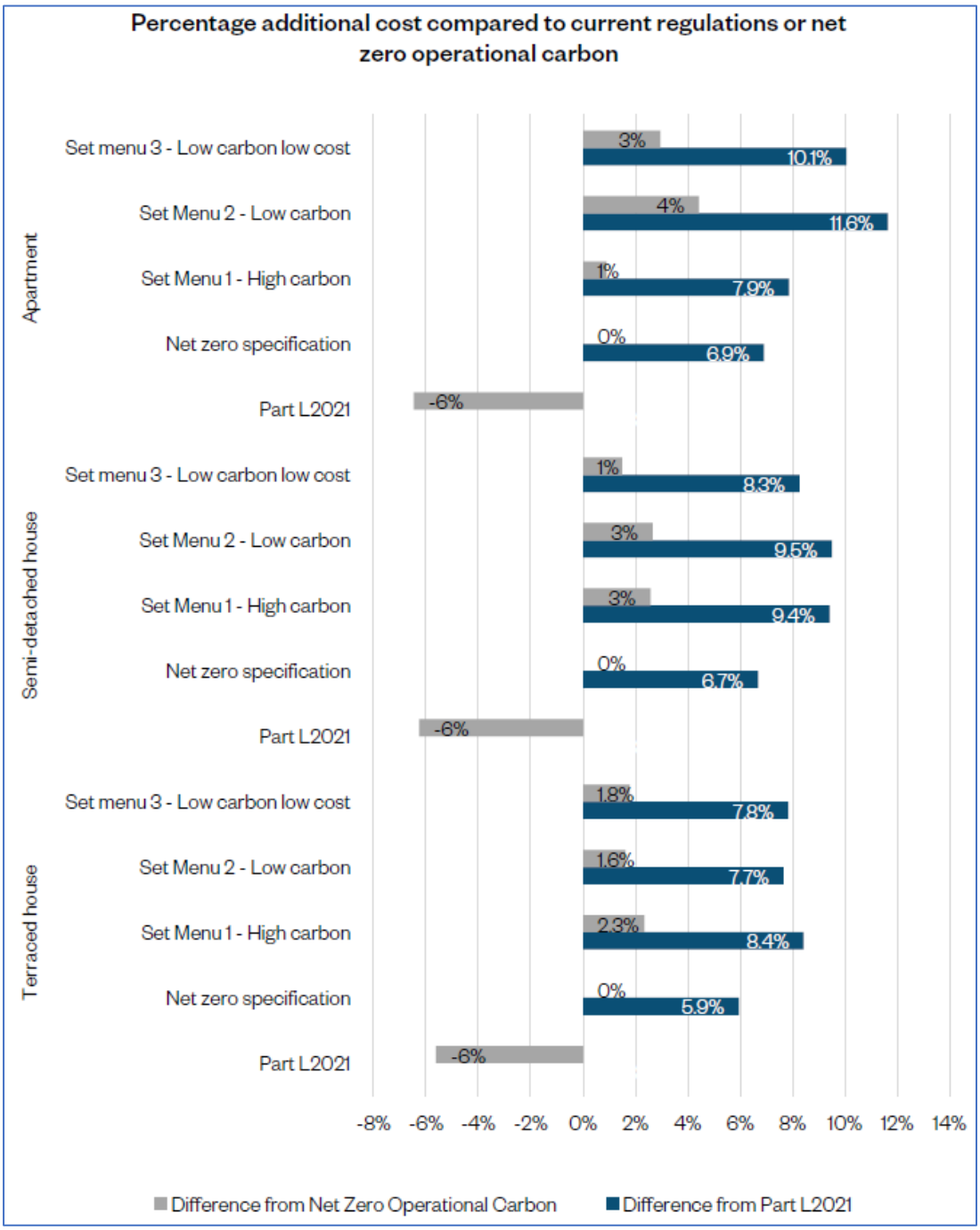
5.81 Therefore, the commercial floorspace costs have been tested with the following increase in their build costs to achieve this standard:

- 1.5% of non-residential build costs.

[66] Essex Embodied Carbon Policy Study Technical Evidence, June 2024

[67] This is the average from the cost uplift for terraced dwellings at 5.9% and semi-detached units at 6.7%. No figures are provided for detached dwellings.

Figure 5.3 Potential cost impacts of meeting Net Zero Carbon within residential dwellings



Policy SD5 - Net Zero Carbon Development (Embodied Carbon)

5.82 On major development sites of 100 or more dwellings, the Council is considering an option to seek Net Zero operation and embedded carbon. Based on the Essex CC study, the following additional build costs above the current Building Regulation 2021 rates have been identified for achieving the Net Zero operation and low embedded carbon under a cost and carbon optimised scenario (i.e. low carbon low cost):

- Houses: +8%[68]; and
- For flats: +10.1%.

5.83 Therefore, this policy option is tested in **Chapter 6** at the rates identified in the ECC technical study.

Benchmark Land Values

5.84 In applying a benchmark land value (BLV), in accordance with national guidance, which was discussed in **Chapter 2**, the existing use value (EUV) of the land plus a premium for the landowner (i.e. EUV+) is considered.

5.85 PPG Viability and the RICS Advice for Planning Practitioners note that reference to market values can provide a useful 'sense check' on the BLVs that are being used for testing. As experienced for this study and similar studies elsewhere, data on land transactions is not substantial in the local area, so various sources have been assessed, as discussed below.

Brownfield Land Values Analysis

Existing Use Value

5.86 To assess the EUV for brownfield development in the Castle Point borough area, the value of previously developed non-residential sites has been reviewed. There is no recent recorded evidence on CoStar of poor quality (the type of site expected to be redeveloped for residential use) non-residential sites sold for their existing use value. Therefore, secondary/tertiary rents capitalised at an appropriate yield are considered, with this capital value being applied to a floor area of 4,000 sqm (based on a standard 40% site coverage over a hectare) to generate a notional BLV site value on a per hectare basis.

5.87 As shown in **Table 5.12**, rents for secondary/tertiary properties in Castle Point borough have achieved between £17 and £65 psm. It is expected that sites being bought for redevelopment will achieve much lower values than those achieved in **Table 5.12** because such redevelopment sites for alternative uses will be those no longer fit for purpose in their current use to meet the change of use criteria in the planning system.

Table 5.12 Employment & retail rental evidence

Sign date	Address	Size sqm	Achieved rent £psm	Reported use
14/06/2022	3-6A Claydons Ln, Rayleigh	1,845	£17	Office
22/05/2021	Charfleets Rd, Canvey Island	631	£35	Retail
01/02/2021	Arterial Rd, Rayleigh	6,039	£41	Industrial
01/11/2022	39-41 Furtherwick Rd, Canvey Island	219	£57	Retail
07/03/2022	Vikings Way, Canvey Island	172	£65	Industrial
14/06/2022	3-6A Claydons Ln, Rayleigh	1,845	£17	Office

Source: CoStar, Urbà (September 2024)

5.88 There are no recent investment sales recorded on CoStar for secondary/tertiary employment space, we have therefore considered the wider Essex market. As shown in **Table 5.13**, investment yields for secondary/tertiary properties have achieved between 8.6% and 13%, in nearby Southend on Sea. These are properties with existing incomes and a

[68] This is the average from the cost uplift for terraced dwellings at 7.8% and semi-detached units at 8.3%. No figures are provided for detached dwellings.

higher yield on those properties to be redeveloped would be expected because they would have no or very short income streams.

Table 5.13 Employment & retail yield evidence

Sign date	Address	Size sqm	Achieved rent £psm Net initial yield	Reported use
21/05/2023	177 Victoria Av, Southend on Sea	206	13.00%	Retail
17/07/2024	170-174 High St, Southend on Sea	1,584	12.60%	Retail
27/10/2021	113 High St, Southend on Sea	5,859	9.90%	Office
02/05/2024	123 High St, Southend on Sea	131	8.64%	Retail

Source: CoStar, Urbà (September 2024)

5.89 Based on the above analysis, the EUV for a notional 1-hectare brownfield site is £1 million per hectare, as calculated in **Table 5.14**.

Table 5.14 Brownfield land value EUV calculation notional 1 ha site

Floor area (sqm)	Rent (£psm)	Annual rent	Yield	Capital value (EUV per ha)
4,000	£32.50	£140,000	13.0%	£1,000,000

Source: CoStar, Urbà (November 2024)

Existing Use Value Premium

5.90 With regards to a suitable premium to apply to the brownfield EUV, regard is given to the need to meet the requirements set in national planning guidance. The PPG Viability[69] requires striking 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. In doing so, the PPG Viability[70] states that the premium should be a reasonable incentive for a landowner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.

5.91 Although now a dated document, the HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) provides guidance on the size of the premium. This guidance states that benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. In more recent site-specific viability assessments for S106 purposes, a 10% premium is often considered a reasonable incentive to bring brownfield development forward whilst striking the balance in securing the maximum benefits in the public interest.

Greenfield Land Value Analysis

Existing Use Value

5.92 In a greenfield context, the maximum existing use value is agricultural or paddock land for any potential proposed development in the emerging Castle Point Plan. In doing so, the analysis of sold and quoting prices for agricultural and paddock land has been undertaken to inform the assessment of an appropriate EUV.

5.93 Savills report[71] that:

[69] PPG Viability para 010.
[70] Ibid para 016.
[71] Savills, 21 October 2024, GB farmland market Q3 update: Higher supply for all farm types and sizes

"The growth rate in average farmland values continues to cool; on average, farmland values in Great Britain increased by 0.6% in the 12 months to the end of September 2024. There are many contributing factors including a slowdown in the development land market leading to fewer new rollover buyers, high interest rates discouraging investment and falling confidence in the farming sector. According to the NFU's Farmer Confidence Survey, the confidence of English and Welsh farmers is at an all-time low due to recent poor weather and profitability challenges in addition to the changes being made to farm support."

5.94 A RICS report identifies that the average price of bare agricultural land is £21,464 per hectare (£8,686 per acre) in England, as shown in **Table 5.15**.

Table 5.15 Average prices of all reported agricultural land transactions

Property Type		Overall	England	Wales
		£/acre		
Full Sample				
Bare Land		8,493	8,686	6,658

Source: Copied from RICS ~ RAU Farmland Market Directory of Land Sales Summary (Jan - Jun 2024)

5.95 RICS provides a weighted average[72] by size band by region, which is shown in **Table 5.16**. For the South East (covering Castle Point) region, they report a price of £70,073 per hectare for small sites under 20 hectares, which reduces to £31,242 per hectare for large sites over 80 hectares.

Table 5.16 Weighted sample average prices by location and size

Weighted Sample	Small <50 ac		Medium 50-200 ac		Large > 200 ac	
	£/ac	£/ha	£/ac	£/ha	£/ac	£/ha
East	14,415	35,618	9,854	24,350	18,279	45,167
East Midlands	10,423	25,756	11,490	28,393	6,953	17,182
North East	0	0	0	0	4,444	10,982
North West	13,210	32,642	9,341	23,081	0	0
South East	28,358	70,073	0	0	12,643	31,242
South West	13,296	32,854	16,131	39,860	7,560	18,680
West Midlands	15,586	38,513	16,513	40,803	12,992	32,104
Yorks & Humber	0	0	8,276	20,449	5,854	14,464
England Overall	**13,012**	**32,152**	**13,729**	**33,925**	**8,505**	**21,015**

Source: RICS ~ RAU Farmland Market Directory of Land Sales Summary (Jan - Jun 2024)

5.96 The RICS publishes the RICS/Royal Agricultural University (RAU) Rural Land Market Survey which provides details of sold agricultural land. The Land Market Survey does not report the exact sold price but gives an indication of how close it was to the guide price, and this is reflected in the analysis in **Table 5.17.** There is a lack of evidence recorded by the RICS for Essex, with this limited evidence showing a smaller site of circa 7 hectares selling for around £40,000 per hectare and much larger sites of close to 100 hectares selling for between £18,000 and £28,000 per hectare in Essex.

[72] Removing properties where the residential value represents more than 50% of the sale price and other anomalies, generates a reduced database of transactions. For this survey 11% of the transactions were removed (lower than previous surveys) leaving 195 transactions in the weighted analysis.

Table 5.17 Greenfield prices in Essex

Date	Location	Description	Size ha	Guide price £ per ha	Sold at[73]
Mar-22	Land at Sewards End, Saffron Walden	Bare land – pasture	6.9	£40,580	SA
May-23	Land at Pounce & Copt Hall Farms, Sewards End, Saffron Walden	Bare land, including 94 acres of woodland on a very long lease	107.5	£18,609	C
Sep-20	Land at Warish Hall Farm	Bare land, arable	88.2	£28,354	WA

Source: RICS/RAU Farmland Market Directory of Land Prices (H2 20202, H1 2022, H1 2023), Urbà (November 2024)

5.97 Owing to the lack of evidence of sold prices, current asking prices have also been considered. The evidence of asking prices in Essex is shown in **Table 5.18**. The few available examples show a variation in pricing between small and large sites. The asking prices for sites between 6 and 12 hectares are around £36,000 per hectare, whereas a larger site of 119 hectares has an asking price of around £25,000 per hectare. But under RICS guidance, the asking prices should be treated with caution because they often differ substantially from the agreed final transaction price.[74]

Table 5.18 Greenfield asking prices in Essex

Location	Description	Size ha	Asking price £ per ha
Great Garnetts, Bishops Green, Barnston CM6	Agricultural land - accessed via Great Garnetts Farm, off High Easter Road	12.5	£35,869
Monks Lane, Dedham, Colchester	Combines a field of permanent pasture with a second smaller field recently in arable production to create a sizable block with great potential. The Fields meet in a gentle valley providing interesting topography. Gated access from Monks Lane byway and access at the bottom of the valley to the second of the two fields.	6.4	£37,065
Park Farm Road, Upminster, RM14	Block of Grade 1 arable land. The farm extends to some 88 acres and includes 2 residential properties and their adjacent farm buildings. The residences would benefit from refurbishment/rebuild and the farm buildings need improvement but provide opportunities for redevelopment either under permitted development rights, or subject to planning permission.	119	£24,710

Source: OnTheMarket, UKLandandFarms.co.uk

5.98 Based on the above analysis, the greenfield EUVs have been grouped as follows:

- Sites less than 5 ha at £50,000 per ha.
- Sites 5 ha and above at £27,000 per ha.

Existing Use Value Premium

5.99 In considering suitable premiums to apply, which will depend on the circumstances of each case, the HCA Area Wide Viability Model guidance states that:

"… For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value".

[73] SA = Substantially above Guide Price > 20% above; C = Close to Guide Price +/- < 10%; WB = Well below Guide Price 10% - 20% below, SB = Substantially below Guide Price > 20% below

[74] RICS, October 2019, Comparable evidence in real estate valuation, Paragraph 4.1.4

5.100 Also, the Inspector's Post-Hearing Letter to North Essex Authorities, which is about, amongst other things, the viability evidence of three proposed garden communities in North Essex that would provide up to 43,000 dwellings mostly on land in agricultural use, recognised that the EUV for this land use would be around £10,000 per gross acre. In this case, the Inspector was of the opinion that around a x10 multiple (£100,000 per gross acre) would provide sufficient incentive for a landowner to sell. However, the Inspector also stated that due to:

"…the necessarily substantial requirements of the Plan's policies" a price *"…below £100,000/acre could be capable of providing a competitive return to a willing landowner".*

5.101 The Inspector, however, judged and concluded that:

"…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."

5.102 Overall, a x10 multiplier is considered suitable because not only is it in line with the above, but this is often agreed within site-specific viability assessments for S106 purposes. It might also be considered a reasonable incentive to bring greenfield development forward whilst striking the balance in securing the maximum benefits in the public interest.

Conclusion on BLVs

5.103 From the above analysis, the Brownfield EUV is estimated to be £1,000,000 per ha, while the Greenfield sites have been grouped by size so that sites under 5 ha have an EUV of £50,000 per ha, while sites over 5 ha have an EUV of £27,000 per ha.

5.104 With a 10% premium being applied to Brownfield sites and BLV to use in the assessment and x10 multiplier applied to Greenfield sites, the following BLVs are used in the viability assessments:

- Brownfield sites = £1,100,000 per ha.
- Greenfield sites under 5 ha = £500,000 per ha; and
- Greenfield sites 5ha and over = £270,000 per ha.

Caveats regarding BLVs used in the viability assessments

5.105 It is accepted that these BLVs may not reflect actual prices paid in the market. This divergence is acknowledged in the PPG Viability[75], which explains that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners. But also, in helping to inform the professional judgement, a balance needs to be struck between the competing interests (developers, landowners and the aims of the planning authority), which, as discussed in **Chapter 2**, will help secure maximum benefits in the public interest by sites and proposed schemes being granted planning permission[76].

5.106 Furthermore, following the PPG Viability[77], should any site specific assessments have additional (abnormal/exceptional) costs that have not been identified in this study, these costs will need to be reflected in a reduced land value, which does not affect the testing results in this study.

[75] PPG Viability para 014.
[76] Ibid, para 010.
[77] Ibid, para 014.

6 Castle Point Plan Viability Testing Results

Introduction

6.1 This chapter considers the results from viability testing each typology site based on the assumptions discussed in this report. The viability testing is based on assessing all sites complying with the emerging Castle Point Plan policy assumptions that were identified as having an impact on viability in **Chapter 3**. This principally includes the identified housing and commercial mix, minimum size standards, access standards, affordable housing rates (including variations), low carbon and other planning obligations via Section 106. These reflect those policies identified to have a measurable cost impact on viability outcomes on future developments within the Castle Point borough area, based on the assumptions discussed in the previous chapters.

6.2 Before reviewing the results in this chapter, it is important to note that Castle Point Plan viability testing is necessarily generic, using a range of typologies and general development assumptions that are proportionate to this high-level assessment in line with the national planning framework and guidance. It has been prepared using available data and importantly it is not necessarily site specific. As is the case set out in planning guidance, and carried out by other local authorities in testing the delivery of their local plans, the assessments are designed to test policies specifically as opposed to being formal valuations of planning application sites at the planning application stage, normally carried out by the Valuation Office, Chartered Surveyors and Valuers.

Viability Test Results

6.3 The viability results under the impact of the emerging Castle Point Plan are shown for each tested site using a 'traffic light' system, as follows:

- Green means that the development is viable with a financial headroom that could be used for further planning gain;
- Amber is marginal in that the site viability result falls within a 20% range (i.e., 10% above or below) around the benchmark land value, which means the site should be developable over the Castle Point Plan period subject to a minor change in market or planning conditions;
- Red means that a viable position may not be reached if required to be policy compliant and all other assumptions such as land value remain unchanged; and
- Grey means that the site is not subject to the additional policy layer in the emerging Castle Point Plan.

6.4 **Appendix F** provides examples of the development appraisals to show how the results are derived from the viability assumptions discussed in **Chapter 4** and **Chapter 5**.

Viability Results for Typologies

6.5 The viability results for the site typologies within are summarised in **Table 6.1**.

6.6 This shows that in Canvey Island, the delivery of houses and schemes with a mix of houses and flats, are all likely to be deliverable under full policy in the current market, including 20% affordable housing on brownfield sites without commercial uses and 30% affordable housing on greenfield sites. Also, the smaller brownfield sites for flats (30 or fewer dwellings) plus commercial uses with 10% affordable housing, and the smaller Green Belt/Grey Belt site for

50 dwellings with 50% affordable housing are deliverable under full policy in the current market.

6.7 But the larger brownfield sites for flats plus commercial uses and the two Canvey Island Greenbelt typologies are shown as being unviable under full emerging Castle Point Plan policies. These sites will therefore require some flexibility in the emerging policies.

Table 6.1 Typology viability results under the emerging Castle Point Plan

Wksht	Typology	AH %	Viable?
Canvey Island			
1	7 Mixed @ 65dph Brownfield	0%	Yes
2	12 Mixed @ 65dph Brownfield	20%	Yes
3	30 Mixed @ 65dph Brownfield	20%	Yes
4	30 Mixed (PSA) @ 100dph Brownfield + 366 sqm comm flsp	10%	Yes
5	150 Mixed @ 65dph Brownfield	20%	Yes
6	150 Mixed (PSA) @ 100dph Brownfield + 1830 sqm comm flsp	10%	Yes
7	12 Flats (PSA) @ 125dph Brownfield + 146 sqm comm flsp	10%	Yes
8	30 Flats (PSA) @ 125dph Brownfield + 366 sqm comm flsp	10%	Marginal
9	50 Flats (PSA) @ 125dph Brownfield + 610 sqm comm flsp	10%	No
10	200 Flats (PSA) @ 125dph Brownfield + 2440 sqm comm flsp	10%	No
11	7 Houses @ 65dph Greenfield	0%	Yes
12	12 Mixed @ 65dph Greenfield	30%	Yes
13	GB Site: 50 Houses @ 40dph	50%	Yes
14	GB Site: 200 Houses @ 40dph	50%	No
15	GB Site: 400 Houses @ 40dph	50%	No
Mainland East			
16	7 Mixed @ 65dph Brownfield	0%	Yes
17	12 Mixed @ 65dph Brownfield	20%	Yes
18	80 Mixed @ 70dph Brownfield	20%	Yes
19	12 Flats @ 125dph Brownfield	20%	Yes
20	40 Flats (PSA) @ 150dph Brownfield + 488 sqm comm flsp	10%	Yes
21	75 Flats (PSA) @ 150dph Brownfield + 915 sqm comm flsp	10%	Yes
22	7 Houses @ 70dph Greenfield	0%	Yes
23	12 Mixed @ 65dph Greenfield	30%	Yes
24	50 Mixed @ 40dph Greenfield	30%	Yes
25	GB Site: 50 Houses @ 40dph	50%	Yes
26	GB Site: 200 Houses @ 40dph	50%	Yes
27	GB Site: 400 Houses @ 40dph	50%	Yes
Mainland West & Central			
28	7 Mixed @ 70dph Brownfield	0%	Yes
29	12 Mixed @ 70dph Brownfield	20%	Yes
30	30 Mixed @ 70dph Brownfield	20%	Yes
31	30 Flats (PSA) @ 150dph Brownfield + 366 sqm comm flsp	10%	No
32	50 Flats (PSA) @ 150dph Brownfield + 610 sqm comm flsp	10%	No
33	80 Flats (PSA) @ 125dph Brownfield + 976 sqm comm flsp	10%	No
34	300 Flats (PSA) @ 125dph Brownfield + 3660 sqm comm flsp	10%	No
35	7 Houses @ 65dph Greenfield	0%	Yes
36	12 Mixed @ 65dph Greenfield	30%	Yes
37	GB Site: 50 Houses @ 40dph	50%	Yes
38	GB Site: 200 Houses @ 40dph	50%	Yes
39	GB Site: 400 Houses @ 40dph	50%	Yes

6.8 The viability results for typologies within Mainland East show all the tested typologies to be viable in the current market under the full emerging Castle Point Plan policies.

6.9 The viability results for the residential typologies with no commercial uses within Mainland West & Central show the Brownfield, Greenfield and Green Belt/Grey Belt sites being viable,

including at their respective affordable housing policies of 20%, 30% and 50% affordable housing rates and tested tenures. But the brownfield flatted developments plus commercial uses are not viable under the full policy requirement and therefore will require some flexibility in the emerging policies.

Older person accommodation typologies

6.10 The viability results for the tested older person accommodation by accommodation type and value area are summarised in **Table 6.2**. It is clear from these results that the older person accommodation would be unlikely to come forward under the emerging Castle Point Plan in the current market anywhere in Castle Point borough. Therefore, some flexibility in the emerging policies may be required, possibly by lowering the affordable housing rates for older person sites.

Table 6.2 Retirement & Extra care viability results under the emerging Castle Point Plan

Wksht	Typology	AH %	Viable?
Canvey Island			
35	55 Retirement units @ 110dph	20%	No
36	45 Extra care units @ 90dph	20%	No
Mainland East			
37	55 Retirement units @ 110dph	20%	No
38	45 Extra care units @ 90dph	20%	No
Mainland West & Central			
39	55 Retirement units @ 110dph	20%	No
40	45 Extra care units @ 90dph	20%	No

Sensitivity Testing

6.11 For the emerging Castle Point Plan, and in compliance with planning and RICS viability guidance, it is also useful to 'sensitivity' test the results to help inform decision making under alternative scenarios. This section sets out various relevant sensitivity and scenario tests, and compares them with the viability results in **Table 6.1**, under the full emerging Castle Point Plan test, which is referred to as the 'base case' results.

Sensitivity Test 1: Reduced Land Value & Profit

6.12 The assumptions within this study are based on the scenario of purchasing a hypothetical site from a private individual. However, CPBC and ECC own many of the allocated sites that have informed the development of the typologies. As noted as noted in **Chapter 4**, around 40% of potential allocation sites are in public ownership.

6.13 In such land ownership circumstances, where viability may be considered challenging under the full Castle Point Plan policies, then there is likely to be significant scope for the receipt for the sale of the land to be reduced from what might be expected when purchasing the land. Also, it is not uncommon for public bodies to develop their own sites by forming their own development companies or by engaging in joint venture agreements with housing associations and/or established developers, and in doing so they might have different expectations for the developer return being below what is assumed for private developments.

6.14 **Table 6.3** sets out the sites that were identified in the previous section as being unviable under the base case results, with sensitivity tests relating to no land value and reduced developer profits in the following columns.

6.15 The first scenario, which sets the BLV to zero, shows significant improvements, where the bulk of sites would now be viable under the full emerging Castle Point Plan policies in both Canvey Island and Mainland West & Central.

6.16 The second scenario, which assumes the standard BLV but reduces profit to 6% of GDV, shows all the site typologies would become viable under the full emerging Castle Point Plan policies.

Table 6.3 Sensitivity on unviable sites under public ownership

Wksht	Typology	AH %	Viable?		
			Base case	No land value	Profit at 6%
Canvey Island					
9	50 Flats (PSA) @ 125dph Brownfield + 610 sqm comm flsp	10%	No	Yes	Yes
10	200 Flats (PSA) @ 125dph Brownfield + 2440 sqm comm flsp	10%	No	No	Yes
14	GB Site: 200 Houses @ 40dph	50%	No	Yes	Yes
Mainland West & Central					
31	30 Flats (PSA) @ 150dph Brownfield + 366 sqm comm flsp	10%	No	Yes	Yes
32	50 Flats (PSA) @ 150dph Brownfield +610sqm comm flsp	10%	No	Yes	Yes
33	80 Flats (PSA) @ 125dph Brownfield + 976 sqm comm flsp	10%	No	Yes	Yes
34	300 Flats (PSA) @ 125dph Brownfield + 3660 sqm comm flsp	10%	No	No	Yes

Older person accommodation typologies

6.17 The base case and sensitivity viability results for the tested older person accommodation by accommodation type and value area are summarised in **Table 6.4**. This shows mixed results under the full emerging Castle Point Plan requirements.

Table 6.4 Retirement & Extra care viability results under the emerging Castle Point Plan

Wksht	Typology	AH %	Viable?			
			Base case	No land value	Profit at 6% of GDV	No land value & 6% profit
Canvey Island						
40	55 Retirement units @ 110dph	20%	No	No	No	No
41	45 Extra care units @ 90dph	20%	No	No	No	No
Mainland East						
42	55 Retirement units @ 110dph	20%	No	Yes	Yes	Yes
43	45 Extra care units @ 90dph	20%	No	No	No	Yes
Mainland West & Central						
44	55 Retirement units @ 110dph	20%	No	No	No	Yes
45	45 Extra care units @ 90dph	20%	No	No	No	No

6.18 The results show that no older person accommodation would be expected to come forward under any of the scenarios on council-owned sites in the Canvey Island areaa. However, public owned sites in Mainland East with either no BLV or reduced profit at 6% would enable a retirement home scheme to come forward under full policies of the emerging Castle Point Plan. If the council were to bring forward an extra care scheme within Mainland East without a requirement for any land value return plus a lower than market profit, then this too would come forward under full policies of the emerging Castle Point Plan.

6.19 The only Council-owned site within Mainland West & Central that might come forward for older person accommodation would be a site for Retirement homes, when no land value and a reduced profit of 6% is applied.

Sensitivity Test 2: Forecast Changes Over 5-years

6.20 For the emerging Castle Point Plan, and in compliance with planning and RICS viability guidance, it is also useful to 'sensitivity' test the results to help inform decision making under different market conditions that may occur going forward. So, looking forward to future market conditions and changing regulations may be considered important.

6.21 In terms of how far forward, the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) sets a duty for local plans to be reviewed at least once every 5 years from their adoption date so that potential local plan policies remain relevant and effectively address the needs of the local community. A sensitivity test is therefore applied to the site typologies by reviewing the current forecast for changes in market conditions based on where residential values and build costs are currently expected to be in five years. By this time, the emerging Castle Point Plan will start to be reviewed and updated, which makes this a helpful scenario to test.

Changes in Sales Values

6.22 Looking forward, there is limited outlook information for how house prices may change in the future, and no known residential sales values forecast for the Castle Point area. However, Savills Research Residential Property Market Forecasts provide regular regional forecasts of second hand house values, with the latest forecasts (published in October 2024)[78] shown in **Figure 6.1**. This research points towards a slight increase in house prices in 2024 followed by quicker returns to growth in 2025 onwards, with continual steady increases in house prices expected over the next five years. Over the full term of 5-years, Savills's projection is for 18.1% growth in the East of England region (which covers Castle Point), which is marginally lower than their forecast for the national average projection of 21.6%.

Figure 6.1 Savills' regional five-year forecast in second hand house price values at October 2024

	2024	2025	2026	2027	2028	5 years to 2028
UK	2.5%	3.5%	4.5%	5.0%	4.5%	**21.6%**
North West	4.0%	4.5%	5.5%	6.5%	5.5%	**28.8%**
Yorkshire and The Humber	3.5%	4.5%	5.5%	6.5%	5.5%	**28.2%**
Wales	4.5%	4.5%	5.0%	5.5%	4.5%	**26.4%**
Scotland	4.0%	4.0%	5.0%	5.5%	5.0%	**25.8%**
North East	4.5%	4.5%	4.5%	5.0%	4.5%	**25.2%**
West Midlands	2.0%	4.0%	5.0%	6.0%	4.5%	**23.4%**
East Midlands	2.5%	4.0%	4.5%	5.5%	4.5%	**22.8%**
South West	1.0%	3.5%	4.0%	4.5%	4.5%	**18.7%**
South East	1.5%	3.0%	4.5%	4.5%	3.5%	**18.2%**
East of England	1.0%	3.0%	4.5%	4.5%	4.0%	**18.1%**
London	2.0%	2.0%	2.5%	3.5%	3.0%	**14.2%**

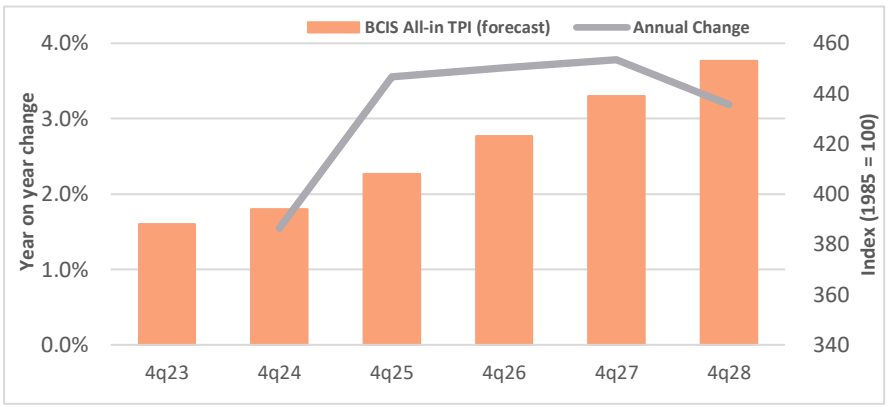
Source: Savills Research

[78] Accessed online: https://www.savills.co.uk/insight-and-opinion/research-consultancy/residential-market-forecasts.aspx

Changes in Build Costs

6.23 There are no local forecasts for build costs prices, but the RICS' BCIS data does provide a helpful national projection for potential changes to build costs over the next 5 years to 4Q 2028. This is based on their national All-in Tender Price Index. The national projection is shown in **Figure 6.2**, which estimates an increase of 16.8% in building tender prices over the next five years, from 1Q 2024 to 1Q 2029, which is marginally lower than the forecast percentage change for residential values.

Figure 6.2 BCIS Build cost forecasts



Source: BCIS

6.24 Based on the information from Savills and BCIS, the Forecast Market Conditions scenario retests the site typologies viability impacts under full emerging Castle Point Plan policies based on 5-year changes in sales values at 18.1% and build costs at 16.8%. These increases will also proportionally increase the associated costs relating to sales disposals, externals and professional fees.

Changes in Government Regulations

6.25 Also, there are potential changes afoot that may emerge from the government's proposed changes to biodiversity net gain on small and medium[79] sized defined developments, and the proposed Building Safety Levy that could come forward in the Autumn of 2026, these proposed regulatory changes are applied in the viability scenario testing. However, it should be noted that these proposed regulatory changes will require secondary legislation, which we understand is planned for the end of 2025. Therefore, like with the forecast changes in sales values and build costs, the viability impacts are not yet considered certain. Nor will they not impact development viability at this current time but they may over the next five years of the Castle Point Plan.

6.26 The proposed changes to biodiversity net gain include removing any sites with less than 10 dwellings from the 10% BNG obligation, and creating a new 'medium' site category for sites with 10 to 49 dwellings that will have tailored rules simplifying the metric for calculating biodiversity baselines and exploring exemptions from certain aspects of the BNG policy. While the latter change is less clear, in the sensitivity testing the 10% BNG requirements are removed from the tested sites with less than 10 dwellings.

6.27 The proposed Building Safety Levy is expected to apply to residential with 50 or more dwellings and most commercial developments, although there are some exceptions most

[79] The government is proposing to introduce a new 'medium' site definition into planning, which will cover sites with potential for between 10 and 49 dwellings.

notably any floorspace for affordable housing and care homes. The proposed Levy rates stated for Castle Point borough, which are tested in this sensitivity test, are:

- Greenfield: £33.70 per sqm (GIA) on open market dwellings (inc garages) and non-residential space; and
- Brownfield: £16.85 per sqm (GIA) on open market dwellings (inc garages) and non-residential space.

6.28 However, it should be noted that these proposed regulatory changes will require secondary legislation, which we understand is planned for the end of 2025. Therefore, like with the forecast changes in sales values and build costs, the viability impacts are not yet considered certain. Nor will they not impact development viability at this current time but they may over the next five years of the Castle Point Plan.

6.29 The results are considered next.

Residential Sites Viability Sensitivity Testing Results

6.30 The market forecast sensitivity viability results for the tested typologies are summarised in **Table 6.5** alongside the base case results.

Table 6.5 Viability results under the emerging Castle Point Plan at 5-year forecasts

Wksht	Typology	AH %	Viable?	
			Base case	5-year forecast
Canvey Island				
1	7 Mixed @ 65dph Brownfield	0%	Yes	Yes
2	12 Mixed @ 65dph Brownfield	20%	Yes	Yes
3	30 Mixed @ 65dph Brownfield	20%	Yes	Yes
4	30 Mixed (PSA) @ 100dph Brownfield + 366 sqm comm flsp	10%	Yes	Yes
5	150 Mixed @ 65dph Brownfield	20%	Yes	Yes
6	150 Mixed (PSA) @ 100dph Brownfield + 1830 sqm comm flsp	10%	Yes	Yes
7	12 Flats (PSA) @ 125dph Brownfield + 146.4 sqm comm flsp	10%	Yes	Yes
8	30 Flats (PSA) @ 125dph Brownfield + 366 sqm comm flsp	10%	Marginal	Yes
9	50 Flats (PSA) @ 125dph Brownfield + 610 sqm comm flsp	10%	No	Yes
10	200 Flats (PSA) @ 125dph Brownfield + 2440 sqm comm flsp	10%	No	No
11	7 Houses @ 65dph Greenfield	0%	Yes	Yes
12	12 Mixed @ 65dph Greenfield	30%	Yes	Yes
13	GB Site: 50 Houses @ 40dph	50%	Yes	Yes
14	GB Site: 200 Houses @ 40dph	50%	No	Yes
15	GB Site: 400 Houses @ 40dph	50%	No	Yes
Mainland East				
16	7 Mixed @ 65dph Brownfield	0%	Yes	Yes
17	12 Mixed @ 65dph Brownfield	20%	Yes	Yes
18	80 Mixed @ 70dph Brownfield	20%	Yes	Yes
19	12 Flats @ 125dph Brownfield	20%	Yes	Yes
20	40 Flats (PSA) @ 150dph Brownfield + 488 sqm comm flsp	10%	Yes	Yes
21	75 Flats (PSA) @ 150dph Brownfield + 915 sqm comm flsp	10%	Yes	Yes
22	7 Houses @ 65dph Greenfield	0%	Yes	Yes
23	12 Mixed @ 70dph Greenfield	30%	Yes	Yes
24	50 Mixed @ 40dph Greenfield	30%	Yes	Yes
25	GB Site: 50 Houses @ 40dph	50%	Yes	Yes
26	GB Site: 200 Houses @ 40dph	50%	Yes	Yes
27	GB Site: 400 Houses @ 40dph	50%	Yes	Yes
Mainland West & Central				
28	7 Mixed @ 70dph Brownfield	0%	Yes	Yes
29	12 Mixed @ 70dph Brownfield	20%	Yes	Yes
30	30 Mixed @ 70dph Brownfield	20%	Yes	Yes
31	30 Flats (PSA) @ 150dph Brownfield + 366 sqm comm flsp	10%	No	Yes
32	50 Flats (PSA) @ 150dph Brownfield + 610 sqm comm flsp	10%	No	Yes
33	80 Flats (PSA) @ 125dph Brownfield + 976 sqm comm flsp	10%	No	Yes
34	300 Flats (PSA) @ 125dph Brownfield + 3660 sqm comm flsp	10%	No	Yes
35	7 Houses @ 65dph Greenfield	0%	Yes	Yes
36	12 Mixed @ 65dph Greenfield	30%	Yes	Yes
37	GB Site: 50 Houses @ 40dph	50%	Yes	Yes
38	GB Site: 200 Houses @ 40dph	50%	Yes	Yes
39	GB Site: 400 Houses @ 40dph	50%	Yes	Yes

6.31 The forecast results show a substantial improvement in the overall viability under the emerging Castle Point Plan policies, with all bar one of the tested sites expected to be deliverable. The one exception is the very large flatted scheme of 200 dwellings plus a substantial amount of commercial space on a Brownfield site in Canvey Island. However, such a large site is always likely to require more than standard detailed work at the planning application stage where viability can be reconsidered to see if any flexibility would be required in relation to the emerging Castle Point Plan policies.

Older person accommodation typologies

6.32 Finally, **Table 6.6** identifies the viability of retirement properties under the base case and forecast market scenario. The results show that the viability has not improved sufficiently to conclude that such sites would be viable under the full emerging Castle Point Plan policies. The exception is a Retirement scheme in Mainland East, which would be marginally viable in meeting the full policy requirements under the emerging Castle Point Plan.

Table 6.6 Retirement & Extra care viability results under the emerging Castle Point Plan at 5-year forecasts

Wksht	Typology	AH %	Viable?	
			Base case	5-year forecast
Canvey Island				
40	55 Retirement units @ 110dph	20%	No	No
41	45 Extra care units @ 90dph	20%	No	No
Mainland East				
42	55 Retirement units @ 110dph	20%	No	Marginal
43	45 Extra care units @ 90dph	20%	No	No
Mainland West & Central				
44	55 Retirement units @ 110dph	20%	No	No
45	45 Extra care units @ 90dph	20%	No	No

Sensitivity Test 3: Retesting Viability under Alternative Policy Requirements

6.33 Owing to the viability testing of the emerging Castle Point Plan policies in **Table 6.1** and **Table 6.2** showing a significant number of unviable and viable sites that generally remain unviable or viable after retesting under sensitivity testing in **Table 6.5** and **Table 6.6**, alternative policy combinations are explored in this section.

Test 3a: Policy SD5 - Net Zero Carbon Development (Embodied Carbon)

6.34 This policy requires sites with 100 or more dwellings to deliver both net-zero operational and embodied carbon. So where relevant sites were found unviable in the base case, the net zero embodied carbon requirement is removed to see how this may impact viability. This relates to just two sites, which are both large flatted schemes with commercial uses on Brownfield sites in Canvey Island and Mainland West & Central.

6.35 The results of this sensitivity test are shown in **Table 6.7**. As the results show, the impact of this change is unlikely to make the tested sites viable, and as such more consideration of flexibility in the emerging Castle Point Plan policies relating to these types of sites may be necessary.

Table 6.7 Sensitivity of removing Net Zero embodied carbon on unviable sites

Wksht	Typology	AH %	Viable?	
			Base case	Test 3a
Canvey Island				
10	200 Flats (PSA) @ 125dph Brownfield + 2440 sqm comm flsp	10%	No	No
Mainland West & Central				
34	300 Flats (PSA) @ 125dph Brownfield + 3660 sqm comm flsp	10%	No	No

Test 3b: Policy Hou2 - Securing More Affordable Housing and Policy GB2 - Previously Developed Land in the Green Belt through changing the tenure mix

6.36 Where relevant sites were found unviable in the base case, an alternative affordable housing tenure requirement, with affordable rented dwellings replacing social rented dwellings, is tested.

6.37 The results of this sensitivity test are shown in **Table 6.8**. As the results show, the impact of this change is unlikely to make the tested unviable brownfield flatted sites plus commercial uses viable, and as such more consideration of flexibility in the emerging Castle Point Plan policies relating to these types of sites may be necessary. For the unviable Green Belt and Grey Belt sites on Canvey Island, this switch in tenures does improve their results to being viable. However, this may not follow the NPPF 'Golden Rules' that seek to secure social rented properties from such sites.

Table 6.8 Sensitivity of replacing social rented with affordable rented dwellings on unviable sites

Wksht	Typology	AH %	Viable?	
			Base case	With affordable rent instead of social rent
Canvey Island				
8	30 Flats (PSA) @ 125dph Brownfield + 366 sqm comm flsp	10%	Marginal	Marginal
9	50 Flats (PSA) @ 125dph Brownfield + 610 sqm comm flsp	10%	No	No
10	200 Flats (PSA) @ 125dph Brownfield + 2440 sqm comm flsp	10%	No	No
14	GB Site: 200 Houses @ 40dph	50%	No	Yes
15	GB Site: 400 Houses @ 40dph	50%	No	Yes
Mainland West & Central				
31	30 Flats (PSA) @ 150dph Brownfield + 366 sqm comm flsp	10%	No	No
32	50 Flats (PSA) @ 150dph Brownfield + 610 sqm comm flsp	10%	No	No
33	80 Flats (PSA) @ 125dph Brownfield + 976 sqm comm flsp	10%	No	No
34	300 Flats (PSA) @ 125dph Brownfield + 3660 sqm comm flsp	10%	No	No

Test 3c: Policy Hou2 - Securing More Affordable Housing through changing affordable housing rates

6.38 Alternative affordable housing rates are tested to consider what may be achievable among the bulk of major Brownfield and Greenfield sites. The major Brownfield flatted sites with commercial uses and the Green Belt/Grey Belt sites, which were unviable in the base case testing, are retested under full emerging Castle Point Plan policies but with the respective affordable housing rates reduced by five percentage points and 10 percentage points. The major Brownfield sites with no commercial uses and the Greenfield sites, which were viable in the base case testing, are retested under full emerging Castle Point Plan policies but with the respective affordable housing rates increased by five percentage points and 10 percentage points. In all case, the affordable housing tenures remain at the same proportions of affordable ownership and social rented accommodation as in the base case testing.

6.39 The results are shown in **Table 6.9**. In summary, this sensitivity testing shows the following outcomes:

- In the Canvey Island area, the reduction in the affordable housing rates to 5% for major Brownfield flatted sites with commercial uses is likely to see most of these sites come forward as viable developments under the full policy requirements of the emerging Castle Point Plan.

- In the Mainland West & Central area, the reduction in the affordable housing rates to 5% for major Brownfield flatted sites with commercial uses is unlikely to affect the viability results. Removing the requirement for affordable housing from these schemes is likely to make the smaller sites with 50 or fewer flats viable, albeit only at the margins of viability, while the larger sites would still find viability a challenge.
- In Canvey Island and Mainland West & Central areas, the reduction in the affordable housing rates to 45% for major Green Belt/Grey Belt sites is likely to see these sites come forward as viable developments under the full policy requirements of the emerging Castle Point Plan.
- In all areas of Castle Point borough, the increase of the affordable housing rates to 30% for major Brownfield sites and 40% for major Greenfield sites still shows them to be viable developments under the full policy requirements of the emerging Castle Point Plan.

Table 6.9 Viability results under the emerging Castle Point Plan with alternative affordable housing rates

Wksht	Typology	Viable?		
		Base case	BF sites = 25%; BF sites w. commercial = 5% AH; GF sites = 35%; GF sites = 45%.	BF sites = 30%; BF sites w. commercial = 0% AH; GF sites = 40%; GF sites = 40%.
Canvey Island				
1	7 Mixed @ 65dph Brownfield	Yes	Yes	Yes
2	12 Mixed @ 65dph Brownfield	Yes	Yes	Yes
3	30 Mixed @ 65dph Brownfield	Yes	Yes	Yes
4	30 Mixed (PSA) @ 100dph Brownfield + 366 sqm comm flsp	Yes	Yes	Yes
5	150 Mixed @ 65dph Brownfield	Yes	Yes	Yes
6	150 Mixed (PSA) @ 100dph Brownfield + 1830 sqm comm flsp	Yes	Yes	Yes
7	12 Flats (PSA) @ 125dph Brownfield + 146.4 sqm comm flsp	Yes	Yes	Yes
8	30 Flats (PSA) @ 125dph Brownfield + 366 sqm comm flsp	Marginal	Yes	Yes
9	50 Flats (PSA) @ 125dph Brownfield + 610 sqm comm flsp	No	Marginal	Yes
10	200 Flats (PSA) @ 125dph Brownfield + 2440 sqm comm flsp	No	No	No
11	7 Houses @ 65dph Greenfield	Yes	Yes	Yes
12	12 Mixed @ 65dph Greenfield	Yes	Yes	Yes
13	GB Site: 50 Houses @ 40dph	Yes	Yes	Yes
14	GB Site: 200 Houses @ 40dph	No	Yes	Yes
15	GB Site: 400 Houses @ 40dph	No	Yes	Yes
Mainland East				
16	7 Mixed @ 65dph Brownfield	Yes	Yes	Yes
17	12 Mixed @ 65dph Brownfield	Yes	Yes	Yes
18	80 Mixed @ 70dph Brownfield	Yes	Yes	Yes
19	12 Flats @ 125dph Brownfield	Yes	Yes	Yes
20	40 Flats (PSA) @ 150dph Brownfield + 488 sqm comm flsp	Yes	Yes	Yes
21	75 Flats (PSA) @ 150dph Brownfield + 915 sqm comm flsp	Yes	Yes	Yes
22	7 Houses @ 65dph Greenfield	Yes	Yes	Yes
23	12 Mixed @ 70dph Greenfield	Yes	Yes	Yes
24	50 Mixed @ 40dph Greenfield	Yes	Yes	Yes
25	GB Site: 50 Houses @ 40dph	Yes	Yes	Yes
26	GB Site: 200 Houses @ 40dph	Yes	Yes	Yes
27	GB Site: 400 Houses @ 40dph	Yes	Yes	Yes
Mainland West & Central				
28	7 Mixed @ 70dph Brownfield	Yes	Yes	Yes
29	12 Mixed @ 70dph Brownfield	Yes	Yes	Yes
30	30 Mixed @ 70dph Brownfield	Yes	Yes	Yes
31	30 Flats (PSA) @ 150dph Brownfield + 366 sqm comm flsp	No	No	Marginal
32	50 Flats (PSA) @ 150dph Brownfield + 610 sqm comm flsp	No	No	Marginal
33	80 Flats (PSA) @ 125dph Brownfield + 976 sqm comm flsp	No	No	No
34	300 Flats (PSA) @ 125dph Brownfield + 3660 sqm comm flsp	No	No	No
35	7 Houses @ 65dph Greenfield	Yes	Yes	Yes
36	12 Mixed @ 65dph Greenfield	Yes	Yes	Yes
37	GB Site: 50 Houses @ 40dph	Yes	Yes	Yes
38	GB Site: 200 Houses @ 40dph	Yes	Yes	Yes
39	GB Site: 400 Houses @ 40dph	Yes	Yes	Yes

Test 3d: Policy Hou2 - Securing More Affordable Housing - older person accommodation

6.40 In this last sensitivity test, older person dwelling major sites are retested with Policy Hou2 - Securing More Affordable Housing being changed to remove older person accommodation from this policy. The purpose is to identify if the sites would become viable and, if so, if there may be any financial headroom for securing CIL as an alternative requirement.

6.41 The results in **Table 6.10** show that the viability results do not change, and the only viable result is for Retirement homes in Mainland East. From the results, it would be possible to charge a maximum CIL rate of £109 psm, however, with a suitable buffer this would suggest that a charging rate of around £70 psm would be appropriate. For extra care accommodation in the Mainland East area and all other types of older person accommodation outside Mainland East, no CIL would be affordable.

Table 6.10 Retirement & Extra care viability results under the emerging Castle Point Plan at 0% AH

Wksht	Typology	AH %	Viable? £ per CIL liable flsp
Canvey Island			
40	55 Retirement units @ 110dph	0%	**No**
36	45 Extra care units @ 90dph	0%	**No**
Mainland East			
41	55 Retirement units @ 110dph	0%	**£109**
42	45 Extra care units @ 90dph	0%	**No**
Mainland West & Central			
43	55 Retirement units @ 110dph	0%	**No**
44	45 Extra care units @ 90dph	0%	**No**

7 Emerging Castle Point Plan Viability Conclusions

Introduction

7.1 National policy (guided by the NPPF) states the fundamental importance of deliverable plans and, as such, the economic realities of planning policies. Therefore, development viability impacts need to be assessed to help ensure a deliverable Castle Point Plan. The purpose is to ensure that local planning authorities do not load policy costs onto development if the bulk of sites that the Plan relies on coming forward would be hindered from being developed. The key point is that policy costs will need to be balanced so as not to render the bulk of future development financially unviable, whilst ensuring it can still be considered sustainable.

7.2 National planning guidance states that the Castle Point Plan viability assessments should be informed by 'appropriate available evidence', which need not be fully comprehensive or exhaustive; while associated relevant guidance helpfully introduces a range of definitions and assumptions that should be used when expressing the viability picture. Based on the approach set out by national guidance, and the evidence for assessing the viability impact of the policies in the emerging Castle Point Plan, the conclusions and recommendations in this chapter are provided to maximise public gain through the Castle Point Borough Council's economically realistic priorities, using the discretions allowed by the legislation and guidance.

7.3 The purpose of this report is to assess the if emerging Castle Point Plan's potential site allocations and windfall sites would come forward after complying with the emerging Castle Point Plan policies.

Conclusions

7.4 Based on the tested cumulative impacts of the policies in the emerging Castle Point Plan document, there are mixed results. But before concluding and making recommendations about the results, it is important to note the following:

- Where sites are identified to be unviable from the viability assessment, whereby the residual value is below the assumed benchmark market land value, this report does not confirm that all these types of sites would be unviable in all cases. It may well be that the particular circumstances of acquisition / ownership mean that their benchmark value is different, and such sites may be developable over the Plan period, with or without meeting policy requirements, subject to changes in market conditions.
- The plan should not expect every site to be 'deliverable' now, within the current market, with a realistic prospect of coming forward to provide five years' worth of housing. Instead, it should be relying on a rolling supply of potentially 'developable' housing sites with a realistic prospect of delivery in future years to meet housing demand in years 6 to 10 and years 11 to 15.
- This document is a theoretical exercise and is for informing and not for setting policy or land allocation. Other evidence needs to be carefully considered before a policy is set and land allocations are made.

7.5 The proposed site allocations and potential windfall sites in the Mainland East value area, which covers Hadleigh and Daws Heath, are all able to come forward under the full emerging Castle Point Plan policies. Also, should any Greenfield sites in Castle Point borough come forward during the Castle Point Plan period, then they too will be able to fully comply with

the emerging Castle Point Plan. This includes developments delivering 30% affordable housing, net zero operational and embodied carbon and 20% BNG. This conclusion is also strengthened by the sensitivity results.

7.6 Potential housing allocation sites on Brownfield sites in Castle Point are also likely to come forward under the emerging Castle Point Plan. This includes developments delivering 20% affordable housing, net zero operational and embodied carbon and 20% BNG. This is also strengthened by the sensitivity results.

7.7 Based on current market conditions, all flatted residential schemes on Brownfield sites, including those with a mix of commercial spaces, are identified as being unviable under the full policy requirements of the emerging Castle Point Plan. Such sites and dwellings are expected to account for just over half of the planned growth that the emerging Castle Point Plan is relying on coming forward. Consequently, the current policies and site allocations in the emerging Castle Point Plan are likely to pose a risk to the Castle Point Plan being deliverable at this current time.

7.8 In the future, with forecast changes in market conditions in 5-years time, this position is expected to improve, with some of the flatted Brownfield sites in Canvey Island becoming viable. Also, should some of these sites be in public ownership, as is expected to be the case, and therefore not subject to the same market requirements for developments to come forward (e.g. lower land values or profit may considered), there is further scope for the Castle Point Plan to not be undermined by these allocations.

7.9 Should the emerging Castle Point Plan consider securing more dwellings through the delivery of Greenbelt/Greybelt sites, then the prospect for a deliverable Castle Point Plan also improves, since the bulk of sites would be viable under the emerging Castle Point Plan. This includes under the NPPF 'Golden Rules' assumptions for the Green Belt, which in Castle Point would require 45% affordable housing, in addition to the other Castle Point Plan policies. Any Greenbelt/Greybelt sites in Canvey Island may be challenged to meet the 45% affordable housing rate, although any smaller Greenbelt/Greybelt sites may come forward in around 5-years, and/or maybe in public ownership, so the prospects for these sites with this level of affordable housing being viable is considered likely.

7.10 In terms of the Castle Point Plan requirements on the delivery of specialist older person accommodation that is defined as C3 Retirement or Extra care homes with onsite shared facilities and an assigned warden, the viability of meeting the full Castle Point Plan policies is considered challenging in most areas of Castle Point borough. Therefore, such homes, as defined by the PPG Housing for older and disabled people, in paragraph 010, should be allowed some flexibility in meeting all the Castle Point Plan policies for general housing.

7.11 Based on the viability results, it is possible to conclude that the emerging Castle Point Plan is likely to be a viable (i.e., deliverable) plan in the next 5-years, whereby the aspiration of the Castle Point Plan is not put at risk by the non-delivery of sites that it may substantially rely on coming forward. But to ensure this is achieved, or achieved sooner, this report provides the following recommendations.

Recommendations

7.12 From the calculations and testing within this study, there could be merit in making some changes to the emerging Castle Point Plan based on the viability options testing, which are shown as recommendations against the tested policies in the final column of **Table 7.1**.

Table 3.1 Viability Policy Matrix for the emerging Castle Point Plan, at December 2024

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
Castle Point's Spatial Strategy and Strategic Policies				
SP1	Supporting Enhancement of the Borough's Green Spaces			
SP2	Making Effective Use of Urban Land and Creating Sustainable Places		Supports a design-led approach to establishing optimal site densities on developable land; including recognising urban intensification and brownfield redevelopment as important sources of supply; and supporting mixed use developments in appropriate locations.	No changes required.
SP3	Meeting Development Needs		Plan will deliver a minimum of 5,436 new homes over the period 2026-2043, and ensure that there is sufficient employment land and commercial floorspace to support the needs of the local economy. Notes there to be a windfall allowance of 47 dwellings per annum, and sets out broad housing allocations totals by broad locations.	No changes required.
SP4	Development contributions		The Council will seek contributions towards the provision of infrastructure required to make a development proposal acceptable in planning terms, using S106 agreements and/or CIL.	While typical s106 cost requirements are able to be met in the bulk of sites, there should be some flexibility in setting potential requirements where there are real viability issues applying to Brownfield flatted sites with commercial uses in the Mainland West & Central area.
Canvey Island				
C1	Canvey Town Centre		Creating, maintaining and enhancing active ground floor frontages that include adaptable floor space, with new commercial and or residential uses above and behind. Allocates specific development sites in Canvey Town Centre.	No changes required.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
C2	Canvey Seafront Entertainment Area			
C3	Canvey Port Facilities			
C4	West Canvey		Identifies this area in Canvey Island for housing and employment developments.	No changes required.
C5	Improved Access to and around Canvey Island			
C6	The South Canvey Green Lung			
C7	Canvey Lake			
C8	Residential Park Home Sites, Canvey Island		Allocates specific development sites in Canvey Island.	No changes required.
C9	Land at the Point, Canvey Island			
C10	Other Housing Site Allocations on Canvey Island			
Benfleet				
B1	South Benfleet Town Centre		Establishing a new development typology within the centre focused on provision of active ground floor frontages with residential and commercial uses above and behind.	Some flexibility regarding the scale of commercial space to be brought forward needs to be considered carefully to avoid the undermining the delivery of dwellings in this area.
B2	Tarpots Town Centre			
B3	Former Furniture Kingdom site		Allocates specific development site in Benfleet.	No changes required.
B4	South Benfleet Leisure Quarter			
B5	Canvey Supply, London Road, Benfleet		Allocates specific development sites in Benfleet.	No changes required.
B6	159-169 Church Road, Benfleet			
B7	Other Housing Site Allocations in Benfleet			
B8	Manor Trading Estate			
B9	South Benfleet Playing Fields			
Hadleigh Town Centre				
Had1	Hadleigh Town Centre		Establishing a new development typology within the centre focused on provision of active ground floor frontages with residential and commercial uses above and behind.	No changes required.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
Had2	Hadleigh Country Park, Hadleigh Farm and Benfleet & Southend Marshes			
Had3	Hadleigh Clinic		Allocates specific development site in Hadleigh.	No changes required.
Had4	Land south of Scrub Lane			
Thundersley				
Thun1	Thundersley Centre		Retail and services use will be protected at ground floor level consistent with the requirements of policy TC2 for those properties.	Some flexibility regarding the scale of commercial space to be brought forward needs to be considered carefully to avoid the undermining the delivery of dwellings in this area.
Thun2	Kiln Road Campus		Allocates specific development sites in Hadleigh. Masterplanned redevelopment of this site to create improved community facilities, a new local shopping parade, open spaces, and 617 new residential units. A masterplan will be required for this site to create a new campus environment, containing a mix of uses focused on a new piece of pedestrian-oriented public realm. This should serve as a key new civic and service space including a new shopping parade within Thundersley.	No changes required, although the masterplan will need to viability check the scale of commercial space to be brought to avoid the undermining the delivery of dwellings in this area.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			A new suite of open spaces should be created in tandem with site Thun2 which meet the standards set out in Policy Infra4.	
Thun3	Other Site Allocations in Thundersley		Allocates specific development site in Thundersley.	No changes required.
Thun4	Green Space Connectivity in Thundersley			
Thun5	Coalescence of Thundersley and Benfleet			
Daws Heath				
DH1	Green Space Connectivity in Daws Heath			
DH2	Coalescence of Settlements – Daws Heath			
Providing the Right Types of New Homes				
Hou1	Preventing the Loss of Housing			
Hou2	Securing More Affordable Housing		New residential development resulting in 10 or more net additional homes (or 0.5 has or more) will be required to deliver affordable housing at the following area rates: a. 10% of homes will be affordable home ownership, rounded up.	Depending on affordable housing need, the Council may consider the following recommendations: • Increasing the affordable housing requirements on: ○ Brownfield sites to 30% of dwellings; and ○ Greenfield sites to 40% of dwellings.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			b. A further 10% of homes on urban brownfield sites that do not have commercial uses on the ground floor will be for social rent. c. A further 20% of homes on urban greenfield sites will be for social rent. All Greenbelt/Greybelt land will provide 50% of homes as affordable housing, including half for social rent and half for affordable home ownership.	• Reducing the affordable housing requirements on: ○ Brownfield sites within Canvey with more than 30 dwellings plus commercial units to zero; ○ Brownfield sites within Mainland West & Central with dwellings plus commercial units to zero; and Green Belt / Grey Belt sites with more than 50 dwellings in Canvey Island to 45% of dwellings.
Hou3	Housing Type and Mix		Residential developments are expected to meet housing need based on a policy prescribed housing mix.	No changes required.
Hou4	Specialist Housing Requirements		Development provision should be made for the needs of the older persons through provision of specialist housing. New housing will deliver homes in accordance with the following accessibility standards: a. 100% of all new homes built to standard M4(2); and b. 10% of all new homes built to standard M4(3). A condition will be attached to the grant of permission to secure dwellings for self and custom build housing where there is an identified need as set out by the Council's Self and Custom Build Register.	No changes required.
Hou5	Park Homes			
Hou6	Gypsy and Traveller Provision			
Supporting Employment and Tourism				
E1	Development on Strategic Employment Land			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
E2	Development of New Employment Floorspace in and around Town Centres			
E3	Development of Local Skills		Major developments will be required to demonstrate how local training and employment opportunities will be delivered during the construction phase; S106 Agreement for any major development contributions towards education, skills and economic development programmes that ensure that end users (businesses and residents) have access to initiatives that support productivity; and support the development of post 16 education and skills training infrastructure.	No changes required.
E4	Culture and Tourism			
Supporting Local Retail Services				
TC1	Town Centres and Primary Shopping Areas		New E Class development proposals of 1,500+ sqm will be required to produce an impact assessment.	No changes required.
TC2	Local Shopping Parades			
TC3	Retail Parks and Out of Centre Locations		New E Class development proposals of 1,500+ sqm will be required to produce an impact assessment.	No changes required.
TC4	Protecting Local shops			
TC5	Hot Food Takeaways and Fast-Food Outlets		A Health Impact Assessment of the proposal is required and mitigation on health measures identified.	No changes required.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			Development that will create trips associated with deliveries of hot food should include a Travel Plan.	
Achieving Well Designed places				
D1	Design Objectives			
D2	Design on Larger Sites and within Premium Sustainability Areas		Higher densities and greater mixes of use will be sought in areas with premium sustainability, defined as: a. Sites within 800m of a town centre or railway station; and b. Sites within 400m of a bus stop.	No changes required.
D3	Master Planning			
D4	Landscaping			
D5	Advertisements			
D6	Residential Annexes			
D7	The Appearance of Town Centre Business Premises			
D8	Public Art			
D9	Conserving and Enhancing the Historic Environment			
Protecting our Green Belt				
GB1	Development affecting the Green Belt			
GB2	Previously Developed Land in the Green Belt		Establishes the principles for proposed development in the Green Belt, including dwellings being limited to 2.5 storey in height.	No changes required.
Protecting our Biodiversity and Landscape				
ENV1	Protecting and Enhancing the Landscape and Landscape Features			
ENV2	Coastal & Riverside Strategy			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
ENV3	Securing Nature Recovery and Biodiversity Net Gain		Sets requirement for RAMS payment currently at £163.86 for 2024/25 for every net new dwelling– will inflate with RPI in April. Requires BNG net gain at the following rates by type of site: • Brownfield sites at 10% BNG; and • Greenfield sites at 20% BNG. Additionally, this policy also sets a requirement for an urban greening factor score of 0.3 in line with the model Urban Greening Factor for England for: • all major commercial development proposals; and • 0.4 for all major residential development proposals.	No changes required.
ENV4	Local Wildlife and Geological Sites			
ENV5	Design Features that Encourage Biodiversity			
ENV6	Best and Most Versatile Agricultural Land			
Providing the Infrastructure Required to Support Growth				
Infra1	Community Facilities		To allow communities to meet their daily needs, infrastructure projects identified in the IDP will be supported. To secure improvements to community facilities. Conditions and/or S106 Agreements will be used.	No changes required.
Infra2	Education, Skills and Learning		Where a development increases demand for education, health and social care facilities beyond those available within the local area, development will be required to make proportionate contributions to support	
Infra3	Improving Health and Wellbeing			

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			capacity improvements to these services' infrastructure. Health Impact Assessment (HIA) will be required on all development sites delivering: iv. 50 or more dwellings; v. all development in Use Class C2; vi. all non-residential developments delivering 1,000+ sqm GIA.	
Infra4	Open Spaces		New open spaces will be required in large developments, where there is a deficiency (by quantity or access) of open space types, or where the implementation of the development itself will lead to a deficiency.	No changes required.
Infra5	Sports Provision		Where appropriate, developer contributions will be sought including the provision of land to enable the delivery of additional leisure and sport facilities.	No changes required.
Infra6	Communications Infrastructure			
Promoting Sustainable Transport				
T1	Transport Strategy			
T2	Highway Improvements		Where necessary, development must deliver highway projects necessary to accommodate the growth arising from this plan.	No changes required.
T3	Active Travel Improvements			
T4	Improvements to Public Transport infrastructure and Services			
T5	Highway Impact		Developers will be required to prepare a Transport Assessment or Transport Statement, and a Travel Plan, having regard to the guidance on thresholds published by the Highway Authority.	No changes required.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			Where necessary, development must deliver Highway mitigation works necessary to accommodate the growth arising from this plan.	
T6	Safe Access		Where it is not possible to generate access to public transport services within 400m of the site a contribution will be sought to improving access to existing public transport services or residential travel packs.	
T7	Parking Provision		All new development will be expected to have regard to the Essex Vehicle Parking Standards, and provide at least one dedicated electric vehicle charging point per 10 parking spaces provided.	No changes required.
T8	Access for Servicing			
Sustainable Development				
SD1	Tidal Flood Risk Management			
SD2	Non-Tidal Flood Risk Management		SuDS should be incorporated into the landscaping proposals for development schemes.	
SD3	Sustainable Drainage Systems (SuDS)		All major development will be required to submit a drainage strategy for flood risk management; and mitigation measures should be satisfactorily integrated into the development.	No changes required.
SD4	Net Zero Carbon Development (in Operation)		All new development should seek to minimise its impact on climate change as the United Kingdom pursues a Net Zero future, and sets the standards to achieve this. All new buildings must be designed and built to be Net Zero Carbon in operation.	No changes required.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			All development proposals must demonstrate the measures taken to minimise embodied carbon.	
SD5	Net Zero Carbon Development (Embodied Carbon)		All large scale new-developments, including 100+ dwellings and/or 5,000 sqm of commercial space floorspace must submit a Whole Life-Cycle Carbon Assessment that demonstrates the policy specified building targets for reducing embodied carbon have been met.	
SD6	Pollution Control		All major development proposals must be accompanied by a Construction Environment Management Plan regarding pollution prevention guidance. Under exceptionally, measures may be secured to control pollution and/or disturbance necessary to make the impacts of development acceptable.	No changes required.
SD7	Development on Contaminated Land		Where appropriate, development proposals on land classified as contaminated, potentially contaminated, or suspected as being contaminated, should be supported by a desktop environment study, and (if necessary) an intrusive site investigation. Where a site is contaminated, the Council will only permit development where it is satisfied that land is capable of remediation and is fit for the proposed use.	No changes required.
SD8	Development near Hazardous Uses			
SD9	Water Supply and Waste Water		Residential development should meet the water efficiency requirements of 90 litres per person per day (lpppd), but where this is not	No changes required.

Emerging Castle Point Plan policies		Impact?	Policy details affecting viability (if applicable)	Nature of costs & how this is treated (if applicable)
			feasible, this should be limited to 100 lpppd as set out in part G2 and Regulation 36(2)(b) of the Building Regulations. New developments should incorporate rainwater harvesting and grey water technologies for non-potable water uses on site. Non-residential development should achieve full credits for Wat 01 of BREEAM.	

7.13 As an alternative to the recommendations in **Table 7.1**, and on the basis that the emerging Castle Point Plan that has been assessed in this study remains unchanged, then a policy should be included and/or references within existing policies should be given to the consideration of viability issues associated with development proposals. This is to enable a consistent approach to be applied to ensure more certainty of deliverability of the emerging Castle Point Plan where there are identified viability challenges.

7.14 It is recommended that this flexibility be applied to Policy Hou2 affordable housing and Policies SD4 and SD5 net zero carbon while such requirements are not yet mandatory in Building Regulation, since these policies are likely to have the biggest viability impacts. Also, this flexibility should only be considered for Brownfield flatted sites with commercial uses in the Canvey Island and Mainland West & Central areas and specialist older person accommodation through the borough.

7.15 Should this consideration to future viability checks be introduced into the emerging Castle Point Plan, it should be made clear that viability assessments will be subject to an independently verified viability assessment, and that this should be at the applicant's expense.

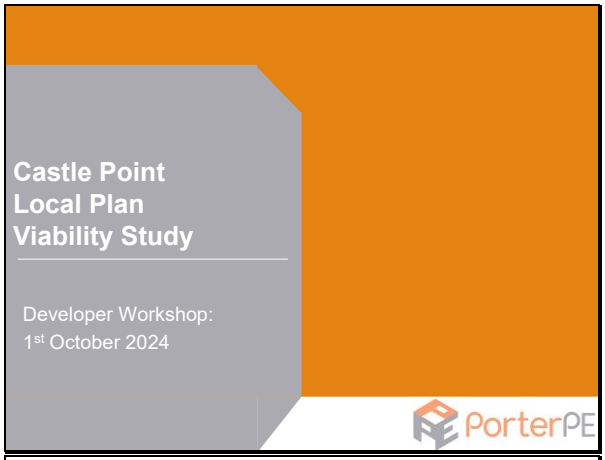
7.16 In this regard, and in making any changes to the emerging Castle Point Plan, the planning authority needs to have regard to the PPG on Viability, which states that they:

"…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." [80]

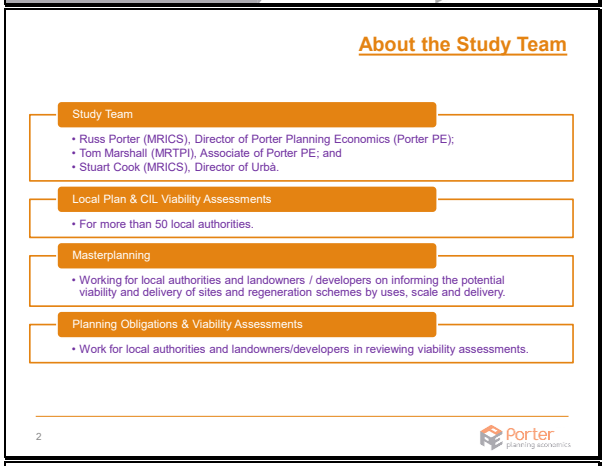
[80] PPG Viability paragraph: 010

Appendix A: Developer Workshop Presentation & Notes

Slide 1



Slide 2



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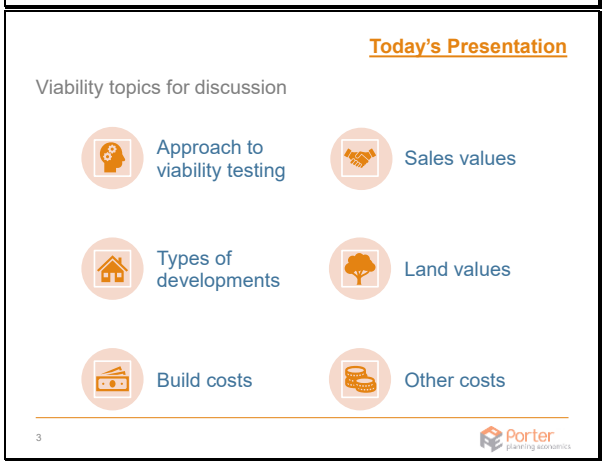


Introduction

Slides 1 to 3

GB welcomed everyone to the workshop and introduced Porter Planning Economics (aka, Porter PE), explaining that they have been commissioned to review the viability of development under the emerging Castle Point Plan. This work is also to assess the achievability of the emerging policies under the developing Local Plan.
RP introduced the study team and the purpose behind the workshop, and encouraged stakeholders to provide comments or raise questions at any point during the presentations.

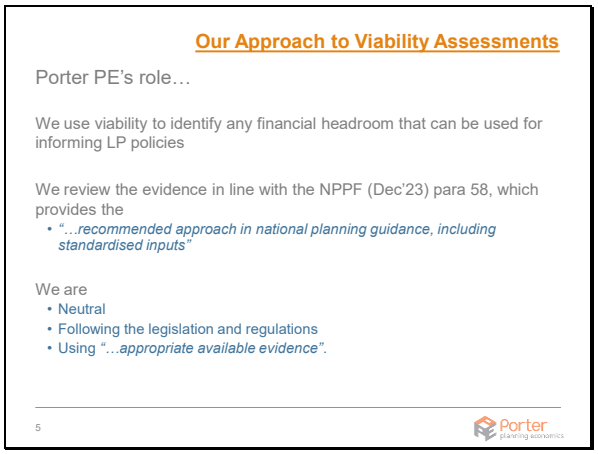
Slide 4

Our Approach to Viability Testing

Slides 4 to 6
RP presented slides showing the key guidance documents to be used for conducting viability appraisals for Local Plan viability and CIL evidence work. RP indicated that the RICS guidance (the document on the far right of the slide) provides extra clarity on the PPG guidance, including a need to sensitivity test development assumptions within the analysis.

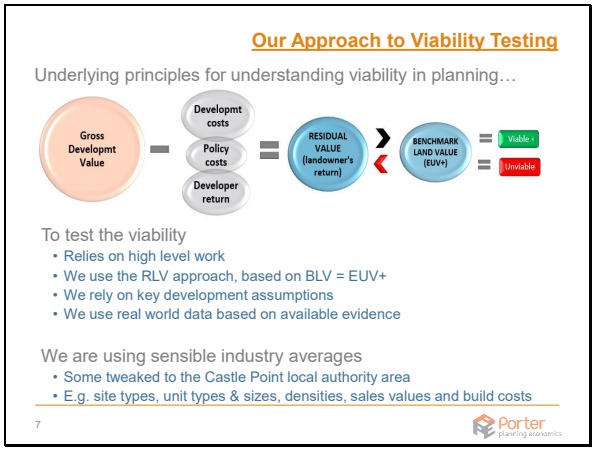
Comments:
No comments were provided on these slides.

Slide 5



Slide 6

Slide 7



Slide 7

RP noted that the conclusion from the high-level viability evidence work will be based on whether the Residual Land Value for different development types under the emerging Local Plan policies is more than an appropriate Benchmark Land Value across the bulk of sites. This would indicate that the emerging Local Plan policies would not put at risk the delivery of the Local Plan.

Slide 8

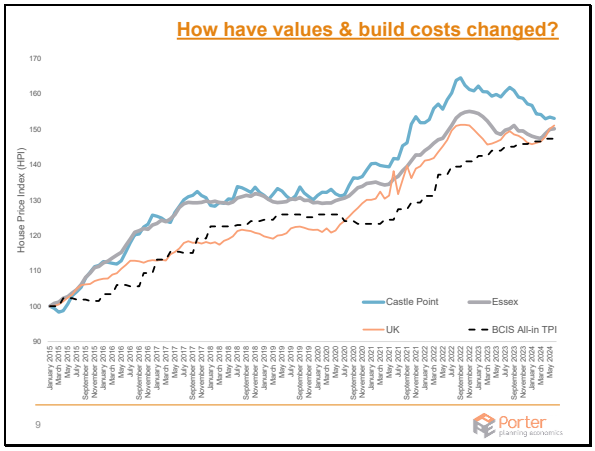
Development Context

Slides 8 to 10

The next slides provided a review of what has been happening to sales values and build costs, and how they are forecast to change over the next five years.

TM presented a graph of the changes in the Land Registry House Price Index (HPI) for Castle Point, Essex and the UK. This was then compared with changes in build costs based on BCIS' All-in Tender Index Price since 2015. The HPI identified that average house prices in Castle Point have increased considerably (c.55%) and are marginally higher than the national average price trend. Build costs have also increased over the period (by c.47%) over the same period, with a large increase in 2017 and more recently in 2022.

Slide 9



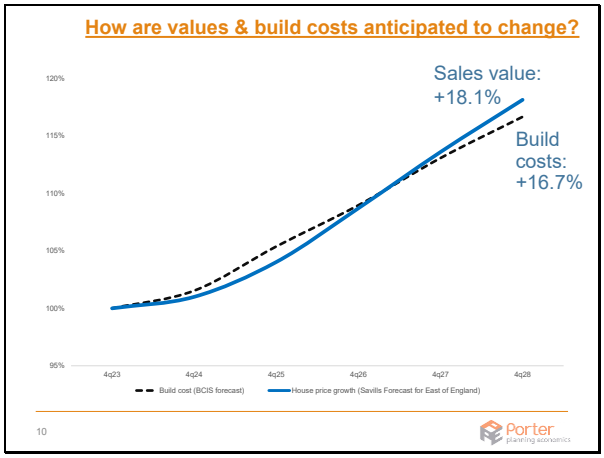
TM presented how costs (nationally) and values (regionally) are anticipated to change in the future. By 2029, the latest national build costs forecast from the BCIS shows a continued increase in tender prices by 16.7%, and sales forecast by Savills for the East of England region shows an increase of 18.1% over the next five years. TM explained that the forecasts indicate that costs are forecast to rise at a quicker rate than house prices in the short term (by the end of 2025) before being out-paced by values at the end of the period.

Comments:

One stakeholder asked for the source data for the forecasts and whether this could be shown on a quarterly basis.

One stakeholder suggested that the projected sales value growth new build sales value inflation might be

Slide 10

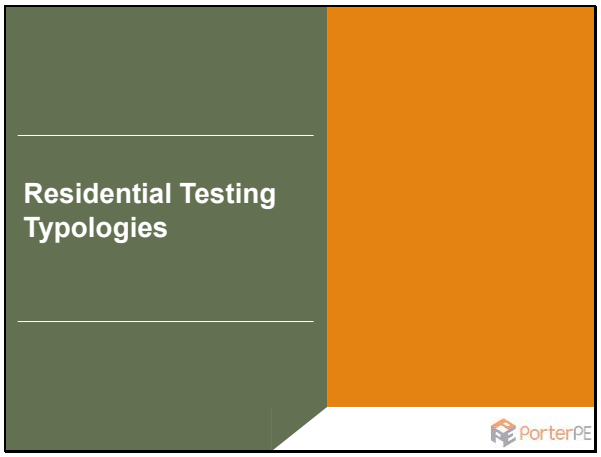


higher than the shown secondhand (existing) equivalent forecast sales values.

Post-workshop note:

The source data for the sales value estimates provided by Savills and the build cost estimates provided by BCIS are shown below.

Slide 11



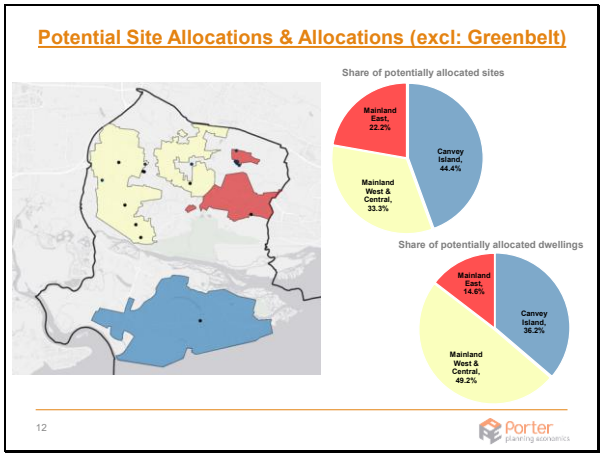
Residential Testing Site Assumptions

Slides 11 & 12

RP noted that three locations showed significant differences in achievable average residential sales values (see later), and therefore the typologies to be considered best reflect future developments within these three locations within the borough.

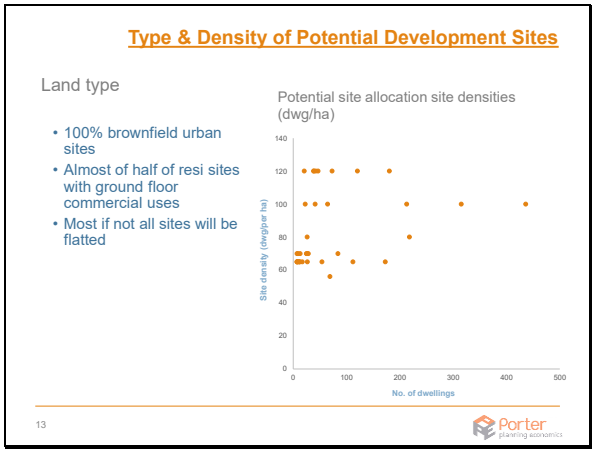
RP noted that the presented slides about site allocations using the latest information provided by the council would be used to provide general typologies of potential new developments over the plan. RP also noted that the list of sites had not yet been finalised, so the presented information and site typologies may change.

Slide 12

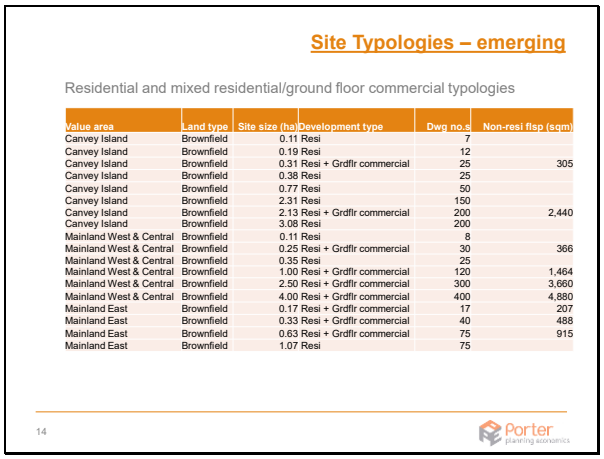


RP commented that one-third of potential site allocations and almost half the potential for new dwellings are likely to be within the 'Mainland West & Central' location; followed by 'Canvey Island' with 44% of all allocated sites and 36% of dwellings, and then Mainland East with 22% of all allocated sites and 15% of dwellings.

Slide 13

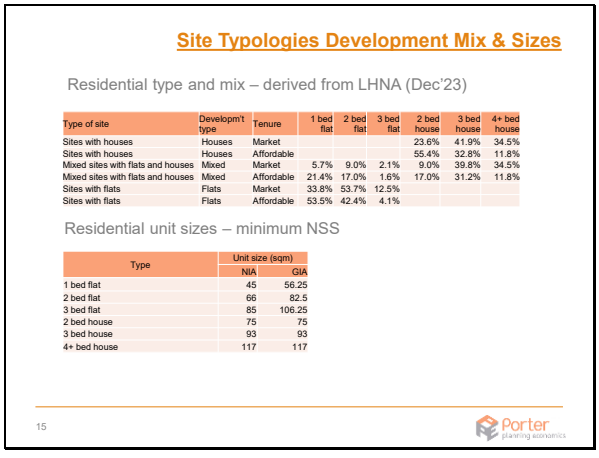


Slide 14



Value area	Land type	Site size (ha)	Development type	Dwg no.s	Non-resi flsp (sqm)
Canvey Island	Brownfield	0.11	Resi	7	
Canvey Island	Brownfield	0.19	Resi	12	
Canvey Island	Brownfield	0.31	Resi + Grdflr commercial	25	305
Canvey Island	Brownfield	0.38	Resi	25	
Canvey Island	Brownfield	0.77	Resi	50	
Canvey Island	Brownfield	2.31	Resi	150	
Canvey Island	Brownfield	2.13	Resi + Grdflr commercial	200	2,440
Canvey Island	Brownfield	3.08	Resi	200	
Mainland West & Central	Brownfield	0.11	Resi	8	
Mainland West & Central	Brownfield	0.25	Resi + Grdflr commercial	30	366
Mainland West & Central	Brownfield	0.35	Resi	25	
Mainland West & Central	Brownfield	1.00	Resi + Grdflr commercial	120	1,464
Mainland West & Central	Brownfield	2.50	Resi + Grdflr commercial	300	3,660
Mainland West & Central	Brownfield	4.00	Resi + Grdflr commercial	400	4,880
Mainland East	Brownfield	0.17	Resi + Grdflr commercial	17	207
Mainland East	Brownfield	0.33	Resi + Grdflr commercial	40	488
Mainland East	Brownfield	0.63	Resi + Grdflr commercial	75	915
Mainland East	Brownfield	1.07	Resi	75	

Slide 15



Type of site	Developm't type	Tenure	1 bed flat	2 bed flat	3 bed flat	2 bed house	3 bed house	4+ bed house
Sites with houses	Houses	Market				23.6%	41.9%	34.5%
Sites with houses	Houses	Affordable				55.4%	32.8%	11.8%
Mixed sites with flats and houses	Mixed	Market	5.7%	9.0%	2.1%	9.0%	39.8%	34.5%
Mixed sites with flats and houses	Mixed	Affordable	21.4%	17.0%	1.6%	17.0%	31.2%	11.8%
Sites with flats	Flats	Market	33.8%	53.7%	12.5%			
Sites with flats	Flats	Affordable	53.5%	42.4%	4.1%			

Type	Unit size (sqm)	
	NIA	GIA
1 bed flat	45	56.25
2 bed flat	66	82.5
3 bed flat	85	106.25
2 bed house	75	75
3 bed house	93	93
4+ bed house	117	117

Slides 13 to 15

RP presented slides indicating the characteristics of the proposed typologies to be viability tested. The first showed a graph where the size by number of dwellings and the dwelling per hectare (dph) density were plotted.

It was explained that the information about sites does not indicate if the capacity for dwellings reflects houses and/or flats, so it is assumed that sites with high densities greater than 100 dph are reasonably assumed as being flatted only developments, while those around 30 to 50 dph are assumed to be primarily housing only developments. Anything in between may be considered as a mix of houses and flats depending on the number of dwellings being considered.

The presented graph shows a cluster of sites of fairly small sites, with potential densities identified to be around 65 dph, 100 dph and 120 dph. Given the high densities, RP explained that there was likely to be a high prevalence of flatted schemes.
It was also noted that all of the potential site allocations at this stage were considered to be urban brownfield sites, however further consideration regarding the need for releasing Green/Grey belt sites could still be considered.

RP then presented a slide showing the proposed list of site typologies to be viability tested based on the presented research in the preceding slides.
A final slide indicated the mix of units proposed within the site typologies, which has been taken from the most recent housing needs assessment (Castle Point Local Housing Needs Assessment, Dec'23). The slide also provides information on the tested size of dwellings, which is to be based on meeting Nationally Described Space Standards (NDSS).

Comments:

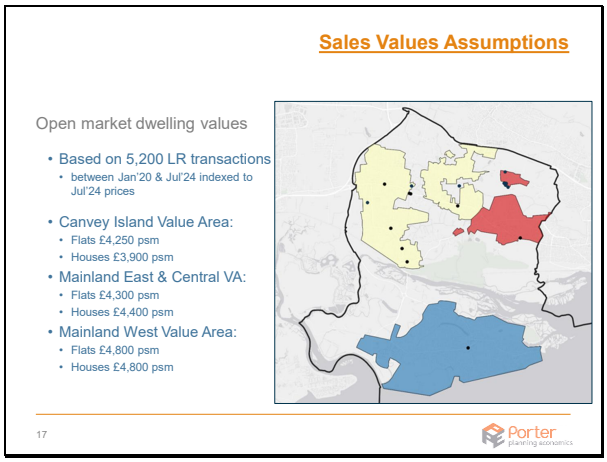
One stakeholder indicated that some small-scale housing sites were being developed, and therefore the study should consider more housing sites rather than just test flats.

One stakeholder questioned whether a large-scale greenfield/greenbelt typology might be required. RP and GB indicated that the typologies were designed to reflect the brownfield-first nature of the plan, however, green belt typologies could be included later should the direction of the plan change. RP indicated that this could take the form of a site-specific typology where consultation would be made directly with the promoter of that specific site.

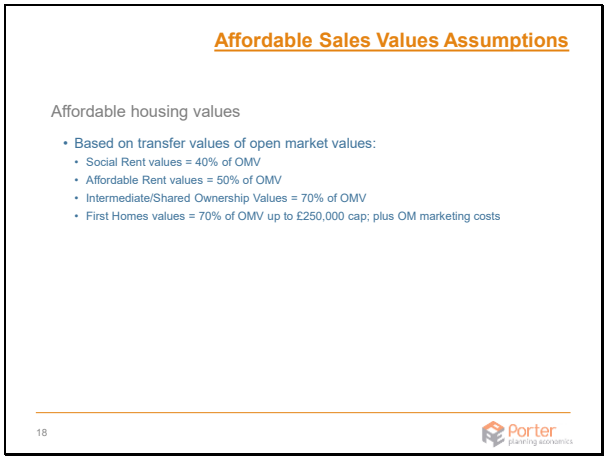
One stakeholder commented that they were building at or above the minimum space standards.

Slide 16

Slide 17



Slide 18



Sales Value research & Value areas

Slides 16 to 18

RP presented two slides showing house price data. RP explained that Land Registry sold transactions data between Jan'20 and Jun'24 matched with EPC floorspace data was used to determine a price per sqm value, noting that each transaction had been indexed from the date they were sold to current (July 2024) prices. This data was averaged across three areas ('Canvey Island', 'Mainland East & Central' and 'Mainland West') where the values were showing as being significantly different in each area.
RP also presented the assumptions about the potential transfer values of affordable units in the Castle Point area.

Comments

One stakeholder commented that there was a lack of new houses being built in recent years, which will limit the comparisons.

They also thought that the values shown were a little higher than expected, suggesting that £420 to £430 psf (i.e. c.£4,500 to £4,600 psm) for houses would be more appropriate.

It was thought that houses for £4,800 psm in the 'Mainland West' might be particularly high. The presented value for flats was considered about right. It was also commented that houses transact at a 5-7% discount compared to the asking price.

Affordable housing values were considered as 'broadly right'; one stakeholder indicated that affordable rent could be a little higher (60% of Open Market Value). Another suggested affordable rent could be 65% of the Open Market Value.

Slide 19

Development Costs

Slides 19 to 20

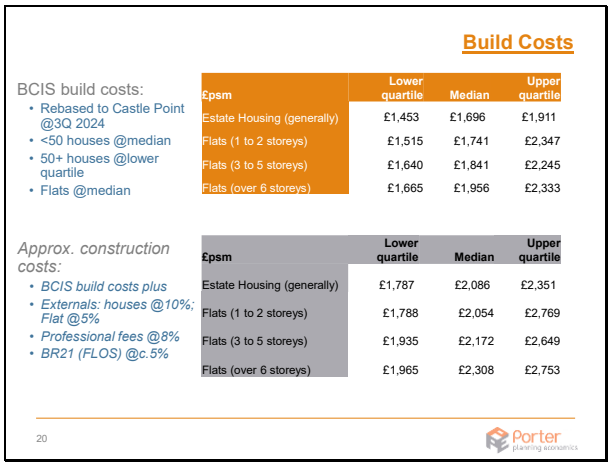
RP presented residential build costs in Castle Point, sourced from BCIS using tender prices indexed to 2024 Q3. RP noted that the build costs shown in the presentation contained an error and were representative of developments under 3 units rather than general estate housing.

RP also presented what an all-in construction cost could look like after including some broad assumptions for other costs, which are shown in the second table.

Comments

One stakeholder noted that 8% for professional fees seemed accurate.

Slide 20



Build Costs

BCIS build costs:

- Rebased to Castle Point @3Q 2024
- <50 houses @median
- 50+ houses @lower quartile
- Flats @median

£psm	Lower quartile	Median	Upper quartile
Estate Housing (generally)	£1,453	£1,696	£1,911
Flats (1 to 2 storeys)	£1,515	£1,741	£2,347
Flats (3 to 5 storeys)	£1,640	£1,841	£2,245
Flats (over 6 storeys)	£1,665	£1,956	£2,333

Approx. construction costs:

- *BCIS build costs plus*
- *Externals: houses @10%; Flat @5%*
- *Professional fees @8%*
- *BR21 (FLOS) @c.5%*

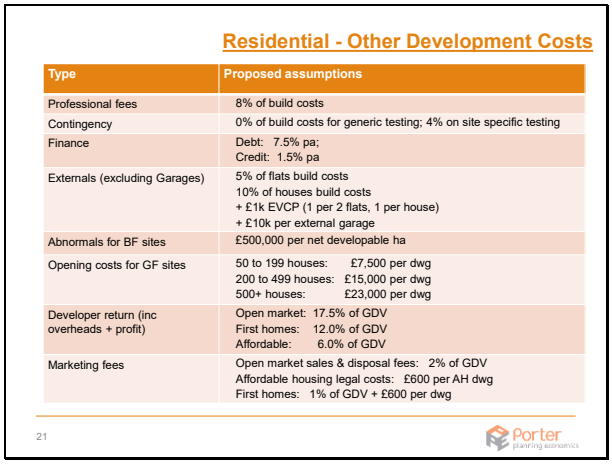
£psm	Lower quartile	Median	Upper quartile
Estate Housing (generally)	£1,787	£2,086	£2,351
Flats (1 to 2 storeys)	£1,788	£2,054	£2,769
Flats (3 to 5 storeys)	£1,935	£2,172	£2,649
Flats (over 6 storeys)	£1,965	£2,308	£2,753

20 Porter planning economics

Post-workshop note:

The build costs circulated with this note have been corrected.

Slide 21



Residential - Other Development Costs

Type	Proposed assumptions
Professional fees	8% of build costs
Contingency	0% of build costs for generic testing; 4% on site specific testing
Finance	Debt: 7.5% pa; Credit: 1.5% pa
Externals (excluding Garages)	5% of flats build costs 10% of houses build costs + £1k EVCP (1 per 2 flats, 1 per house) + £10k per external garage
Abnormals for BF sites	£500,000 per net developable ha
Opening costs for GF sites	50 to 199 houses: £7,500 per dwg 200 to 499 houses: £15,000 per dwg 500+ houses: £23,000 per dwg
Developer return (inc overheads + profit)	Open market: 17.5% of GDV First homes: 12.0% of GDV Affordable: 6.0% of GDV
Marketing fees	Open market sales & disposal fees: 2% of GDV Affordable housing legal costs: £600 per AH dwg First homes: 1% of GDV + £600 per dwg

21 Porter planning economics

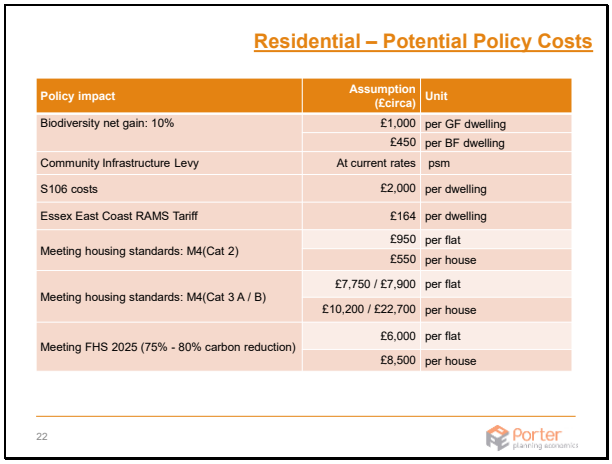
Slide 21

RP asked for comments about the other residential site development cost assumptions. RP noted that some of these were taken as industry standards and tend to be common within appraisals that have accompanied Local Plan and/or CIL viability studies and recently submitted viability assessments provided to the local council for s106 discussions.

Comments

Finance at 7.5% APR was indicated by one stakeholder as being accurate in the current market, which is likely to have increased over the last couple of years from 5%.

Slide 22



Slide 22

RP presented a slide showing assumptions for a series of general and typical policy costs. It was noted that Castle Point's Plan's policies were evolving, so these general policy costs are seen as the most current assumptions that will generally impact viability.

Comments

One stakeholder noted that the council had recently published a developer contribution SPD that sets out the requirement for developer contributions that should be considered; it was noted that in many instances it asks for contributions from both CIL and s106 for the same use (i.e. education).

Regarding Future Homes Standards proposals for carbon reductions, one stakeholder commented that their company had researched the costs and understood this to be slightly higher and in the region of £12,000 for a house and £7,500 for a flat. RP queried whether this included the uplift from 2021 or 2013 BRs, noting that the figures presented were from the 2021 BRs.

Slide 23

Benchmark Land Values

Slides 23 to 26

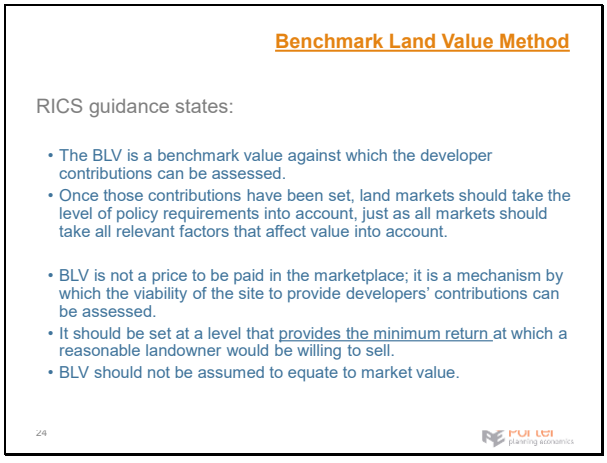
SC presented the proposed benchmark land value (BLV) to be used in the viability appraisals, and explained the approach to setting the BLV would be based on the methodology set out by the PPG and the RICS. SC noted that the evidence was based on the existing use value (EUV) for local brownfield sites (such as car parks, retail/employment land and vacant land); indicating an EUV of £1m per hectare to be about right.

With a premium of 10% being assumed, SC notes that this would give a BLV of £1.1m per hectare for brownfield sites.

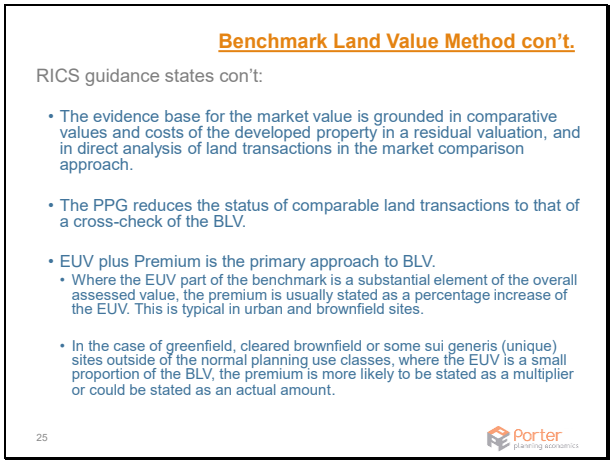
Comments

No comments were provided on these slides.

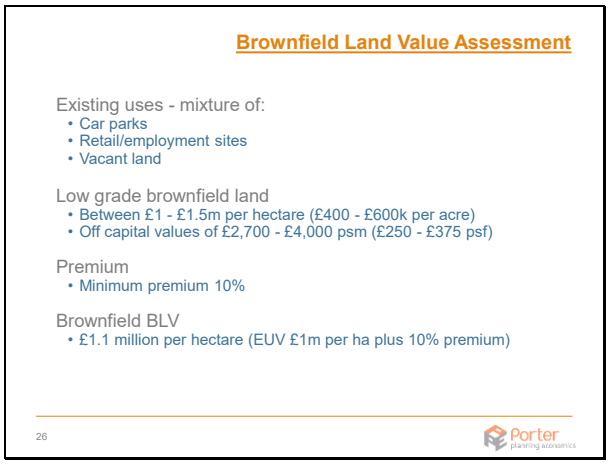
Slide 24



Slide 25



Slide 26



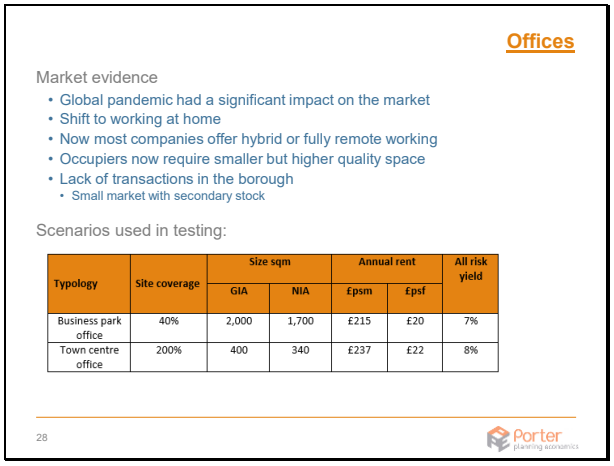
Slide 27

Non Residential Values

Slide 27

SC explained that he would present several slides setting out our assumptions for non-residential development testing. These included the typologies to be assessed, the quantum of floorspace assumed, rental values and All Risk Yields for capitalising developments, noting that the assumptions have been taken from a range of sources, including local transactions from Estates Gazette Interactive and national publications from market stakeholders such as Knight Frank and Savills.

Slide 28



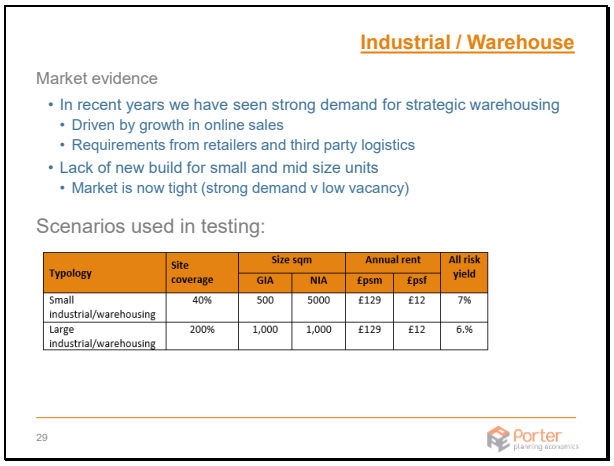
Slide 28

SC noted that the office market has suffered in recent years nationally through the COVID-19 pandemic and a change in work habits. SC noted that there was a lack of new office units in Castle Point, with the majority of transactions for existing units.

Comments

One stakeholder indicated that the yields were broadly correct. However, it was also indicated that the yields moved out when considering developments in Canvey Island.

Slide 29



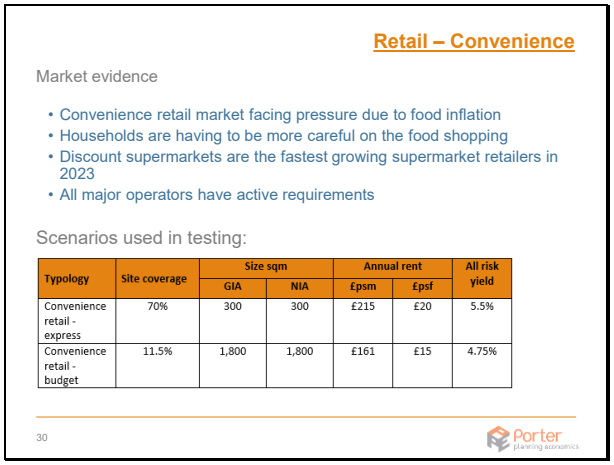
Slide 29

SC noted that the industrial market was performing well, especially in smaller spaces and the distribution sector.

Comments

One comment indicated that these assumptions appeared reasonable.

Slide 30



Slides 30 and 31

SC noted that the Convenience retail market has performed well during the pandemic but is facing pressure due to food inflation. Discount supermarkets tend to be doing best, however, recent announcements from Tesco have been positive. While the Comparison retail sector has been weaker with a move from bricks and mortar to online e-commerce. Generally seeing that out of town retail is performing better than high street retail.

Comments

No comments were provided on these slides

Slide 31

Retail – Comparison

Market evidence

- Comparison retail market is continuing to see a shift away from bricks and mortar to online e-commerce
- Trend started before the pandemic and accelerated through the pandemic and now post pandemic, with some return to small High St shops
- We have seen many well known names lost from the high street
- Generally the market is weak with a lack of new build occurring

Scenarios used in testing:

Typology	Site coverage	Size sqm		Annual rent		All risk yield
		GIA	NIA	£psm	£psf	
Comparison retail – town centre	70%	150	150	£248	£23	10%
Comparison retail – out of town	30%	500	500	£161	£15	7%

31

Slide 32

Non-residential Build Costs

Build costs

Use	BCIS Code	Median £ psm
Town Centre Offices	320. Offices Generally	£2,175
Out of town Offices	320. Offices Air-conditioned 1-2 storey	£2,131
Smaller Industrial	282. Factories Up to 500m2 GFA	£1,451
Medium Industrial	282. Factories 500 to 2000m2 GFA	£1,267
Medium Warehouse	284. Warehouses/stores 500 to 2000m2 GFA	£962
Large/Strategic Warehouse	284. Warehouses/stores Over 2000m2 GFA	£768
Small Local Convenience	344. Hypermarkets, supermarkets Up to 1000m2	£1,811
Budget Supermarket	344. Hypermarkets, supermarkets 1000 to 7000m2 GFA	£1,785
Larger Supermarket	344. Hypermarkets, supermarkets 1000 to 7000m2 GFA	£1,785
Retail Warehouse	341.1 Retail warehouses Generally	£1,038
Town Centre Comparison retail	345. Shops Generally	£1,602

BREEAM 'Excellent' Standard – cost uplift on build costs

- Offices: 0.7%
- Industrial / Warehouse: 2.8%
- Retail: 4.15%

32

Slide 33

Non-residential - Other Development Costs

Other development costs

Type	Proposed assumptions
Externals (incl parking spaces)	10% of build costs (Brownfield sites) 15% of build costs (Greenfields site)
Contingency	0% of build costs
BNG 10%	£15,000 per ha
Professional fees	10% of build costs
Marketing values	3% of GDV
Purchaser incentives	SDLT + purchaser costs Potential rent-free periods
Land purchase costs	Surveyors: 1% of RLV Legal costs: 0.75% of RLV SDLT: HMRC rate
Developer return (inc overheads + profit)	20% of GDC
Finance	Debt: 7.5% pa; Credit: 1.5% pa

33

Slides 32 to 34

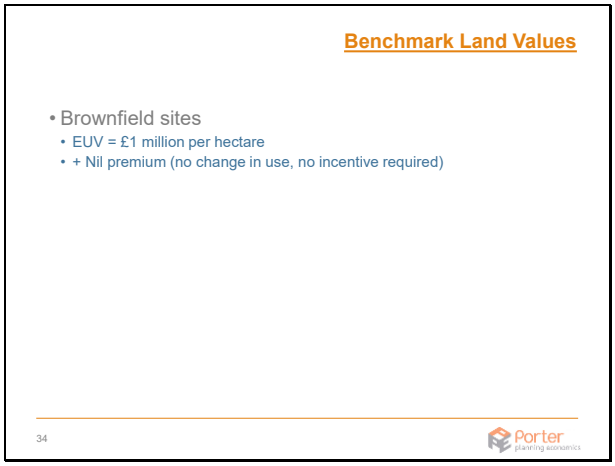
SC showed slides on non-residential build costs, other development costs and land values.

SC noted that occupiers were driving higher standards in the marketplace, such as requirements for BREEAM Excellent/Very good standards, which will be factored into the appraisal costings in the viability assessments.

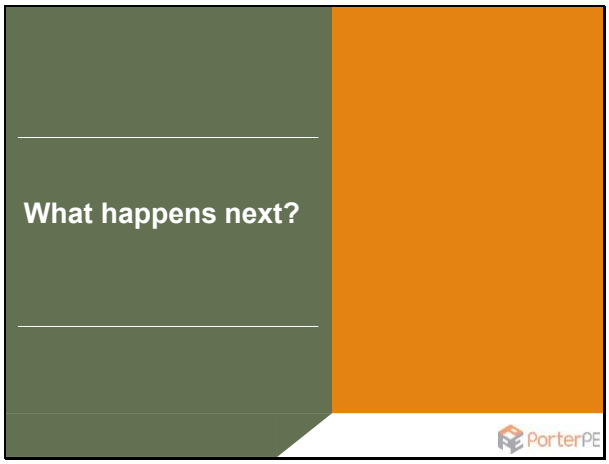
Comments

No comments were provided on these slides

Slide 34



Slide 35



What happens next?

Slides 35 to 37

RP opened the discussion for any final comments.

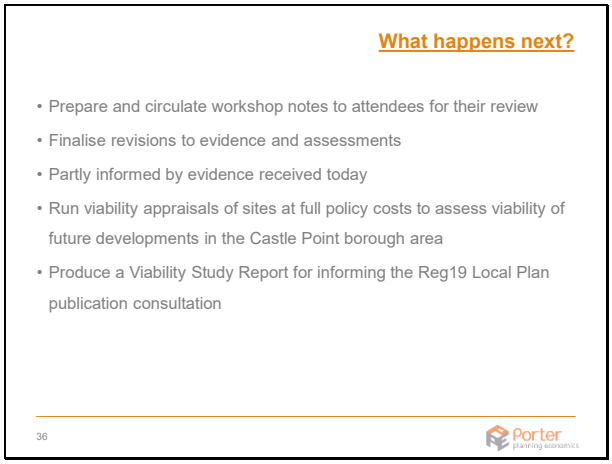
RP ran through the next stages of completing the viability assessment work, before thanking everyone for attending and closing the workshop session.

RP stated that we would welcome any further thoughts and information post-meeting and that there would be a two week period after the slides are circulated to send in any information.

RP confirmed that any information received would be treated confidentially.

RP and GB thanked every one and the workshop was then closed.

Slide 36



Appendix B: New Build Residential Transactions

Date	Address	Postcode	Type	Flsp (sqm)*	Price paid	Index at		Value at July 2024	
						Transaction	Jul-24	Property	£psm
July 2020	Apartment 19 Manna Heights, London Road, Benfleet	SS7 1AX	Flat	65	£210,000	125.7	140.7	£234,985	£3,615
July 2020	Apartment 8 Manna Heights, London Road, Benfleet	SS7 1AX	Flat	62	£225,000	125.7	140.7	£251,770	£4,061
March 2022	Flat 1 Forest View396 London Road, Benfleet	SS7 1FS	Flat	51	£230,000	147.5	140.7	£219,397	£4,302
April 2022	Flat 10 Forest View396 London Road, Benfleet	SS7 1FS	Flat	79	£295,000	148.6	140.7	£279,317	£3,536
May 2022	Flat 11 Forest View396 London Road, Benfleet	SS7 1FS	Flat	76	£293,000	146.3	140.7	£281,785	£3,708
June 2022	Flat 12 Forest View396 London Road, Benfleet	SS7 1FS	Flat	71	£297,500	149.6	140.7	£279,801	£3,941
April 2022	Flat 13 Forest View396 London Road, Benfleet	SS7 1FS	Flat	67	£299,500	148.6	140.7	£283,578	£4,233
June 2022	Flat 14 Forest View396 London Road, Benfleet	SS7 1FS	Flat	71	£295,000	149.6	140.7	£277,450	£3,908
April 2022	Flat 15 Forest View396 London Road, Benfleet	SS7 1FS	Flat	68	£299,500	148.6	140.7	£283,578	£4,170
August 2022	Flat 16 Forest View396 London Road, Benfleet	SS7 1FS	Flat	68	£290,000	154.3	140.7	£264,439	£3,889
March 2022	Flat 17 Forest View396 London Road, Benfleet	SS7 1FS	Flat	63	£252,000	147.5	140.7	£240,382	£3,816
May 2022	Flat 19 Forest View396 London Road, Benfleet	SS7 1FS	Flat	76	£300,000	146.3	140.7	£288,517	£3,796
April 2022	Flat 2 Forest View396 London Road, Benfleet	SS7 1FS	Flat	49	£230,000	148.6	140.7	£217,773	£4,444
May 2022	Flat 20 Forest View396 London Road, Benfleet	SS7 1FS	Flat	68	£282,500	146.3	140.7	£271,687	£3,995
July 2022	Flat 21 Forest View396 London Road, Benfleet	SS7 1FS	Flat	74	£315,000	151.1	140.7	£293,319	£3,964
October 2022	Flat 22 Forest View396 London Road, Benfleet	SS7 1FS	Flat	63	£257,000	151.4	140.7	£238,837	£3,791
April 2022	Flat 23 Forest View396 London Road, Benfleet	SS7 1FS	Flat	79	£315,000	148.6	140.7	£298,254	£3,775
May 2022	Flat 24 Forest View396 London Road, Benfleet	SS7 1FS	Flat	91	£335,000	146.3	140.7	£322,177	£3,540
May 2022	Flat 3 Forest View396 London Road, Benfleet	SS7 1FS	Flat	51	£230,000	146.3	140.7	£221,196	£4,337
March 2022	Flat 4 Forest View396 London Road, Benfleet	SS7 1FS	Flat	71	£292,500	147.5	140.7	£279,015	£3,930
April 2022	Flat 5 Forest View396 London Road, Benfleet	SS7 1FS	Flat	67	£300,000	148.6	140.7	£284,051	£4,240
June 2022	Flat 7 Forest View396 London Road, Benfleet	SS7 1FS	Flat	68	£290,000	149.6	140.7	£272,747	£4,011
August 2022	Flat 8 Forest View396 London Road, Benfleet	SS7 1FS	Flat	68	£295,000	154.3	140.7	£268,999	£3,956
November 2022	Flat 9 Forest View396 London Road, Benfleet	SS7 1FS	Flat	63	£252,500	150.1	140.7	£236,687	£3,757
December 2021	Flat 1 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	58	£245,000	143.7	140.7	£239,885	£4,136
August 2022	Flat 2 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	63	£280,000	154.3	140.7	£255,321	£4,053
September 2021	Flat 3 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	63	£283,000	140.7	140.7	£283,000	£4,492
October 2021	Flat 5 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	63	£280,000	144.6	140.7	£272,448	£4,325
October 2021	Flat 6 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	62	£280,000	144.6	140.7	£272,448	£4,394
October 2021	Flat 7 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	58	£285,000	144.6	140.7	£277,313	£4,781
September 2021	Flat 8 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	59	£290,000	140.7	140.7	£290,000	£4,915
December 2021	Flat 9 Saxon House174 Kiln Road, Benfleet	SS7 1FT	Flat	57	£287,500	143.7	140.7	£281,498	£4,939

Date	Address	Postcode	Type	Flsp (sqm)*	Price paid	Index at		Value at July 2024	
						Transaction	Jul-24	Property	£psm
March 2022	Flat 1 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	72	£340,000	147.5	140.7	£324,325	£4,505
April 2022	Flat 10 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	65	£315,000	148.6	140.7	£298,254	£4,589
February 2022	Flat 11 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	70	£340,000	144.8	140.7	£330,373	£4,720
January 2022	Flat 12 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	67	£340,000	143.5	140.7	£333,366	£4,976
April 2021	Flat 2 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	69	£325,000	136.1	140.7	£335,985	£4,869
August 2022	Flat 3 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	63	£310,000	154.3	140.7	£282,677	£4,487
March 2022	Flat 4 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	67	£310,000	147.5	140.7	£295,708	£4,414
July 2022	Flat 7 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	67	£330,000	151.1	140.7	£307,287	£4,586
January 2022	Flat 8 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	80	£335,000	143.5	140.7	£328,463	£4,106
April 2022	Flat 9 Troy Court30 - 32 Essex Way, Benfleet	SS7 1LT	Flat	65	£290,000	148.6	140.7	£274,583	£4,224
December 2023	Flat 1 Estuary Apartments555 London Road, Hadleigh, Benfleet	SS7 2EA	Flat	75	£345,000	144.3	140.7	£336,393	£4,485
July 2023	Flat 2 Estuary Apartments555 London Road, Hadleigh, Benfleet	SS7 2EA	Flat	75	£355,000	148.8	140.7	£335,675	£4,476
August 2023	Flat 3 Estuary Apartments555 London Road, Hadleigh, Benfleet	SS7 2EA	Flat	71	£365,000	149.1	140.7	£344,437	£4,851
July 2023	Flat 4 Estuary Apartments555 London Road, Hadleigh, Benfleet	SS7 2EA	Flat	71	£355,000	148.8	140.7	£335,675	£4,728
November 2023	Flat 5 Estuary Apartments555 London Road, Hadleigh, Benfleet	SS7 2EA	Flat	71	£385,000	145.7	140.7	£371,788	£5,236
August 2023	Flat 6 Estuary Apartments555 London Road, Hadleigh, Benfleet	SS7 2EA	Flat	71	£395,000	149.1	140.7	£372,746	£5,250
December 2020	1 Solby Wood, Benfleet	SS7 2FQ	Detached	149	£500,000	140.1	153.0	£545,961	£3,664
February 2021	10 Solby Wood, Benfleet	SS7 2FQ	Detached	167	£640,000	141.1	153.0	£693,976	£4,156
July 2021	17 Solby Wood, Benfleet	SS7 2FQ	Detached	167	£715,000	141.8	153.0	£771,474	£4,620
June 2021	21 Solby Wood, Benfleet	SS7 2FQ	Detached	167	£715,000	142.0	153.0	£770,387	£4,613
August 2021	23 Solby Wood, Benfleet	SS7 2FQ	Detached	213	£750,000	145.8	153.0	£787,037	£3,695
March 2021	3 Solby Wood, Benfleet	SS7 2FQ	Detached	169	£595,000	139.9	153.0	£650,715	£3,850
May 2021	5 Solby Wood, Benfleet	SS7 2FQ	Detached	124	£610,000	139.7	153.0	£668,074	£5,388
December 2020	8 Solby Wood, Benfleet	SS7 2FQ	Detached	149	£600,000	140.1	153.0	£655,153	£4,397
March 2021	9 Solby Wood, Benfleet	SS7 2FQ	Detached	123	£605,000	139.9	153.0	£661,651	£5,379
March 2020	10 Solby Wood View, Benfleet	SS7 2FR	Detached	167	£625,000	133.1	153.0	£718,607	£4,303
August 2020	3 Solby Wood View, Benfleet	SS7 2FR	Detached	177	£740,000	134.9	153.0	£839,537	£4,743
January 2021	4 Solby Wood View, Benfleet	SS7 2FR	Detached	167	£625,000	141.5	153.0	£675,795	£4,047
April 2021	5 Solby Wood View, Benfleet	SS7 2FR	Detached	167	£630,000	139.8	153.0	£689,485	£4,129
September 2020	7 Solby Wood View, Benfleet	SS7 2FR	Detached	172	£670,000	137.1	153.0	£747,757	£4,347

Date	Address	Postcode	Type	Flsp (sqm)*	Price paid	Index at		Value at July 2024	
						Transaction	Jul-24	Property	£psm
January 2021	8 Solby Wood View, Benfleet	SS7 2FR	Detached	171	£635,000	141.5	153.0	£686,608	£4,015
February 2020	12 Solby Wood Place, Benfleet	SS7 2FS	Detached	168	£750,000	133.3	153.0	£860,969	£5,125
September 2020	14 Solby Wood Place, Benfleet	SS7 2FS	Detached	177	£775,000	137.1	153.0	£864,943	£4,887
November 2021	15 Solby Wood Place, Benfleet	SS7 2FS	Detached	213	£190,000	155.0	153.0	£187,548	£881
September 2020	2 Solby Wood Place, Benfleet	SS7 2FS	Detached	149	£620,000	137.1	153.0	£691,954	£4,644
January 2021	3 Solby Wood Place, Benfleet	SS7 2FS	Detached	172	£690,000	141.5	153.0	£746,078	£4,338
January 2021	4 Solby Wood Place, Benfleet	SS7 2FS	Detached	148	£500,000	141.5	153.0	£540,636	£3,653
January 2021	5 Solby Wood Place, Benfleet	SS7 2FS	Detached	167	£580,000	141.5	153.0	£627,138	£3,755
January 2021	7 Solby Wood Place, Benfleet	SS7 2FS	Detached	168	£698,750	141.5	153.0	£755,539	£4,497
May 2020	8 Solby Wood Place, Benfleet	SS7 2FS	Detached	127	£575,000	132.9	153.0	£661,864	£5,212
October 2020	9 Solby Wood Place, Benfleet	SS7 2FS	Detached	172	£730,000	137.3	153.0	£813,296	£4,728
November 2021	, The Poppis272 Daws Heath Road, Benfleet	SS7 2TP	Detached	61	£360,000	155.0	153.0	£355,355	£5,825
December 2020	416 Daws Heath Road, Benfleet	SS7 2UD	Detached	128	£555,000	140.1	153.0	£606,016	£4,735
July 2020	418 Daws Heath Road, Benfleet	SS7 2UD	Detached	96	£495,000	132.3	153.0	£572,492	£5,963
June 2020	420 Daws Heath Road, Benfleet	SS7 2UD	Detached	96	£495,000	132.3	153.0	£572,319	£5,962
December 2020	422 Daws Heath Road, Benfleet	SS7 2UD	Detached	128	£575,000	140.1	153.0	£627,855	£4,905
September 2020	49A, Rhoda Road North, Benfleet	SS7 3EH	Detached	167	£605,000	137.1	153.0	£675,213	£4,043
January 2022	1 Chase Mews, Benfleet	SS7 3FL	Detached	182	£750,000	153.4	153.0	£748,044	£4,110
November 2021	10 Chase Mews, Benfleet	SS7 3FL	Detached	106	£700,000	155.0	153.0	£690,968	£6,519
December 2021	11 Chase Mews, Benfleet	SS7 3FL	Detached	104	£700,000	153.9	153.0	£695,906	£6,691
December 2021	12 Chase Mews, Benfleet	SS7 3FL	Detached	135	£625,000	153.9	153.0	£621,345	£4,603
February 2022	14 Chase Mews, Benfleet	SS7 3FL	Detached	181	£735,000	154.2	153.0	£729,280	£4,029
December 2021	15 Chase Mews, Benfleet	SS7 3FL	Detached	134	£617,000	153.9	153.0	£613,392	£4,578
July 2022	16 Chase Mews, Benfleet	SS7 3FL	Detached	181	£735,000	160.9	153.0	£698,912	£3,861
March 2022	17 Chase Mews, Benfleet	SS7 3FL	Detached	181	£700,000	157.3	153.0	£680,865	£3,762
April 2022	18 Chase Mews, Benfleet	SS7 3FL	Detached	181	£712,500	158.6	153.0	£687,342	£3,797
April 2021	19 Chase Mews, Benfleet	SS7 3FL	Detached	134	£610,000	139.8	153.0	£667,597	£4,982
June 2021	2 Chase Mews, Benfleet	SS7 3FL	Detached	218	£760,000	142.0	153.0	£818,873	£3,756
September 2021	20 Chase Mews, Benfleet	SS7 3FL	Detached	195	£775,000	146.7	153.0	£808,282	£4,145
November 2021	3 Chase Mews, Benfleet	SS7 3FL	Detached	166	£705,000	155.0	153.0	£695,903	£4,192
July 2021	4 Chase Mews, Benfleet	SS7 3FL	Detached	168	£760,000	141.8	153.0	£820,028	£4,881
September 2021	5 Chase Mews, Benfleet	SS7 3FL	Detached	168	£767,000	146.7	153.0	£799,939	£4,762

Date	Address	Postcode	Type	Flsp (sqm)*	Price paid	Index at		Value at July 2024	
						Transaction	Jul-24	Property	£psm
November 2021	6 Chase Mews, Benfleet	SS7 3FL	Detached	166	£725,000	155.0	153.0	£715,645	£4,311
August 2021	7 Chase Mews, Benfleet	SS7 3FL	Detached	148	£650,000	145.8	153.0	£682,099	£4,609
October 2021	8 Chase Mews, Benfleet	SS7 3FL	Detached	181	£725,000	152.8	153.0	£725,949	£4,011
November 2021	9 Chase Mews, Benfleet	SS7 3FL	Detached	86	£600,000	155.0	153.0	£592,258	£6,887
September 2021	1 Halle Mews, Benfleet	SS7 5FJ	Flat	102	£350,000	140.7	140.7	£350,000	£3,431
November 2021	10 Halle Mews, Benfleet	SS7 5FJ	Flat	69	£300,000	146.2	140.7	£288,714	£4,184
October 2021	11 Halle Mews, Benfleet	SS7 5FJ	Flat	55	£260,000	144.6	140.7	£252,988	£4,600
November 2021	12 Halle Mews, Benfleet	SS7 5FJ	Flat	61	£295,000	146.2	140.7	£283,902	£4,654
October 2021	13 Halle Mews, Benfleet	SS7 5FJ	Flat	72	£315,000	144.6	140.7	£306,504	£4,257
September 2021	14 Halle Mews, Benfleet	SS7 5FJ	Flat	64	£295,000	140.7	140.7	£295,000	£4,609
July 2021	15 Halle Mews, Benfleet	SS7 5FJ	Flat	50	£250,000	137.8	140.7	£255,261	£5,105
October 2021	16 Halle Mews, Benfleet	SS7 5FJ	Flat	63	£306,000	144.6	140.7	£297,747	£4,726
November 2021	17 Halle Mews, Benfleet	SS7 5FJ	Flat	66	£295,000	146.2	140.7	£283,902	£4,302
November 2021	19 Halle Mews, Benfleet	SS7 5FJ	Flat	104	£355,000	146.2	140.7	£341,645	£3,285
September 2021	2 Halle Mews, Benfleet	SS7 5FJ	Flat	102	£350,000	140.7	140.7	£350,000	£3,431
June 2021	20 Halle Mews, Benfleet	SS7 5FJ	Flat	92	£320,000	138.2	140.7	£325,789	£3,541
September 2021	21 Halle Mews, Benfleet	SS7 5FJ	Flat	81	£335,000	140.7	140.7	£335,000	£4,136
September 2021	22 Halle Mews, Benfleet	SS7 5FJ	Flat	50	£254,000	140.7	140.7	£254,000	£5,080
August 2021	23 Halle Mews, Benfleet	SS7 5FJ	Flat	80	£340,000	140.5	140.7	£340,484	£4,256
April 2022	3 Halle Mews, Benfleet	SS7 5FJ	Flat	75	£305,000	148.6	140.7	£288,785	£3,850
October 2021	4 Halle Mews, Benfleet	SS7 5FJ	Flat	69	£320,000	144.6	140.7	£311,369	£4,513
September 2021	5 Halle Mews, Benfleet	SS7 5FJ	Flat	52	£265,000	140.7	140.7	£265,000	£5,096
October 2021	6 Halle Mews, Benfleet	SS7 5FJ	Flat	72	£320,000	144.6	140.7	£311,369	£4,325
September 2021	7 Halle Mews, Benfleet	SS7 5FJ	Flat	72	£290,000	140.7	140.7	£290,000	£4,028
July 2021	8 Halle Mews, Benfleet	SS7 5FJ	Flat	64	£295,000	137.8	140.7	£301,208	£4,706
October 2021	9 Halle Mews, Benfleet	SS7 5FJ	Flat	50	£235,000	144.6	140.7	£228,662	£4,573
July 2021	Flat 18 Halle Mews19 - 27 Kents Hill Road, Benfleet	SS7 5FJ	Flat	78	£320,000	137.8	140.7	£326,734	£4,189
March 2022	Flat 1090 High Road, Benfleet	SS7 5LG	Flat	62	£315,000	147.5	140.7	£300,478	£4,846
November 2021	Flat 1190 High Road, Benfleet	SS7 5LG	Flat	40	£255,000	146.2	140.7	£245,407	£6,135
December 2021	Flat 1290 High Road, Benfleet	SS7 5LG	Flat	116	£485,000	143.7	140.7	£474,875	£4,094
November 2021	Flat 1490 High Road, Benfleet	SS7 5LG	Flat	114	£475,000	146.2	140.7	£457,131	£4,010
November 2021	Flat 190 High Road, Benfleet	SS7 5LG	Flat	41	£235,000	146.2	140.7	£226,159	£5,516

Date	Address	Postcode	Type	Flsp (sqm)*	Price paid	Index at		Value at July 2024	
						Transaction	Jul-24	Property	£psm
December 2022	Flat 490 High Road, Benfleet	SS7 5LG	Flat	62	£320,000	150.3	140.7	£299,561	£4,832
October 2021	Flat 590 High Road, Benfleet	SS7 5LG	Flat	41	£215,000	144.6	140.7	£209,201	£5,102
January 2022	Flat 690 High Road, Benfleet	SS7 5LG	Flat	61	£325,000	143.5	140.7	£318,659	£5,224
October 2021	Flat 890 High Road, Benfleet	SS7 5LG	Flat	58	£287,500	144.6	140.7	£279,746	£4,823
December 2021	Flat 990 High Road, Benfleet	SS7 5LG	Flat	62	£320,000	143.7	140.7	£313,319	£5,054
November 2022	6 Elmhurst Avenue, Benfleet	SS7 5RY	Semi-det	126	£480,000	162.3	155.7	£460,481	£3,655
October 2020	Flat 1 Quill House211 London Road, Benfleet	SS7 5UN	Flat	52	£210,000	127.9	140.7	£231,107	£4,444
May 2020	Flat 10 Quill House211 London Road, Benfleet	SS7 5UN	Flat	81	£260,000	125.9	140.7	£290,518	£3,587
March 2021	Flat 2 Quill House211 London Road, Benfleet	SS7 5UN	Flat	59	£237,000	136.0	140.7	£245,190	£4,156
May 2020	Flat 3 Quill House211 London Road, Benfleet	SS7 5UN	Flat	55	£220,000	125.9	140.7	£245,823	£4,470
October 2020	Flat 4 Quill House211 London Road, Benfleet	SS7 5UN	Flat	62	£250,000	127.9	140.7	£275,127	£4,438
June 2020	Flat 5 Quill House211 London Road, Benfleet	SS7 5UN	Flat	52	£220,000	124.9	140.7	£247,910	£4,767
January 2021	Flat 6 Quill House211 London Road, Benfleet	SS7 5UN	Flat	59	£245,000	133.1	140.7	£258,989	£4,390
March 2021	Flat 7 Quill House211 London Road, Benfleet	SS7 5UN	Flat	55	£218,000	136.0	140.7	£225,534	£4,101
January 2021	Flat 8 Quill House211 London Road, Benfleet	SS7 5UN	Flat	62	£240,000	133.1	140.7	£253,704	£4,092
June 2020	Flat 9 Quill House211 London Road, Benfleet	SS7 5UN	Flat	90	£260,000	124.9	140.7	£292,984	£3,255
March 2023	Flat 14 Clermont House38 Long Road, Canvey Island	SS8 0JY	Flat	71	£280,000	148.5	140.7	£265,293	£3,737
May 2023	Flat 23 Clermont House38 Long Road, Canvey Island	SS8 0JY	Flat	71	£285,000	148.2	140.7	£270,577	£3,811
April 2023	Flat 24 Clermont House38 Long Road, Canvey Island	SS8 0JY	Flat	47	£275,000	147.4	140.7	£262,500	£5,585

Source: Derived from Land Registry sold house prices data, Land Registry HPI, and *EPC records

Appendix C: Older Person Accommodation Transactions

Address	Postcode	Sold date	Price	Market value	Size (sqm)	£psm	Current £psm
Aston Place							
Flat 10 Aston Place	SS7 3PY	July 2006	£174,950	£270,872	69	£2,536	£3,926
Flat 11 Aston Place	SS7 3PY	October 2005	£179,950	£298,654	61	£2,950	£4,896
Flat 12 Aston Place	SS7 3PY	February 2006	£149,950	£238,809	47	£3,190	£5,081
Flat 13 Aston Place	SS7 3PY	December 2005	£164,950	£263,141	60	£2,749	£4,386
Flat 14 Aston Place	SS7 3PY	June 2007	£190,000	£272,747	65	£2,923	£4,196
Flat 15 Aston Place	SS7 3PY	November 2005	£149,950	£246,700	50	£2,999	£4,934
Flat 17 Aston Place	SS7 3PY	May 2006	£199,950	£311,106	59	£3,389	£5,273
Flat 18 Aston Place	SS7 3PY	March 2006	£175,000	£279,645	52	£3,365	£5,378
Flat 2 Aston Place	SS7 3PY	December 2006	£189,950	£288,431	63	£3,015	£4,578
Flat 3 Aston Place	SS7 3PY	June 2007	£182,500	£261,980	63	£2,897	£4,158
Flat 4 Aston Place	SS7 3PY	June 2006	£199,995	£312,719	64	£3,125	£4,886
Flat 5 Aston Place	SS7 3PY	July 2006	£154,950	£239,906	46	£3,368	£5,215
Flat 7 Aston Place	SS7 3PY	August 2006	£154,950	£242,687	37	£4,188	£6,559
Flat 8 Aston Place	SS7 3PY	December 2005	£177,450	£283,082	63	£2,817	£4,493
Flat 9 Aston Place	SS7 3PY	March 2006	£180,000	£287,635	64	£2,813	£4,494
Aragon Court							
Apartment 20 Aragon Court	SS7 2GB	July 2006	£232,035	£359,255	69	£3,363	£5,207
Apartment 1 Aragon Court, 133 - 147	SS7 2GB	June 2006	£169,950	£265,740	45	£3,777	£5,905
Apartment 12 Aragon Court, 133 - 147	SS7 2GB	April 2006	£184,950	£289,673	46	£4,021	£6,297
Apartment 15 Aragon Court, 133 - 147	SS7 2GB	August 2006	£192,950	£302,203	45	£4,288	£6,716
Apartment 18 Aragon Court, 133 - 147	SS7 2GB	February 2006	£180,950	£288,180	45	£4,021	£6,404
Apartment 19 Aragon Court, 133 - 147	SS7 2GB	January 2006	£213,950	£343,628	46	£4,651	£7,470
Apartment 2 Aragon Court, 133 - 147	SS7 2GB	May 2006	£163,950	£255,093	42	£3,904	£6,074
Apartment 23 Aragon Court, 133 - 147	SS7 2GB	August 2006	£158,950	£248,951	37	£4,296	£6,728
Apartment 3 Aragon Court, 133 - 147	SS7 2GB	March 2007	£155,950	£233,431	40	£3,899	£5,836
Apartment 4 Aragon Court, 133 - 147	SS7 2GB	December 2006	£260,950	£396,242	78	£3,346	£5,080
Apartment 40 Aragon Court, 133 - 147	SS7 2GB	February 2006	£175,950	£280,217	43	£4,092	£6,517
Apartment 43 Aragon Court, 133 - 147	SS7 2GB	May 2006	£161,950	£251,981	49	£3,305	£5,142
Apartment 53 Aragon Court, 133 - 147	SS7 2GB	February 2006	£232,950	£370,994	66	£3,530	£5,621
Brook Lodge							
Apartment 1 Brook Lodge	SS7 5JB	November 2016	£300,000	£350,803	69	£4,348	£5,084
Apartment 10 Brook Lodge	SS7 5JB	December 2016	£275,000	£314,571	64	£4,297	£4,915
Apartment 11 Brook Lodge	SS7 5JB	July 2016	£275,000	£334,813	69	£3,986	£4,852
Apartment 12 Brook Lodge	SS7 5JB	October 2016	£275,000	£323,168	69	£3,986	£4,684
Apartment 2 Brook Lodge	SS7 5JB	April 2017	£280,000	£322,631	69	£4,058	£4,676
Apartment 3 Brook Lodge	SS7 5JB	August 2016	£285,000	£342,145	69	£4,130	£4,959
Apartment 4 Brook Lodge	SS7 5JB	March 2017	£275,000	£317,256	69	£3,986	£4,598
Apartment 7 Brook Lodge	SS7 5JB	March 2017	£290,000	£334,561	50	£5,800	£6,691
Apartment 8 Brook Lodge	SS7 5JB	July 2016	£300,000	£365,251	69	£4,348	£5,293
Apartment 9 Brook Lodge	SS7 5JB	August 2016	£280,000	£336,142	69	£4,058	£4,872
Hamilton Court							

Flat 1 Hamilton Court, 120	SS8 0JN	August 2010	£167,500	£265,419	68	£2,463	£3,903
Flat 10 Hamilton Court, 120	SS8 0JN	October 2010	£190,000	£303,103	64	£2,969	£4,736
Flat 11 Hamilton Court, 120	SS8 0JN	December 2010	£185,000	£305,962	75	£2,467	£4,079
Flat 12 Hamilton Court, 120	SS8 0JN	December 2010	£166,500	£275,365	39	£4,269	£7,061
Flat 13 Hamilton Court, 120	SS8 0JN	October 2010	£170,000	£271,197	65	£2,615	£4,172
Flat 14 Hamilton Court, 120	SS8 0JN	October 2011	£131,500	£218,244	54	£2,435	£4,042
Flat 15 Hamilton Court, 120	SS8 0JN	February 2012	£146,500	£250,161	56	£2,616	£4,467
Flat 17 Hamilton Court, 120	SS8 0JN	December 2010	£134,995	£223,261	56	£2,411	£3,987
Flat 18 Hamilton Court, 120	SS8 0JN	November 2010	£136,000	£220,301	58	£2,345	£3,798
Flat 2 Hamilton Court, 120	SS8 0JN	November 2010	£139,995	£226,773	49	£2,857	£4,628
Flat 20 Hamilton Court, 120	SS8 0JN	February 2011	£168,000	£277,361	62	£2,710	£4,474
Flat 22 Hamilton Court, 120	SS8 0JN	March 2012	£141,995	£241,596	51	£2,784	£4,737
Flat 23 Hamilton Court, 120	SS8 0JN	November 2010	£180,000	£291,575	75	£2,400	£3,888
Flat 24 Hamilton Court, 120	SS8 0JN	March 2012	£156,500	£266,275	62	£2,524	£4,295
Flat 3 Hamilton Court, 120	SS8 0JN	August 2011	£139,000	£231,504	52	£2,673	£4,452
Flat 4 Hamilton Court, 120	SS8 0JN	February 2011	£136,995	£226,173	55	£2,491	£4,112
Flat 5 Hamilton Court, 120	SS8 0JN	September 2011	£138,000	£230,650	52	£2,654	£4,436
Flat 6 Hamilton Court, 120	SS8 0JN	August 2010	£140,000	£221,843	54	£2,593	£4,108
Flat 7 Hamilton Court, 120	SS8 0JN	September 2010	£164,000	£257,714	60	£2,733	£4,295
Flat 8 Hamilton Court, 120	SS8 0JN	August 2012	£170,000	£282,636	62	£2,742	£4,559
Flat 9 Hamilton Court, 120	SS8 0JN	January 2011	£183,000	£303,716	73	£2,507	£4,160
Sandringham Court							
Flat 1 Sandringham Court, 503	SS7 1BD	December 2005	£137,950	£220,069	40	£3,449	£5,502
Flat 10 Sandringham Court, 503	SS7 1BD	July 2005	£205,000	£329,813	62	£3,306	£5,320
Flat 11 Sandringham Court, 503	SS7 1BD	October 2005	£187,500	£311,184	65	£2,885	£4,787
Flat 12 Sandringham Court, 503	SS7 1BD	January 2005	£139,950	£224,015	46	£3,042	£4,870
Flat 14 Sandringham Court, 503	SS7 1BD	November 2004	£141,950	£231,925	42	£3,380	£5,522
Flat 15 Sandringham Court, 503	SS7 1BD	November 2004	£154,500	£252,430	50	£3,090	£5,049
Flat 17 Sandringham Court, 503	SS7 1BD	January 2005	£158,000	£252,907	53	£2,981	£4,772
Flat 18 Sandringham Court, 503	SS7 1BD	December 2004	£169,950	£273,423	54	£3,147	£5,063
Flat 19 Sandringham Court, 503	SS7 1BD	December 2005	£137,950	£220,069	42	£3,285	£5,240
Flat 2 Sandringham Court, 503	SS7 1BD	October 2004	£150,000	£246,354	57	£2,632	£4,322
Flat 20 Sandringham Court, 503	SS7 1BD	October 2005	£132,950	£220,650	49	£2,713	£4,503
Flat 21 Sandringham Court, 503	SS7 1BD	September 2005	£165,000	£273,363	56	£2,946	£4,881
Flat 22 Sandringham Court, 503	SS7 1BD	December 2004	£162,000	£260,633	52	£3,115	£5,012
Flat 23 Sandringham Court, 503	SS7 1BD	October 2004	£210,000	£344,896	57	£3,684	£6,051
Flat 25 Sandringham Court, 503	SS7 1BD	December 2004	£142,000	£228,456	45	£3,156	£5,077
Flat 26 Sandringham Court, 503	SS7 1BD	May 2005	£149,950	£240,021	35	£4,284	£6,858
Flat 27 Sandringham Court, 503	SS7 1BD	April 2005	£164,950	£269,039	58	£2,844	£4,639
Flat 29 Sandringham Court, 503	SS7 1BD	July 2005	£167,950	£270,205	52	£3,230	£5,196
Flat 3 Sandringham Court, 503	SS7 1BD	August 2005	£168,495	£276,250	56	£3,009	£4,933
Flat 30 Sandringham Court, 503	SS7 1BD	June 2005	£163,950	£263,770	56	£2,928	£4,710
Flat 31 Sandringham Court, 503	SS7 1BD	December 2004	£139,950	£225,158	46	£3,042	£4,895
Flat 32 Sandringham Court, 503	SS7 1BD	December 2004	£137,950	£221,940	46	£2,999	£4,825

Flat 33 Sandringham Court, 503	SS7 1BD	November 2004	£172,950	£282,575	52	£3,326	£5,434
Flat 35 Sandringham Court, 503	SS7 1BD	August 2005	£229,995	£377,080	50	£4,600	£7,542
Flat 36 Sandringham Court, 503	SS7 1BD	November 2004	£189,950	£310,350	47	£4,041	£6,603
Flat 4 Sandringham Court, 503	SS7 1BD	October 2004	£153,000	£251,281	46	£3,326	£5,463
Flat 5 Sandringham Court, 503	SS7 1BD	August 2005	£165,450	£271,258	53	£3,122	£5,118
Flat 6 Sandringham Court, 503	SS7 1BD	August 2005	£137,950	£226,171	38	£3,630	£5,952
Flat 7 Sandringham Court, 503	SS7 1BD	October 2004	£139,950	£229,848	40	£3,499	£5,746
Flat 8 Sandringham Court, 503	SS7 1BD	October 2004	£169,950	£279,119	63	£2,698	£4,430
Flat 9 Sandringham Court, 503	SS7 1BD	December 2004	£165,000	£265,459	63	£2,619	£4,214

Appendix D: Commercial Uses Market Information

Office Market Overview

Before the pandemic, developers were finding it difficult to fund office development due to the restricted availability of loans, with speculative office development occurring only in strong and established office markets, while in other markets such as that covering Castle Point, new development required a pre-let in place to a blue-chip covenant. At this time, there was a notable shift in office requirements from out of town locations to town and city centres. This was driven by staff wanting to be closer to public transport links and amenities.

During the Covid-19 pandemic, the government encouraged working from home measures, leading to many offices being left unoccupied or at greatly reduced occupancy. Companies were forced to embrace video conferencing and other measures to ensure business continuity. At the time it was unclear how the change in working practices would have on the long term office market, with vacancy rates increasing as occupiers delayed making decisions on taking space or reduced their footprint.

Since 2021 there has been greater clarity as to how changes in working patterns have affected the office market, with some form of home working now being common practice. Consequently, occupiers are seeking smaller but of better quality units, creating surplus space through downsizing. The focus on quality is around sustainability and energy efficiency, as occupiers try to meet increasingly ambitious ESG aspirations and to help attract and retain staff. Occupiers are increasingly seeking high quality space with 'green credentials' such as BREEAM Excellent and zero carbon, to help meet their ESG targets.

The office space in the Castle Point borough is secondary in nature with no recent new build occurring. As shown in **Table D1**, rents at Endway House and 120 London Road are c.£210 psm, but these are for small suites, with rents for a larger unit at 351 London Road achieving £118 psm. New office space in the town centres is expected to come forward at rents of c.£237 psm and out of town £215 psm, reflecting a new build premium for higher quality stock than currently being seen in the market.

Table D1 Office comparable evidence of rents

Date	Address	Size sqm	Rent £psm
01/12/2024	351 London Rd Benfleet	182	£118
01/10/2024	83 High St Benfleet	60	£125
19/02/2024	Emdway House, Endway Benfleet	21	£216
01/03/2023	120 London Rd Benfleet	34	£205
01/11/2022	348-374 Long Rd Canvey Island	64	£117
04/07/2022	Claydons Ln Rayleigh	107	£142
02/02/2022	263 Church Rd Benfleet	163	£102

Source: CoStar, September 2025

With regards to office yields, there have been no recent transactions for Castle Point recorded on CoStar, so the wider Essex market has been considered with reasonable adjustments. The evidence in **Table D2** shows that there is just one recorded completed recent transaction and two under offer. The limited evidence shows yields of between 7.06% and 12%. However, given the weak nature of the office market in the borough, yields would be expected to be at the higher end.

Table D2 Office comparable evidence of yields

Date	Address	Size sqm	Net initial yield
18/04/2024	Sandringham House, Harlow Business Park, Sandringham Ave, Harlow	3,079	12.00%
Under offer	The Granary, 4-6 Crescent Rd, Brentwood	632	7.06%
Under offer	25-35 Springfield Rd, Chelmsford	434	10.00%

Source: CoStar, January 2025

Convenience Retail Market Overview

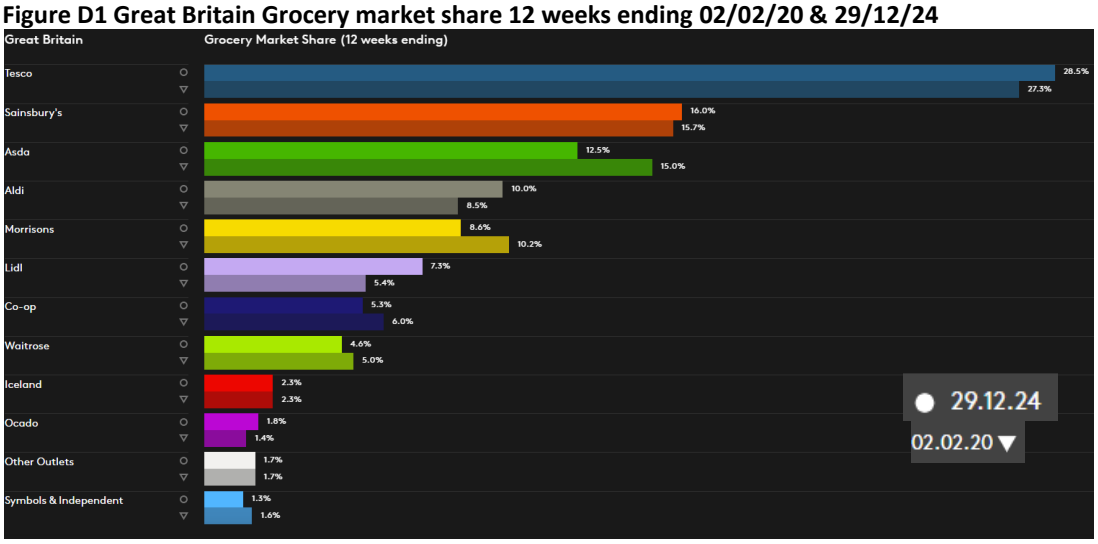
The convenience retail sector has seen a significant change since the financial crisis. In the years following 2008, supermarkets appeared to have weathered the economic storm with most operators aggressively expanding (commonly referred to as the race for space). Operators were able to competitively bid for sites as they were taking advantage of other sectors in the property market being much weaker. During this period of growth, there was a strong appetite from operators to open large-format stores of up to circa 11,150 sqm. This format provides a mixture of convenience and comparison retail. Then a change in shopping patterns was experienced, with more of a reliance on online shopping combined with customers supplementing a 'big' shopping trip with regular smaller shops during the week. Also, some customers were splitting their shopping trips between the big four supermarkets (Tesco, Sainsbury's, Asda and Morrisons) and discounters such as Aldi and Lidl. This resulted in supermarket operators shifting away from large format stores.

As the economy emerged from the global pandemic, there were different challenges faced by the sector, most notably food price inflation and the wider cost-of-living crisis. Food price inflation has been caused by the rising cost of energy and restrictions on food imports caused by the Russian invasion of Ukraine. Russia and Ukraine are ranked among the top three global exporters of wheat, barley, maize, rapeseed and rapeseed oil, sunflower seed and sunflower oil.[81] The cost-of-living crisis has been caused by factors including the high inflation driven by food producers passing on increasing costs, the higher energy bills and the government increasing interest rates to try and control inflation.

Households are having to be more careful with their food shopping spending, and Kantar reports in **Figure D1** that between February 2020 and April 2024, discount supermarket Aldi increased their market share from 8.5% to 10% and Lidl from 5.4% to 7.3%. This was primarily at the expense of Asda and Morrisons losing market share during the same period.

[81] UK Parliament, 10 February 2023, Cost of living: Food price inflation

Figure D1 Great Britain Grocery market share 12 weeks ending 02/02/20 & 29/12/24



Source: Kantar WorldPanel (December 2024)

Analysis of CoStar data shows that there have been no recent convenience retail transactions locally. Therefore, the search radius needs to be extended, although this is not a problem because values are driven by customer footfall rather than location. As shown in **Table D5**, rents for smaller format stores of 600 sqm or less have rents of between £150 and £350 psm, with the larger budget stores having rents of between £199 and £216 psm. It is expected that new build rents in the Castle Point borough will be around the middle of the range.

Table D5 Convenience retail comparable evidence of rents

Date	Address	Tenant	Total sqm	Rent £psm
28/02/2022	96 High St, Rayleigh	Tesco Express	253	£238
02/03/2022	67 High St, Brentwood	Tesco	265	£283
19/03/2024	175 London Rd, Benfleet	Morrisons	5,002	£228
01/11/2021	Western Approach, Stanway	ALDI	1,737	£199
26/06/2023	5 Crompton Close, Basildon	Lidl	1,794	£216
01/12/2023	1A Whitmore Dr, Colchester	Sainsbury's	401	£350
10/03/2022	33-34 High St, Colchester	Tesco Express	593	£150

Source: CoStar, September 2025

In considering local yields, convenience retail yields are less driven by location but by footfall competition, with the health of the sector compared to other asset classes and the strength of the operator at the current point in the cycle. Therefore, similar to the rent analysis, the wider southeast market has been considered because of the general lack of transactions. Knight Frank's commercial yield guide, which is shown as an extract in **Figure D2**, shows that prime yields with annual retail price index (RPI) review with 20 years of secured income are between 4.75 - 5.0% and discount supermarkets on 20-year leases with 5-yearly indexed reviews at 4.75%.

Figure D2 Prime yield guide – foodstores

SECTOR		DEC-23	AUG-24	SEP-24	OCT-24	NOV-24	DEC-24
Foodstores	Annual RPI Increases [NIY] (20 year income)	5.00%	5.00%	5.00%	5.00%	5.00%	4.75% - 5.00%
	Open Market Reviews (20 year lease, 5 yearly reviews)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	Discounters (20 years, 5 yearly indexation)	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%

Source: Knight Frank (December 2024)

Cross-referencing the Knight Frank research with recorded transactions on CoStar in **Table D6,** shows Waitrose at higher yields between 5.52% and 6.7%, whereas M&S Foodhall is in line with the research. Based on the research, it is expected that new build yields in Castle Point borough will be 4.75% for a budget formant and 5.5% for an express format.

Table D6 Convenience retail comparable evidence of yields

Date	Address	Tenant	Size sqm	Net initial yield
Dec-2024	St Andrews Ave, Colchester, CO4 3BE	Waitrose	3,280	6.7%
Sept-2022	12-14 Eastwood Rd, Rayleigh, SS6 7JQ	M&S Foodhall	3,565	4.7%
Jun-24	63 Station Rd, Longfield DA3 7QA	Waitrose	3,011	5.52%
Pending	6-16 Torquay Rd, Chelmsford	Chelmsford Star Cooperative Society	248	6.78%

Source: CoStar, September 2025

Comparison Retail Market Review

In the assessment of the comparison retail market, two types of markets have been considered. These cover the 'high street' retail sector, in terms of district centre location at Canvey Island, Benfleet and Thundersley Village, and the out of town market at Canvey Island Retail Park and Tarpots in terms of retail parks.

The comparison retail sector remains challenging due to spending constraints caused by high living costs. The sector has also faced cost pressures including rising business rates, an increase in living wage, and disruption to shipments from the Far East via the Red Sea. The British Retail Consortium reported that in-store non-food sales increased by 0.4% year on year in December, against a decline of 2.9% in December 2023. This was above the 3-month average decline of 2.4% and above the 12-month average decline of 2.2%. The general decline in the market has resulted in some retailers seeking to reduce their presence on the high street, for example:

- Shoe Zone – in January 2025, they announced they would close 20 or more sites.
- Boots said it will close 300 stores between 2023 and 2024.
- M&S said in 2022 that they would close 67 lower productivity stores by 2028.

Despite the challenges, some retailers are performing better, with:

- Primark reported a 6% rise in revenue for the 52 weeks to 14 September 2024.
- Next reported in January 2025 that full price sales were up 6% versus last year in the nine week to December 2024.

Owing to the uncertainties in the retail market investors, developers and local authorities are working together across many town centres to 're-purpose' the offer, with less reliance on retail and bringing in other uses. In addition, retailers are rethinking the purpose of their physical stores by improving the in-store experience, with the current buzzword here being 'hybrid shopping'. This is through creating a store that serves multiple purposes such as a showroom, a distribution hub, a customer service centre, an entertainment venue and whatever else the consumer needs it to be.

Alongside this shift in supply chain operations, the hybrid retail concept also offers customers a variety of options when it comes to fulfilling their orders such as curbside/in-store pick-up, localised (products ordered to local store hours after delivering online), and traditional courier.

Comparison retail is found throughout Castle Point borough, through a mix of converted and purpose built space. The evidence in **Table D7** shows that the rents for the better quality and located space range between £199 and £279 psm. There is no recent evidence recorded on CoStar for out of town retail. In the wider Essex market, Wickes at 5 Century had a lease renewal on their 2,400 sqm at a rent of £175 psm, which is consistent with what has been agreed for similar units elsewhere.

Table D7 Comparison retail comparable evidence of rents

Date	Address	Size sqm	Rent £psm
18/06/2024	102-104 High St Canvey Island	45	£222
01/12/2022	45-49 High St Canvey Island	49	£226
19/03/2024	175 London Rd Benfleet	5,002	£228
05/02/2024	252-252A High Rd Benfleet	60	£199
07/06/2023	275 Kiln Rd Benfleet	43	£279
25/03/2022	9-17 High St Benfleet	141	£249

Source: CoStar, September 2024

With regards to comparison retail yields, again there have been no recent local transactions recorded on CoStar, so the wider Essex market has been considered with reasonable adjustments. The evidence in **Table D8** shows that yields in nearby Southend-On-Sea range between 6.67% and 12.6%. The highest yield is on a part vacant /part multi let building in Southend city centre. The lower yield reflects unit let on a 15-year term to Medivet Group expiring in 2039. New build comparison retail would be expected to achieve slightly above the lowest in the range of comparable evidence.

Table D8 Comparison retail comparable evidence of yields

Date	Address	Size sqm	Net initial yield
17/07/2024	170-174 High St, Southend-On-Sea	1,584	12.60%
02/05/2024	123 High St, Southend-On-Sea	131	8.64%
Under offer	123-127 The Broadway, Southend-On-Sea	183	6.67%

Source: CoStar, January 2025

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Appendix E: BCIS Build Costs

BCIS®

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 21-Sep-2024 07:44

Rebased to Castle Point (107; sample 6)

MAXIMUM AGE OF RESULTS: 5 YEARS

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810. Housing, mixed developments (5)	1,751	883	1,485	1,671	1,913	4,134	357	
810.1 Estate housing								
Generally (5)	1,728	843	1,453	1,696	1,911	3,606	224	
Single storey (5)	1,951	1,090	1,719	1,802	2,030	3,606	40	
2-storey (5)	1,681	843	1,447	1,658	1,839	2,768	179	
3-storey (5)	1,592	1,204	1,347	1,596	1,777	2,037	5	
810.12 Estate housing semi detached								
Generally (5)	1,827	1,024	1,523	1,780	2,028	3,606	61	
Single storey (5)	1,863	1,344	1,639	1,830	1,983	3,606	20	
2-storey (5)	1,804	1,024	1,492	1,777	2,055	2,768	40	
3-storey (5)	2,037	-	-	-	-	-	1	
810.13 Estate housing terraced								
Generally (5)	1,534	960	1,343	1,484	1,719	2,237	10	
Single storey (5)	1,545	-	-	-	-	-	1	
2-storey (5)	1,574	960	1,369	1,484	1,817	2,237	8	

BCIS®

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
3-storey (5)	1,204	-	-	-	-	-	1	
816. Flats (apartments)								
Generally (5)	1,994	1,008	1,627	1,841	2,267	3,959	169	
1-2 storey (5)	1,945	1,114	1,515	1,741	2,347	3,643	31	
3-5 storey (5)	2,000	1,008	1,640	1,841	2,245	3,959	116	
6 storey or above (5)	2,039	1,400	1,665	1,956	2,333	2,823	22	
820.1 'One-off' housing detached (3 units or less)								
Generally (5)	3,319	1,462	2,236	2,869	3,400	7,617	29	
Single storey (5)	2,750	1,462	2,492	2,996	3,152	3,400	8	
2-storey (5)	3,452	1,734	2,066	2,669	3,658	7,617	16	
3-storey (5)	3,804	2,483	2,704	3,271	4,236	6,323	5	
820.2 'One-off' housing semi-detached (3 units or less) (5)	2,495	1,630	1,827	1,955	2,440	6,568	11	
820.3 'One-off' housing terraced (3 units or less) (5)	2,150	1,127	1,777	1,789	2,140	3,918	5	

BCIS®

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 21-Sep-2024 07:44

Rebased to Castle Point (107; sample 6)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
282. Factories								
Generally (25)	1,322	310	751	1,106	1,586	5,082	123	
Up to 500m2 GFA (25)	1,720	1,106	1,244	1,451	2,148	2,959	13	
500 to 2000m2 GFA (25)	1,407	310	841	1,267	1,587	5,082	53	
Over 2000m2 GFA (25)	1,151	446	651	925	1,377	2,953	57	
282.1 Advance factories								
Generally (15)	1,130	468	892	1,124	1,419	1,717	17	
Up to 500m2 GFA (15)	1,352	1,110	1,136	1,347	1,451	1,717	5	
500 to 2000m2 GFA (15)	1,269	841	1,128	1,359	1,461	1,508	6	
Over 2000m2 GFA (15)	807	468	692	820	927	1,124	6	
282.12 Advance factories/offices - mixed facilities (class B1)								
Generally (20)	1,565	693	1,064	1,486	1,852	2,953	16	
Up to 500m2 GFA (25)	2,620	2,148	-	2,753	-	2,959	3	
500 to 2000m2 GFA (20)	1,553	1,267	1,365	1,607	1,683	1,841	5	
Over 2000m2 GFA (20)	1,376	693	930	1,089	1,806	2,953	9	

BCIS®

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
282.2 Purpose built factories								
Generally (30)	1,474	310	765	1,254	1,940	5,082	76	
Up to 500m2 GFA (30)	1,819	923	1,307	1,884	2,330	2,629	6	
500 to 2000m2 GFA (30)	1,622	310	839	1,251	1,989	5,082	27	
Over 2000m2 GFA (30)	1,334	415	747	1,078	1,836	2,704	43	
282.22 Purpose built factories/Offices - mixed facilities (15)	1,199	568	944	1,136	1,423	2,531	24	
284. Warehouses/stores								
Generally (15)	1,210	468	719	953	1,368	5,455	38	
Up to 500m2 GFA (15)	2,175	786	1,210	1,546	2,563	5,455	8	
500 to 2000m2 GFA (15)	1,060	557	761	962	1,187	1,922	14	
Over 2000m2 GFA (15)	860	468	682	768	906	1,786	16	
284.1 Advance warehouses/stores (15)	905	485	777	831	1,113	1,240	7	
284.2 Purpose built warehouses/stores								
Generally (15)	1,288	468	718	955	1,426	5,455	29	
Up to 500m2 GFA (15)	2,508	786	1,505	1,950	3,150	5,455	6	
500 to 2000m2 GFA (15)	1,056	557	750	955	1,205	1,922	13	
Over 2000m2 GFA (15)	857	468	693	765	1,054	1,411	10	
284.5 Cold stores/refrigerated stores (30)	1,641	1,129	1,201	1,426	2,223	2,226	5	
320. Offices								
Generally (20)	2,360	1,020	1,711	2,175	2,762	7,198	128	
Air-conditioned								
Generally (20)	2,562	1,475	1,957	2,333	2,888	7,198	37	

BCIS®

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
1-2 storey (20)	2,286	1,475	1,901	2,131	2,458	4,291	13	
3-5 storey (20)	2,626	1,587	1,846	2,332	2,909	7,198	15	
6 storey or above (20)	2,779	2,118	2,508	2,655	2,843	3,983	8	
Not air-conditioned								
Generally (20)	2,310	1,223	1,691	2,232	2,723	4,198	63	
1-2 storey (20)	2,252	1,306	1,600	2,166	2,638	3,922	36	
3-5 storey (20)	2,334	1,223	1,725	2,154	2,736	4,198	24	
6 storey or above (25)	2,924	2,290	-	3,016	-	3,373	4	
341.1 Retail warehouses								
Generally (25)	1,172	578	885	1,038	1,263	3,421	44	
Up to 1000m2 (25)	1,290	857	962	1,081	1,223	3,421	11	
1000 to 7000m2 GFA (25)	1,176	578	892	1,043	1,356	2,419	29	
7000 to 15000m2 (25)	886	865	-	-	-	906	2	
Over 15000m2 GFA (30)	981	860	-	-	-	1,103	2	
344. Hypermarkets, supermarkets								
Generally (35)	2,030	837	1,403	1,785	2,684	3,477	33	
Up to 1000m2 (35)	2,091	1,403	-	1,811	-	3,341	4	
1000 to 7000m2 GFA (35)	2,028	837	1,319	1,785	2,705	3,477	27	
7000 to 15000m2 (35)	1,684	-	-	-	-	-	1	
Over 15000m2 GFA (35)	2,180	-	-	-	-	-	1	
345. Shops								
Generally (30)	1,962	744	1,068	1,602	2,427	5,156	14	
1-2 storey (30)	1,986	744	1,064	1,556	2,526	5,156	13	
3-5 storey (30)	1,648	-	-	-	-	-	1	

BCIS®

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
442. Nursing homes (25)	2,390	1,436	1,757	2,395	2,680	3,979	23	
442.2 Nursing homes long stay (residential homes) (10)	2,569	2,395	-	-	-	2,743	2	
843. Supported housing								
Generally (15)	2,050	1,063	1,710	1,916	2,236	4,153	126	
Single storey (15)	2,309	1,476	1,890	2,193	2,507	4,153	12	
2-storey (15)	2,080	1,076	1,708	1,884	2,408	3,613	44	
3-storey (15)	1,891	1,063	1,711	1,829	2,086	2,812	42	
4-storey or above (15)	2,116	1,293	1,690	1,975	2,160	4,010	25	
843.1 Supported housing with shops, restaurants or the like (15)	2,000	1,243	1,677	1,878	2,223	3,308	35	
852. Hotels (15)	2,843	1,484	2,179	2,808	3,548	3,906	13	
853. Motels (25)	1,773	1,336	1,611	1,658	2,131	2,132	5	
856.2 Students' residences, halls of residence, etc (15)	2,417	1,393	2,167	2,454	2,690	3,984	52	

Appendix F: Example Viability Appraisals

7 Mixed @ 65dph Canvey Island Brownfield

Nr of dwgs	7
Gross ha	0.11
Net ha	0.11
Land type	Brownfield
LV description	Brownfield
Value area	Canvey Island
Average height	1-2 storey

Tenure	Private	Affordable
Nr	7	-
First Homes		-
Intermediate		-
Affordable rent		-
Social rent		-

TECHNICAL CHECKS:

Sqm/ha	5,948
Dwgs/ha (net)	65
Units/pa	6
AH rate	0.0%
GDV=Total costs	-
Profit/total GDV	17.5%

DVA SUMMARY:

RLV	£370,911
BLV	£118,462
Viable?	Yes
Headroom	**£252,449**
Headroom per net ha	£2,344,169
Headroom per dwg	£36,064
Headroom psm flsp	£358
Headroom psm CIL liable	£358

TIMING

Ref	Item							Value	Start	Finish
1.0	**Site Acquisition**									
1.1	Net site value (residual land value)							£370,911	Jan-26	Oct-26
1.2	Stamp Duty Land Tax	Category:	Commercial land					£8,046	Jan-26	Oct-26
1.3	Purchaser costs		1.75%	on land costs				£6,491	Jan-26	Oct-26
	Total Site Acquisition Costs							**£385,447**		
2.0	**Developer Return**									
2.1	Central overheads (cashflowed)		3.5%	of total GDV				£88,587	Jan-26	Jan-28
2.2	Developer return on market housing		17.5%	of OM GDV minus central overheads				£354,349	Jan-28	Feb-28
2.3	Developer return on non-residential		17.5%	of Non-residential GDV minus central overheads				£0	Jan-28	Feb-28
2.4	Developer return on affordable housing		6.0%	of AH GDV minus central overheads				£0	Jan-28	Feb-28
	Total Developer Return							**£442,937**		
3.0	**Development Value**									
3.1	Private units		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.1.1		1 bed flats (NIA)	0	45.0	-	£4,250		£0	May-27	Jan-28
3.1.2		2 bed flats (NIA)	1	66.0	81	£4,250		£343,613	May-27	Jan-28
3.1.3		3 bed flats (NIA)	0	80.0	13	£4,250		£53,550	May-27	Jan-28
3.1.4		2 bed house	1	75.0	92	£3,900		£358,313	Oct-26	Jan-28
3.1.5		3 bed house	3	96.0	287	£3,900		£1,120,392	Oct-26	Jan-28
3.1.6		4+ bed house	1	120.0	168.0	£3,900		£655,200	Oct-26	Jan-28
		Subtotal	7		641					
3.3	Intermediate		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.3.1		1 bed flats (NIA)	0	45.0	-	£2,975		£0	May-27	Jan-28
3.3.2		2 bed Flats (NIA)	0	66.0	-	£2,975		£0	May-27	Jan-28
3.3.3		3 bed Flats (NIA)	0	80.0	-	£2,975		£0	May-27	Jan-28
3.3.4		2 bed house	0	75.0	-	£2,730		£0	Oct-26	Jan-28
3.3.5		3 bed house	0	96.0	-	£2,730		£0	Oct-26	Jan-28
3.3.6		4+ bed house	0	120.0	-	£2,730		£0	Oct-26	Jan-28
		Subtotal	0		-					
3.4	Affordable rent		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.4.1		1 bed flats (NIA)	0	45.0	-	£2,550		£0	May-27	Jan-28
3.4.2		2 bed Flats (NIA)	0	66.0	-	£2,550		£0	May-27	Jan-28
3.4.3		3 bed Flats (NIA)	0	80.0	-	£2,550		£0	May-27	Jan-28
3.4.4		2 bed house	0	75.0	-	£2,340		£0	Oct-26	Jan-28
3.4.5		3 bed house	0	96.0	-	£2,340		£0	Oct-26	Jan-28
3.4.6		4+ bed house	0	120.0	-	£2,340		£0	Oct-26	Jan-28
		Subtotal	0		-					
3.5	Social rent		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.5.1		1 bed flats (NIA)	0	45.0	-	£1,700		£0	May-27	Jan-28
3.5.2		2 bed Flats (NIA)	0	66.0	-	£1,700		£0	May-27	Jan-28
3.5.3		3 bed Flats (NIA)	0	80.0	-	£1,700		£0	May-27	Jan-28
3.5.4		2 bed house	0	75.0	-	£1,560		£0	Oct-26	Jan-28
3.5.5		3 bed house	0	96.0	-	£1,560		£0	Oct-26	Jan-28
3.5.6		4+ bed house	0	120.0	-	£1,560		£0	Oct-26	Jan-28
		Subtotal	0		-					
3.6	Non-residential		Rent psm	Total sqm (NIA)	Yield			Total Value		
3.6.1		Non-residential	£238.33	-	8.00%	£0				
3.6.2		Adjusted for rent free period	-	months		£0				
3.6.3		Less purchaser costs	6.6%			£0				
3.6.4		Total GDV						£0	Dec-27	Jan-28
	Gross Development Value							**£2,531,067**		
4.0	**Development Costs**									
4.1	**Sales Cost**									
4.1.1	Private units		2.0%	on OM GDV				£50,621	May-27	Jan-28
4.1.2	Non residential		2.0%	on OM GDV				£0	May-27	Jan-28
4.1.3	Affordable units		£600	per AH				£0	May-27	Jan-28
	Total Sales Costs							**£50,621**		
4.2	**Build Costs**									
4.2.1	Private units		Nr of units	Size sqm	Total sqm	£psm		Total Cost		
4.2.1.1		1 bed flats (GIA)	0.00	50.0	-	£1,741		£0	Apr-26	Jul-27
4.2.1.2		2 bed flats (GIA)	1.23	73.3	90	£1,741		£156,400	Apr-26	Jul-27
4.2.1.3		3 bed flats (GIA)	0.16	88.9	14	£1,741		£24,374	Apr-26	Jul-27
4.2.1.4		2 bed house	1.23	75.0	92	£1,696		£155,820	Apr-26	Jul-27
4.2.1.5		3 bed house	2.99	96.0	287	£1,696		£487,227	Apr-26	Jul-27
4.2.1.6		4+ bed house	1.40	120.0	168.0	£1,696		£284,928	Apr-26	Jul-27
		Subtotal	7.0		651					
4.2.2	Affordable units		Nr of units	Size sqm	Total sqm	£psm		Total Cost		
4.2.2.1		1 bed flats (GIA)	0.00	50.0	-	£1,741		£0	Apr-26	Jul-27
4.2.2.2		2 bed Flats (GIA)	0.00	73.3	-	£1,741		£0	Apr-26	Jul-27
4.2.2.3		3 bed Flats (GIA)	0.00	88.9	-	£1,741		£0	Apr-26	Jul-27
4.2.2.4		2 bed house	0.00	75.0	-	£1,696		£0	Apr-26	Jul-27
4.2.2.5		3 bed house	0.00	96.0	-	£1,696		£0	Apr-26	Jul-27
4.2.2.6		4+ bed house	0.00	120.0	-	£1,696		£0	Apr-26	Jul-27
		Subtotal	-		-					
4.2.3	Revised Building Regulations Part FLO (house)		£3,000	per house				£16,853	Apr-26	Jul-27
4.2.3	Revised Building Regulations Part FLO (flat)		£1,900	per flat				£2,627	Apr-26	Jul-27
4.2.4	Building Safety Act - 6+ storeys		£0	per flat				£0	Apr-26	Jul-27
			Nr of units	Size sqm	Total sqm	£psm		Total Cost		
4.2.5	External garages		2.7	20	53	£600		£32,044	Apr-26	Jul-27
					Total sqm	£psm		Total Cost		
4.2.6	Non-residential				-	£1,863		£0	Apr-26	Jul-27
	Total Build Costs							**£1,160,272**		
4.3	**Extra-Over Construction Costs**									
4.3.1.1	Externals (for flats)		10.0%	extra-over on build cost for flats				£18,077	Apr-26	Jul-27
4.3.1.2	Externals (for houses)		10.0%	extra-over on build cost for houses				£96,002	Apr-26	Jul-27
4.3.1.3	Externals (for non residential)		10.0%	extra-over on build cost for non-residential				£0	Apr-26	Jul-27
4.3.1.4	EVCP		£1,000	per flat (applied to 50% of total)				£691	Apr-26	Jul-27
4.3.1.5	EVCP		£1,000	per house				£5,618	Apr-26	Jul-27
4.3.1.6	10% Biodiversity Net Gain		£450	per dwelling				£3,150	Jan-26	Oct-26
4.3.1.7	Site abnormals (remediation/demolition)		£500,000	per net ha				£53,846	Jan-26	Oct-26
4.3.1.8	Site opening costs		£0	per unit				£0	Jan-26	Oct-26
4.3.1.9	Building Safety Levy		£0.00	per sqm				£0	Jan-26	Oct-26
	Total Extra-Over Construction Costs							**£177,384**		
4.4	**Contingency**									
4.4.1	on build costs (incl: externals)		0.0%					£0	Jan-26	Jul-27
	Total Contingency							**£0**		
4.5	**Professional Fees**									
4.5.1	on build costs (incl: externals)		8.0%					£107,012	Jan-26	Jul-27
	Total Professional Fees							**£107,012**		
4.6	**Other Planning Obligations**									
4.6.1.1	CIL rate		£36.49	per CIL liable flsp (sqm) - Houses				£21,914	Jan-26	Oct-26
4.6.1.2	CIL rate		£28.98	per CIL liable flsp (sqm) - Flats				£3,009	Jan-26	Oct-26
4.6.1.3	CIL rate		£0.00	per CIL liable flsp (sqm) - Non-residential				£0	Apr-26	Oct-26
4.6.2.1	Policy SP4 - S106 (small sites)		£2,000	per unit				£14,000	Jan-26	Oct-26
4.6.2.2	Policy SP4 - S106 monitoring costs		£0	per unit				£0	Jan-26	Oct-26
4.6.3.1	Policy Infra2 - Education, Skills and Learning (flats)		£0	per flat				£0	Jan-26	Oct-26
4.6.3.2	Policy Infra2 - Education, Skills and Learning (houses)		£0	per house				£0	Jan-26	Oct-26
4.6.3.3	Policy Infra3 - Health and Social Care Provision (flats)		£0	per flat				£0	Jan-26	Oct-26
4.6.3.4	Policy Infra3 - Health and Social Care Provision (houses)		£0	per house				£0	Jan-26	Oct-26
4.6.4.1	Policy Hou5 - M4(2) - flats		£1,400	per flat		100%	of all flats	£1,936	Apr-26	Jul-27
4.6.4.2	Policy Hou5 - M4(2) - houses		£1,400	per house		100%	of all houses	£7,865	Apr-26	Jul-27
4.6.4.3	Policy Hou5 - M4(3a) - OM flats		£8,000	applied to		0%	of open market flats	£0	Apr-26	Jul-27
4.6.4.4	Policy Hou5 - M4(3a) - OM houses		£10,500	applied to		0%	of open market houses	£0	Apr-26	Jul-27
4.6.4.5	Policy Hou5 - M4(3b) - Affordable flats		£8,000	applied to		0%	of affordable flats	£0	Apr-26	Jul-27
4.6.4.6	Policy Hou5 - M4(3b) - Affordable houses		£23,000	applied to		0%	of affordable houses	£0	Apr-26	Jul-27
4.6.5.1	Policy E3 - Development of Local Skills		£0					£0	Jan-26	Oct-26
4.6.6.1	Policy ENV4 - Essex East Coast RAMS Tariff		£164	per unit				£1,148	Jan-26	Oct-26
4.6.6.1	Policy ENV4 - 20% BNG on Greenfield sites only		£0	per unit				£0	Jan-26	Oct-26
4.6.7.1	Policy SD4 - Net Zero Carbon Development (in Operation)		6.9%	of base build costs (flats)				£12,473	Apr-26	Jul-27
4.6.7.2	Policy SD4 - Net Zero Carbon Development (in Operation)		6.3%	of base build costs (houses)				£58,462	Apr-26	Jul-27
4.5.7.3	Policy SD4 - Net Zero Carbon Development (in Operation)		1.5%	of non residential build costs				£0	Apr-26	Jul-27
	Total Developer Contributions							**£120,807**		
5.0	**TOTAL DEVELOPMENT COSTS**							**£1,616,097**		
6.0	**TOTAL PROJECT COSTS [EXCLUDING INTEREST]**							**£2,444,481**		
7.0	**TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]**							**£86,586**		
8.0	**Finance Costs**									
			APR	PCM						
8.1	Debit		7.5%	0.60%	on net costs			-£86,586		
8.2	Credit		1.5%	0.12%	on positive balance					
9.0	**TOTAL PROJECT COSTS [INCLUDING INTEREST]**							**£2,531,067**		

12 Mixed @ 65dph Mainland East Brownfield

TECHNICAL CHECKS: | **DVA SUMMARY:** | **TIMING**

Nr of dwgs	12
Gross ha	0.18
Net ha	0.18
Land type	Brownfield
LV description	Brownfield
Value area	Mainland East
Average height	1-2 storey

Tenure	Private	Affordable
Nr	10	2.0
First Homes		-
Intermediate		1.0
Affordable rent		-
Social rent		1.0

Technical checks	
Sqm/ha	5,881
Dwgs/ha (net)	65
Units/pa	9
AH rate	16.7%
GDV=Total costs	-
Profit/total GDV	16.4%

DVA summary	
RLV	£878,119
BLV	£203,077
Viable?	**Yes**
Headroom	**£675,042**
Headroom per net ha	£3,656,477
Headroom per dwg	£56,253
Headroom psm flsp	£572
Headroom psm CIL liable	£679

Ref	Description	Detail	Nr of units	Size sqm	Total sqm	£psm		Value	Start	Finish
1.0	**Site Acquisition**									
1.1	Net site value (residual land value)							£878,119	Jan-26	Oct-26
1.2	Stamp Duty Land Tax		Category:	Commercial land				£33,406	Jan-26	Oct-26
1.3	Purchaser costs			1.75%	on land costs			£15,367	Jan-26	Oct-26
	Total Site Acquisition Costs							**£926,892**		
2.0	**Developer Return**									
2.1	Central overheads (cashflowed)			3.5%	of total GDV			£169,500	Jan-26	Feb-28
2.2	Developer return on market housing			17.5%	of OM GDV minus central overheads			£614,981	Feb-28	Mar-28
2.3	Developer return on non-residential			17.5%	of Non-residential GDV minus central overheads			£0	Feb-28	Mar-28
2.4	Developer return on affordable housing			6.0%	of AH GDV minus central overheads			£11,254	Feb-28	Mar-28
	Total Developer Return							**£795,735**		
3.0	**Development Value**									
3.1	Private units		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.1.1		1 bed flats (NIA)	0	45.0	-	£4,800		£0	Jun-27	Feb-28
3.1.2		2 bed flats (NIA)	2	66.0	116	£4,800		£554,400	Jun-27	Feb-28
3.1.3		3 bed flats (NIA)	0	80.0	18	£4,800		£86,400	Jun-27	Feb-28
3.1.4		2 bed house	2	75.0	131	£4,800		£630,000	Oct-26	Feb-28
3.1.5		3 bed house	4	96.0	410	£4,800		£1,969,920	Oct-26	Feb-28
3.1.6		4+ bed house	2	120.0	240.0	£4,800		£1,152,000	Oct-26	Feb-28
		Subtotal	10		915					
3.3	Intermediate		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.3.1		1 bed flats (NIA)	0	45.0	5	£3,360		£15,120	Jun-27	Feb-28
3.3.2		2 bed Flats (NIA)	0	66.0	12	£3,360		£38,808	Jun-27	Feb-28
3.3.3		3 bed Flats (NIA)	0	80.0	2	£3,360		£5,376	Jun-27	Feb-28
3.3.4		2 bed house	0	75.0	13	£3,360		£44,100	Oct-26	Feb-28
3.3.5		3 bed house	0	96.0	36	£3,360		£122,573	Oct-26	Feb-28
3.3.6		4+ bed house	0	120.0	18.0	£3,360		£60,480	Oct-26	Feb-28
		Subtotal	1		85					
3.4	Affordable rent		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.4.1		1 bed flats (NIA)	0	45.0	-	£2,880		£0	Jun-27	Feb-28
3.4.2		2 bed Flats (NIA)	0	66.0	-	£2,880		£0	Jun-27	Feb-28
3.4.3		3 bed Flats (NIA)	0	80.0	-	£2,880		£0	Jun-27	Feb-28
3.4.4		2 bed house	0	75.0	-	£2,880		£0	Oct-26	Feb-28
3.4.5		3 bed house	0	96.0	-	£2,880		£0	Oct-26	Feb-28
3.4.6		4+ bed house	0	120.0	-	£2,880		£0	Oct-26	Feb-28
		Subtotal	0		-					
3.5	Social rent		Nr of units	Size sqm	Total sqm	£psm		Total Value		
3.5.1		1 bed flats (NIA)	0	45.0	5	£1,920		£8,640	Jun-27	Feb-28
3.5.2		2 bed Flats (NIA)	0	66.0	12	£1,920		£22,176	Jun-27	Feb-28
3.5.3		3 bed Flats (NIA)	0	80.0	2	£1,920		£3,072	Jun-27	Feb-28
3.5.4		2 bed house	0	75.0	13	£1,920		£25,200	Oct-26	Feb-28
3.5.5		3 bed house	0	96.0	36	£1,920		£70,042	Oct-26	Feb-28
3.5.6		4+ bed house	0	120.0	18.0	£1,920		£34,560	Oct-26	Feb-28
		Subtotal	1		85					
3.6	Non-residential		Rent psm	Total sqm (NIA)	Yield			Total Value		
3.6.1		Non-residential	£238.33	-	8.00%	£0				
3.6.2		Adjusted for rent free period	-	months		£0				
3.6.3		Less purchaser costs	6.6%			£0				
3.6.4		Total GDV						£0	Jan-28	Feb-28
	Gross Development Value							**£4,842,866**		
4.0	**Development Costs**									
4.1	**Sales Cost**									
4.1.1	Private units			2.0%	on OM GDV			£87,854	Jun-27	Feb-28
4.1.2	Non residential			2.0%	on OM GDV			£0	Jun-27	Feb-28
4.1.3	Affordable units			£600	per AH			£1,200	Jun-27	Feb-28
	Total Sales Costs							**£89,054**		
4.2	**Build Costs**									
4.2.1	Private units		Nr of units	Size sqm	Total sqm	£psm		Total Cost		
4.2.1.1		1 bed flats (GIA)	0.00	50.0	-	£1,741		£0	Apr-26	Aug-27
4.2.1.2		2 bed flats (GIA)	1.75	73.3	128	£1,741		£223,428	Apr-26	Aug-27
4.2.1.3		3 bed flats (GIA)	0.23	88.9	20	£1,741		£34,820	Apr-26	Aug-27
4.2.1.4		2 bed house	1.75	75.0	131	£1,696		£222,600	Apr-26	Aug-27
4.2.1.5		3 bed house	4.28	96.0	410	£1,696		£696,038	Apr-26	Aug-27
4.2.1.6		4+ bed house	2.00	120.0	240.0	£1,696		£407,040	Apr-26	Aug-27
		Subtotal	10.0		930					
4.2.2	Affordable units		Nr of units	Size sqm	Total sqm	£psm		Total Cost		
4.2.2.1		1 bed flats (GIA)	0.20	50.0	10	£1,741		£17,410	Apr-26	Aug-27
4.2.2.2		2 bed Flats (GIA)	0.35	73.3	26	£1,741		£44,686	Apr-26	Aug-27
4.2.2.3		3 bed Flats (GIA)	0.04	88.9	4	£1,741		£6,190	Apr-26	Aug-27
4.2.2.4		2 bed house	0.35	75.0	26	£1,696		£44,520	Apr-26	Aug-27
4.2.2.5		3 bed house	0.76	96.0	73	£1,696		£123,740	Apr-26	Aug-27
4.2.2.6		4+ bed house	0.30	120.0	36.0	£1,696		£61,056	Apr-26	Aug-27
		Subtotal	2.0		174					
4.2.3	Revised Building Regulations Part FLO (house)			£3,000	per house			£28,305	Apr-26	Aug-27
4.2.3	Revised Building Regulations Part FLO (flat)			£1,900	per flat			£4,874	Apr-26	Aug-27
4.2.4	Building Safety Act - 6+ storeys			£0	per flat			£0	Apr-26	Aug-27
			Nr of units	Size sqm	Total sqm	£psm		Total Cost		
4.2.5	External garages		3.8	20	76	£600		£45,777	Apr-26	Aug-27
					Total sqm	£psm		Total Cost		
4.2.6	Non-residential				-	£1,863		£0	Apr-26	Aug-27
	Total Build Costs							**£1,960,484**		
4.3	**Extra-Over Construction Costs**									
4.3.1.1	Externals (for flats)			10.0%	extra-over on build cost for flats			£32,653	Apr-26	Aug-27
4.3.1.2	Externals (for houses)			10.0%	extra-over on build cost for houses			£160,077	Apr-26	Aug-27
4.3.1.3	Externals (for non residential)			10.0%	extra-over on build cost for non-residential			£0	Apr-26	Aug-27
4.3.1.4	EVCP			£1,000	per flat (applied to 50% of total)			£1,283	Apr-26	Aug-27
4.3.1.5	EVCP			£1,000	per house			£9,435	Apr-26	Aug-27
4.3.1.6	10% Biodiversity Net Gain			£450	per dwelling			£5,400	Jan-26	Oct-26
4.3.1.7	Site abnormals (remediation/demolition)			£500,000	per net ha			£92,308	Jan-26	Oct-26
4.3.1.8	Site opening costs			£0	per unit			£0	Jan-26	Oct-26
4.3.1.9	Building Safety Levy			£0.00	per sqm			£0	Jan-26	Oct-26
	Total Extra-Over Construction Costs							**£301,156**		
4.4	**Contingency**									
4.4.1	on build costs (incl: externals)			0.0%				£0	Jan-26	Aug-27
	Total Contingency							**£0**		
4.5	**Professional Fees**									
4.5.1	on build costs (incl: externals)			8.0%				£180,931	Jan-26	Aug-27
	Total Professional Fees							**£180,931**		
4.6	**Other Planning Obligations**									
4.6.1.1	CIL rate			£268.31	per CIL liable flsp (sqm) - Houses			£230,195	Jan-26	Oct-26
4.6.1.2	CIL rate			£96.59	per CIL liable flsp (sqm) - Flats			£14,328	Jan-26	Oct-26
4.6.1.3	CIL rate			£0.00	per CIL liable flsp (sqm) - Non-residential			£0	Apr-26	Oct-26
4.6.2.1	Policy SP4 - S106 (small sites)			£0	per unit			£0	Jan-26	Oct-26
4.6.2.2	Policy SP4 - S106 monitoring costs			£0	per unit			£0	Jan-26	Oct-26
4.6.3.1	Policy Infra2 - Education, Skills and Learning (flats)			£0	per flat			£0	Jan-26	Oct-26
4.6.3.2	Policy Infra2 - Education, Skills and Learning (houses)			£0	per house			£0	Jan-26	Oct-26
4.6.3.3	Policy Infra3 - Health and Social Care Provision (flats)			£550	per flat			£1,411	Jan-26	Oct-26
4.6.3.4	Policy Infra3 - Health and Social Care Provision (houses)			£550	per house			£5,189	Jan-26	Oct-26
4.6.4.1	Policy Hou5 - M4(2) - flats			£1,400	per flat	90%	of all flats	£3,232	Apr-26	Aug-27
4.6.4.2	Policy Hou5 - M4(2) - houses			£1,400	per house	90%	of all houses	£11,888	Apr-26	Aug-27
4.6.4.3	Policy Hou5 - M4(3a) - OM flats			£8,000	applied to	10%	of open market flats	£1,580	Apr-26	Aug-27
4.6.4.4	Policy Hou5 - M4(3a) - OM houses			£10,500	applied to	10%	of open market houses	£8,426	Apr-26	Aug-27
4.6.4.5	Policy Hou5 - M4(3b) - Affordable flats			£8,000	applied to	10%	of affordable flats	£472	Apr-26	Aug-27
4.6.4.6	Policy Hou5 - M4(3b) - Affordable houses			£23,000	applied to	10%	of affordable houses	£3,243	Apr-26	Aug-27
4.6.5.1	Policy E3 - Development of Local Skills			£0				£0	Jan-26	Oct-26
4.6.6.1	Policy ENV4 - Essex East Coast RAMS Tariff			£164	per unit			£1,968	Jan-26	Oct-26
4.6.6.1	Policy ENV4 - 20% BNG on Greenfield sites only			£0	per unit			£0	Jan-26	Oct-26
4.6.7.1	Policy SD4 - Net Zero Carbon Development (in Operation)			6.9%	of base build costs (flats)			£22,531	Apr-26	Aug-27
4.6.7.2	Policy SD4 - Net Zero Carbon Development (in Operation)			6.3%	of base build costs (houses)			£97,965	Apr-26	Aug-27
4.5.7.3	Policy SD4 - Net Zero Carbon Development (in Operation)			1.5%	of non residential build costs			£0	Apr-26	Aug-27
	Total Developer Contributions							**£402,428**		
5.0	**TOTAL DEVELOPMENT COSTS**							**£2,934,053**		
6.0	**TOTAL PROJECT COSTS [EXCLUDING INTEREST]**							**£4,656,680**		
7.0	**TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]**							**£186,187**		
8.0	**Finance Costs**									
				APR	PCM					
8.1	Debit			7.5%	0.60%	on net costs		-£186,187		
8.2	Credit			1.5%	0.12%	on positive balance				
9.0	**TOTAL PROJECT COSTS [INCLUDING INTEREST]**							**£4,842,866**		

30 Flats (PSA) @ 150dph Mainland West & Central Brownfield +366sqm comm space

			Tenure	Private	Affordable	TECHNICAL CHECKS:		DVA SUMMARY:	
Nr of dwgs		30		Private	Affordable	Sqm/ha	8,911	RLV	£159,225
Gross ha		0.20	Nr	27	3.0	Dwgs/ha (net)	150	BLV	£220,000
Net ha		0.20	First Homes	-		Units/pa	19	Viable?	No
Land type	Brownfield		Intermediate	3.0		AH rate	10.0%	Headroom	-£60,775
LV description	Brownfield		Affordable rent	-		GDV=Total costs	-	Headroom per net ha	-£303,877
Value area	Mainland West & Central		Social rent	-		Profit/total GDV	16.8%	Headroom per dwg	-£2,026
Average height	3-5 storey							Headroom psm flsp	-£29
								Headroom psm CIL liable	-£32

Ref	Item	Detail					Value	TIMING Start	Finish
1.0	**Site Acquisition**								
1.1	Net site value (residual land value)						£159,225	Jan-26	Dec-26
1.2	Stamp Duty Land Tax		Category:	Commercial land			£184	Jan-26	Dec-26
1.3	Purchaser costs			1.75%	on land costs		£2,786	Jan-26	Dec-26
	Total Site Acquisition Costs						**£162,196**		
2.0	**Developer Return**								
2.1	Central overheads (cashflowed)			3.5%	of total GDV		£295,221	Jan-26	May-28
2.2	Developer return on market housing			17.5%	of OM GDV minus central overheads		£977,304	May-28	Jun-28
2.3	Developer return on non-residential			17.5%	of Non-residential GDV minus central overheads		£136,701	May-28	Jun-28
2.4	Developer return on affordable housing			6.0%	of AH GDV minus central overheads		£11,943	May-28	Jun-28
	Total Developer Return						**£1,421,169**		
3.0	**Development Value**								
3.1	Private units		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.1.1		1 bed flats (NIA)	9	45.0	383	£4,300	£1,645,718	Jul-27	May-28
3.1.2		2 bed flats (NIA)	17	66.0	1,126	£4,300	£4,842,763	Jul-27	May-28
3.1.3		3 bed flats (NIA)	1	80.0	114	£4,300	£492,264	Jul-27	May-28
3.1.4		2 bed house	0	75.0	-	£4,400	£0	Oct-26	May-28
3.1.5		3 bed house	0	96.0	-	£4,400	£0	Oct-26	May-28
3.1.6		4+ bed house	0	120.0	-	£4,400	£0	Oct-26	May-28
		Subtotal	27		1,623				
3.3	Intermediate		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.3.1		1 bed flats (NIA)	2	45.0	87	£3,010	£262,096	Jul-27	May-28
3.3.2		2 bed Flats (NIA)	1	66.0	64	£3,010	£192,502	Jul-27	May-28
3.3.3		3 bed Flats (NIA)	0	80.0	8	£3,010	£23,117	Jul-27	May-28
3.3.4		2 bed house	0	75.0	-	£3,080	£0	Oct-26	May-28
3.3.5		3 bed house	0	96.0	-	£3,080	£0	Oct-26	May-28
3.3.6		4+ bed house	0	120.0	-	£3,080	£0	Oct-26	May-28
		Subtotal	3		159				
3.4	Affordable rent		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.4.1		1 bed flats (NIA)	0	45.0	-	£2,580	£0	Jul-27	May-28
3.4.2		2 bed Flats (NIA)	0	66.0	-	£2,580	£0	Jul-27	May-28
3.4.3		3 bed Flats (NIA)	0	80.0	-	£2,580	£0	Jul-27	May-28
3.4.4		2 bed house	0	75.0	-	£2,640	£0	Oct-26	May-28
3.4.5		3 bed house	0	96.0	-	£2,640	£0	Oct-26	May-28
3.4.6		4+ bed house	0	120.0	-	£2,640	£0	Oct-26	May-28
		Subtotal	0		-				
3.5	Social rent		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.5.1		1 bed flats (NIA)	0	45.0	-	£1,720	£0	Jul-27	May-28
3.5.2		2 bed Flats (NIA)	0	66.0	-	£1,720	£0	Jul-27	May-28
3.5.3		3 bed Flats (NIA)	0	80.0	-	£1,720	£0	Jul-27	May-28
3.5.4		2 bed house	0	75.0	-	£1,760	£0	Oct-26	May-28
3.5.5		3 bed house	0	96.0	-	£1,760	£0	Oct-26	May-28
3.5.6		4+ bed house	0	120.0	-	£1,760	£0	Oct-26	May-28
		Subtotal	0		-				
3.6	Non-residential		Rent psm	Total sqm (NIA)	Yield		Total Value		
3.6.1		Non-residential	£238.33	348	8.00%	£1,035,856			
3.6.2		Adjusted for rent free period	-	months		£1,035,856			
3.6.3		Less purchaser costs	6.6%			£59,420			
3.6.4		Total GDV					£976,436	Apr-28	May-28
	Gross Development Value						**£8,434,895**		
4.0	**Development Costs**								
4.1	**Sales Cost**								
4.1.1	Private units			2.0%	on OM GDV		£139,615	Jul-27	May-28
4.1.2	Non residential			2.0%	on OM GDV		£19,529	Jul-27	May-28
4.1.3	Affordable units			£600	per AH		£1,800	Jul-27	May-28
	Total Sales Costs						**£160,944**		
4.2	**Build Costs**								
4.2.1	Private units		Nr of units	Size sqm	Total sqm	£psm	Total Cost		
4.2.1.1		1 bed flats (GIA)	8.51	52.9	450	£1,841	£828,937	Apr-26	Nov-27
4.2.1.2		2 bed flats (GIA)	17.06	77.6	1,325	£1,841	£2,439,269	Apr-26	Nov-27
4.2.1.3		3 bed flats (GIA)	1.43	94.1	135	£1,841	£247,950	Apr-26	Nov-27
4.2.1.4		2 bed house	0.00	75.0	-	£1,696	£0	Apr-26	Nov-27
4.2.1.5		3 bed house	0.00	96.0	-	£1,696	£0	Apr-26	Nov-27
4.2.1.6		4+ bed house	0.00	120.0	-	£1,696	£0	Apr-26	Nov-27
		Subtotal	27.0		1,910				
4.2.2	Affordable units		Nr of units	Size sqm	Total sqm	£psm	Total Cost		
4.2.2.1		1 bed flats (GIA)	1.94	52.9	102	£1,841	£188,594	Apr-26	Nov-27
4.2.2.2		2 bed Flats (GIA)	0.97	77.6	75	£1,841	£138,517	Apr-26	Nov-27
4.2.2.3		3 bed Flats (GIA)	0.10	94.1	9	£1,841	£16,634	Apr-26	Nov-27
4.2.2.4		2 bed house	0.00	75.0	-	£1,696	£0	Apr-26	Nov-27
4.2.2.5		3 bed house	0.00	96.0	-	£1,696	£0	Apr-26	Nov-27
4.2.2.6		4+ bed house	0.00	120.0	-	£1,696	£0	Apr-26	Nov-27
		Subtotal	3.0		187				
4.2.3	Revised Building Regulations Part FLO (house)			£3,000	per house		£0	Apr-26	Nov-27
4.2.3	Revised Building Regulations Part FLO (flat)			£1,900	per flat		£57,000	Apr-26	Nov-27
4.2.4	Building Safety Act - 6+ storeys			£0	per flat		£0	Apr-26	Nov-27
			Nr of units	Size sqm	Total sqm	£psm	Total Cost		
4.2.5	External garages		0.0	20	-	£600	£0	Apr-26	Nov-27
					Total sqm	£psm	Total Cost		
4.2.6	Non-residential				366	£1,863	£681,736	Apr-26	Nov-27
	Total Build Costs						**£4,598,637**		
4.3	**Extra-Over Construction Costs**								
4.3.1.1	Externals (for flats)			7.5%	extra-over on build cost for flats		£289,493	Apr-26	Nov-27
4.3.1.2	Externals (for houses)			10.0%	extra-over on build cost for houses		£0	Apr-26	Nov-27
4.3.1.3	Externals (for non residential)			10.0%	extra-over on build cost for non-residential		£68,174	Apr-26	Nov-27
4.3.1.4	EVCP			£1,000	per flat (applied to 50% of total)		£15,000	Apr-26	Nov-27
4.3.1.5	EVCP			£1,000	per house		£0	Apr-26	Nov-27
4.3.1.6	10% Biodiversity Net Gain			£450	per dwelling		£13,500	Jan-26	Dec-26
4.3.1.7	Site abnormals (remediation/demolition)			£500,000	per net ha		£100,000	Jan-26	Dec-26
4.3.1.8	Site opening costs			£0	per unit		£0	Jan-26	Dec-26
4.3.1.9	Building Safety Levy			£0.00	per sqm		£0	Jan-26	Dec-26
	Total Extra-Over Construction Costs						**£486,166**		
4.4	**Contingency**								
4.4.1	on build costs (incl: externals)			0.0%			£0	Jan-26	Nov-27
	Total Contingency						**£0**		
4.5	**Professional Fees**								
4.5.1	on build costs (incl: externals)			8.0%			£406,784	Jan-26	Nov-27
	Total Professional Fees						**£406,784**		
4.6	**Other Planning Obligations**								
4.6.1.1	CIL rate			£268.31	per CIL liable flsp (sqm) - Houses		£0	Jan-26	Dec-26
4.6.1.2	CIL rate			£96.59	per CIL liable flsp (sqm) - Flats		£184,479	Jan-26	Dec-26
4.6.1.3	CIL rate			£0.00	per CIL liable flsp (sqm) - Non-residential		£0	Apr-26	Dec-26
4.6.2.1	Policy SP4 - S106 (small sites)			£0	per unit		£0	Jan-26	Dec-26
4.6.2.2	Policy SP4 - S106 monitoring costs			£750	per unit		£22,500	Jan-26	Dec-26
4.6.3.1	Policy Infra2 - Education, Skills and Learning (flats)			£5,439	per flat		£106,387	Jan-26	Dec-26
4.6.3.2	Policy Infra2 - Education, Skills and Learning (houses)			£10,690	per house		£0	Jan-26	Dec-26
4.6.3.3	Policy Infra3 - Health and Social Care Provision (flats)			£550	per flat		£16,500	Jan-26	Dec-26
4.6.3.4	Policy Infra3 - Health and Social Care Provision (houses)			£550	per house		£0	Jan-26	Dec-26
4.6.4.1	Policy Hou5 - M4(2) - flats			£1,400	per flat	90% of all flats	£37,800	Apr-26	Nov-27
4.6.4.2	Policy Hou5 - M4(2) - houses			£1,400	per house	90% of all houses	£0	Apr-26	Nov-27
4.6.4.3	Policy Hou5 - M4(3a) - OM flats			£8,000	applied to	10% of open market flats	£21,600	Apr-26	Nov-27
4.6.4.4	Policy Hou5 - M4(3a) - OM houses			£10,500	applied to	10% of open market houses	£0	Apr-26	Nov-27
4.6.4.5	Policy Hou5 - M4(3b) - Affordable flats			£8,000	applied to	10% of affordable flats	£2,400	Apr-26	Nov-27
4.6.4.6	Policy Hou5 - M4(3b) - Affordable houses			£23,000	applied to	10% of affordable houses	£0	Apr-26	Nov-27
4.6.5.1	Policy E3 - Development of Local Skills			£2,000			£60,000	Jan-26	Dec-26
4.6.6.1	Policy ENV4 - Essex East Coast RAMS Tariff			£164	per unit		£4,920	Jan-26	Dec-26
4.6.6.1	Policy ENV4 - 20% BNG on Greenfield sites only			£0	per unit		£0	Jan-26	Dec-26
4.6.7.1	Policy SD4 - Net Zero Carbon Development (in Operation)			6.9%	of base build costs (flats)		£266,333	Apr-26	Nov-27
4.6.7.2	Policy SD4 - Net Zero Carbon Development (in Operation)			6.3%	of base build costs (houses)		£0	Apr-26	Nov-27
4.5.7.3	Policy SD4 - Net Zero Carbon Development (in Operation)			1.5%	of non residential build costs		£10,226	Apr-26	Nov-27
	Total Developer Contributions						**£733,145**		
5.0	**TOTAL DEVELOPMENT COSTS**						**£6,385,676**		
6.0	**TOTAL PROJECT COSTS [EXCLUDING INTEREST]**						**£7,969,041**		
7.0	**TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]**						**£465,853**		
8.0	**Finance Costs**								
				APR	PCM				
8.1	Debit			7.5%	0.60%	on net costs	-£465,853		
8.2	Credit			1.5%	0.12%	on positive balance			
9.0	**TOTAL PROJECT COSTS [INCLUDING INTEREST]**						**£8,434,895**		

55 Retirement units @ 110dph Canvey Island		TECHNICAL CHECKS:		DVA SUMMARY:		TIMING

Nr of dwgs	55	**Tenure**	Private	Affordable	Sqm/ha	6,875
Gross ha	0.50	**Nr**	44	11.0	Dwgs/ha	110
Net ha	0.50	First Homes		-	Units/pa	18
Land type	Brownfield	Intermediate		6.0	AH rate	20.0%
LV description	Brownfield	Affordable rent		-	GDV=Total costs	(0)
Value area	Canvey Island	Social rent		5.0	Profit/total GDV	16.1%
Average height	Retirement					

RLV	**-£1,746,838**
BLV	**£550,000**
Viable?	**No**
Headroom	**-£2,296,838**
Headroom per net ha	**-£4,593,675**
Headroom per dwg	**-£41,761**
Headroom psm flsp	-£501
Headroom psm CIL liable flsp	-£626

Ref	Item		Nr of units	Size sqm	Total sqm	£psm	Value	Start	Finish
1.0	**Site Acquisition**								
1.1	Net site value (residual land value)						-£1,746,838	Jan-26	Feb-27
1.2	Stamp Duty Land Tax		Category:	Commercial land			£0	Jan-26	Feb-27
1.3	Purchaser costs			1.75%	on land costs		£0	Jan-26	Feb-27
	Total Site Acquisition Costs						**-£1,746,838**		
2.0	**Developer Return**								
2.1	Central overheads (cashflowed)			3.5%	of total GDV		£505,138	Jan-26	Sep-30
2.2	Developer return on older person accommodation			17.5%	of OM GDV minus central overheads		£1,771,000	Sep-30	Oct-30
2.3	Developer return on non-residential			17.5%	of Non-residential GDV minus central overheads		£0	Sep-30	Oct-30
2.4	Developer return on affordable housing			6.0%	of AH GDV minus central overheads		£44,563	Sep-30	Oct-30
	Total Developer Return						**£2,320,700**		
3.0	**Development Value**								
3.1	Private units		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.1.1		Retirement (NIA)	44.00	62.50	2,750	£4,600	£12,650,000	Sep-27	Sep-30
3.1.2		Extracare (NIA)	0.00	72.50	-	£4,950	£0	Sep-27	Sep-30
		Subtotal	44.0		2,750				
3.3	Intermediate		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.3.1		Retirement (NIA)	6.00	62.5	375	£3,220	£1,207,500	Sep-27	Sep-30
3.3.2		Extracare (NIA)	0.00	72.5	-	£3,465	£0	Sep-27	Sep-30
		Subtotal	6.0		375				
3.4	Affordable rent		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.4.1		Retirement (NIA)	0.00	62.5	-	£2,760	£0	Sep-27	Sep-30
3.4.2		Extracare (NIA)	0.00	72.5	-	£2,970	£0	Sep-27	Sep-30
		Subtotal	-		-				
3.5	Social rent		Nr of units	Size sqm	Total sqm	£psm	Total Value		
3.5.1		Retirement (NIA)	5.00	62.5	313	£1,840	£575,000	Sep-27	Sep-30
3.5.2		Extracare (NIA)	0.00	72.5	-	£1,980	£0	Sep-27	Sep-30
		Subtotal	5.0		313				
	Gross Development Value						**£14,432,500**		
4.0	**Development Costs**								
4.1	**Sales Cost**								
4.1.1	Private units			6.00%	on OM GDV		£759,000	Sep-27	Sep-30
4.1.2	First homes			2.00%	on OM GDV		£0	Sep-27	Sep-30
4.1.3	Affordable units			£600	per affordable housing		£6,600	Sep-27	Sep-30
	Total Sales Costs						**£765,600**		
4.2	**Build Costs**								
4.2.1	Private units		Nr of units	Size sqm	Total sqm	£psm	Total Cost		
4.2.1.1		Retirement (NIA)	44.00	83.3	3,667	£1,916	£7,025,333	Apr-26	Mar-28
4.2.1.2		Extracare (NIA)	0.00	116.0	-	£1,916	£0	Jan-26	Mar-28
		Subtotal	44.0		3,667				
4.2.2	Affordable units		Nr of units	Size sqm	Total sqm	£psm	Total Cost		
4.2.2.1		Retirement (NIA)	11.00	83.3	917	£1,916	£1,756,333	Apr-26	Mar-28
4.2.2.2		Extracare (NIA)	0.00	116.0	-	£1,916	£0	Apr-26	Mar-28
		Subtotal	11.0		917				
4.2.3.1	Revised Building Regulations Part FLO (house)					£3,000 per house	£0	Apr-26	Mar-28
4.2.3.1	Revised Building Regulations Part FLO (flat)					£1,900 per flat	£104,500	Apr-26	Mar-28
4.6.8	Building Safety Act - 6+ storeys					£0 per flat	£0	Apr-26	Mar-28
			Nr of units	Size sqm	Total sqm	£psm	Total Cost		
4.2.3	Garages		0.0	20.0	-	£600	£0	Apr-26	Mar-28
	Total Build Costs		55				**£8,886,167**		
4.3	**Extra-Over Construction Costs**								
4.3.1.1	Externals (for flats)			10%	extra-over on build cost for flats		£878,167	Apr-26	Mar-28
4.3.1.2	Externals (for houses)			10%	extra-over on build cost for houses		£0	Apr-26	Mar-28
4.3.1.3	EVCP			£1,000	per flat (applied to 50% of total)		£27,500	Apr-26	Mar-28
4.3.1.4	EVCP			£1,000	per house		£0	Apr-26	Mar-28
4.3.1.5	10% Biodiversity Net Gain			£450	per dwelling		£24,750	Jan-26	Feb-27
4.3.1.6	Site abnormals (remediation/demolition)			£500,000	per net ha		£250,000	Jan-26	Feb-27
4.3.1.7	Site opening costs			£0	per unit		£0	Jan-26	Feb-27
4.3.1.8	Building Safety Levy			£0.00	per unit		£0	Jan-26	Feb-27
	Total Extra-Over Construction Costs						**£1,180,417**		
4.4	**Contingency**								
4.4.1	on build costs (incl: externals)			0%			£0	Jan-26	Mar-28
	Total Contingency						**£0**		
4.5	**Professional Fees**								
4.5.1	on build costs (incl: externals)			8%			£805,327	Jan-26	Mar-28
	Total Professional Fees						**£805,327**		
4.6	**Other Planning Obligations**								
4.6.1.1	CIL rate			£0.00	per CIL liable flsp (sqm) - Flats		£0	Jan-26	Feb-27
4.6.2.1	Policy SP4 - S106 (small sites)			£2,000	per unit		£110,000	Jan-26	Feb-27
4.6.2.2	Policy SP4 - S106 monitoring costs			£750	per unit		£41,250	Jan-26	Feb-27
4.6.3.1	Policy Infra2 - Education, Skills and Learning (flats)			£0	per flat		£0	Jan-26	Feb-27
4.6.3.2	Policy Infra3 - Health and Social Care Provision (flats)			£0	per flat		£0	Jan-26	Feb-27
4.6.3.3	Policy Infra3 - Health and Social Care Provision (houses)			£0	per house		£0	Jan-26	Feb-27
4.6.4.1	Policy Hou5 - M4(2) - flats			£0	per flat		£0	Apr-26	Mar-28
4.6.4.2	Policy Hou5 - M4(2) - houses			£0	per house		£0	Apr-26	Mar-28
4.6.4.3	Policy Hou5 - M4(3a) - OM flats			£0	per flat		£0	Apr-26	Mar-28
4.6.4.4	Policy Hou5 - M4(3a) - OM houses			£0	per house		£0	Apr-26	Mar-28
4.6.4.5	Policy Hou5 - M4(3b) - Affordable flats			£0	per flat		£0	Apr-26	Mar-28
4.6.4.6	Policy Hou5 - M4(3b) - Affordable houses			£0	per house		£0	Apr-26	Mar-28
4.6.5.1	Policy E3 - Development of Local Skills			£2,000	per unit		£110,000	Jan-26	Feb-27
4.6.5.1	Policy ENV4 - Essex East Coast RAMS Tariff			£164	per unit		£9,020	Jan-26	Feb-27
4.6.5.1	Policy ENV4 - 20% BNG on Greenfield sites only			£0	per unit		£0	Jan-26	Feb-27
4.6.6.1	Policy SD4 - Net Zero Carbon Development (in Operation)			6.9%	of base build costs (flats)		£605,935	Jan-26	Feb-27
4.6.7.1	Policy SD4 - Net Zero Carbon Development (in Operation)			6.3%	of base build costs (houses)		£0	Apr-26	Mar-28
4.6.7.2	Policy SD4 - Net Zero Carbon Development (in Operation)			1.5%	of non residential build costs		£0	Apr-26	Mar-28
	Total Developer Contributions						**£876,205**		
5.0	**TOTAL DEVELOPMENT COSTS**						**£12,513,715**		
6.0	**TOTAL PROJECT COSTS [EXCLUDING INTEREST]**						**£13,087,577**		
7.0	**TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]**						**£1,344,923**		
8.0	**Finance Costs**								
				APR		PCM			
8.1	Finance	Debit		7.5%	on net costs	0.60%	-£1,344,923		
		Credit		1.5%	on positive balance	0.12%			
9.0	**TOTAL PROJECT COSTS [INCLUDING INTEREST]**						£14,432,500		