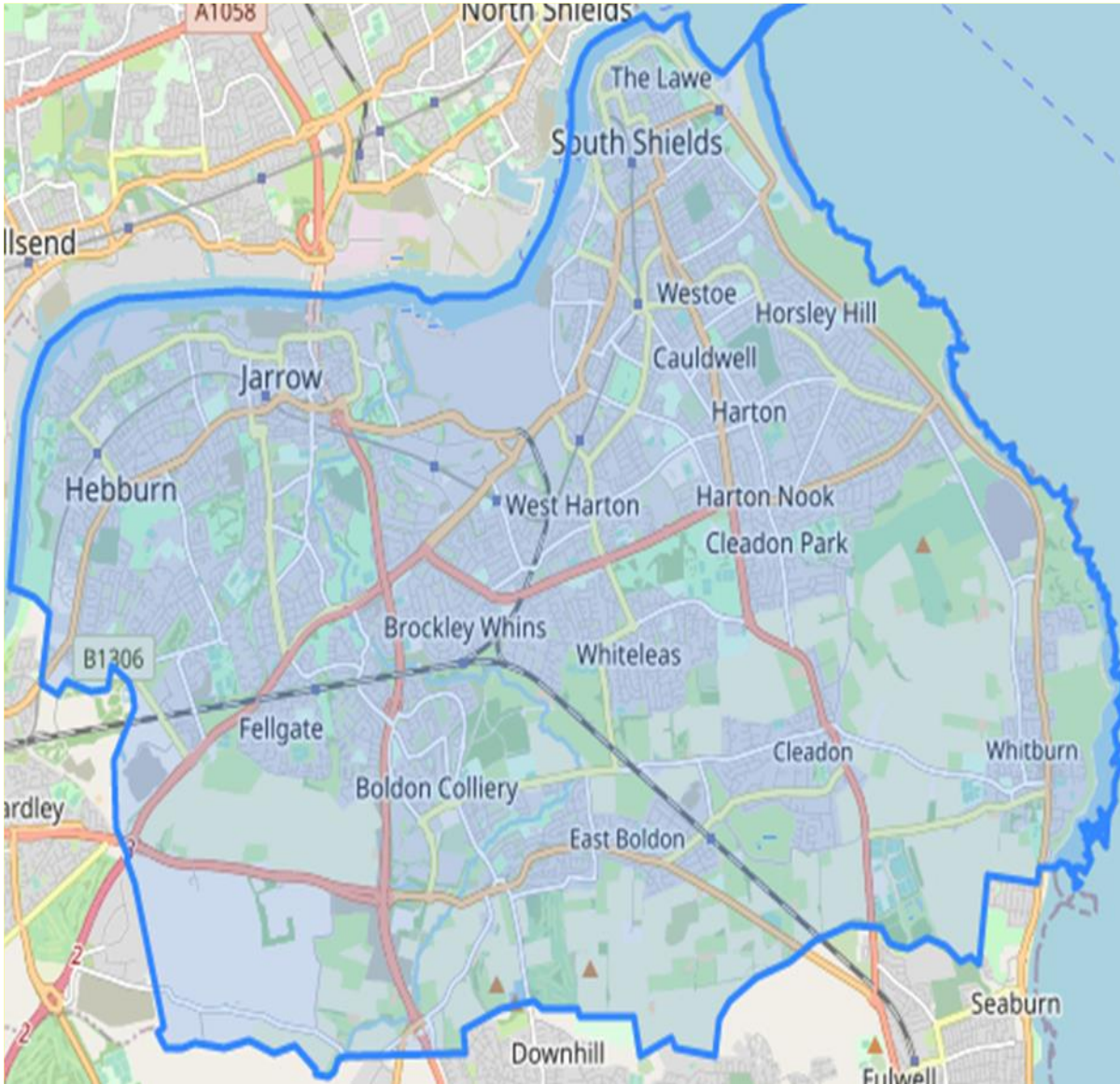


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# Local Plan Viability Testing – Site Specific Viability Testing

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Completed on behalf of South Tyneside Council



October 2023  
CP Viability Ltd



*Independent Property Experts*

## 1 INTRODUCTION

1.1. In December 2021 (updated in March 2022) CP Viability Ltd ('CPV') undertook a Local Plan viability assessment on behalf of South Tyneside Council ('the Council'). As per the requirements of the Planning Practice Guidance: Viability, this was based on a typology approach. This recognizes that not every site can be tested, as this is impractical, and therefore it is reasonable to make assumptions about 'typical' sites likely to come forward during the lifetime of the plan.

1.2. Since this time, and to reflect changes in the market, we have provided the Council with an updated Local Plan viability assessment (dated Oct 2023). This concludes that the following planning policy requirements are viable:

- Affordable Housing Provision:
  - o Cleadon 30% (20% rented 10% First Home)
  - o East Boldon, Whitburn 25% (15% rented 10% First Home)
  - o West Boldon, Boldon Colliery 20% (10% rented 10% First Home)
  - o Hebburn 15% (5% rented 10% First Home)
  - o South Shields, Jarrow 10% (10% First Home)
- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units
- 30% onsite affordable housing (20% rented, 10% First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

1.3. Whilst the guidance advocates the use of site typologies as a means of testing general plan policy viability, the guidance does also recognise that some limited site-specific testing may be useful as supporting evidence when reaching conclusions on plan viability.

1.4. Within this context, the Council has instructed CPV to undertake viability testing of a sample of sites proposed for allocation under the Local Plan. Following discussions on the appropriate sample we have been instructed to test the following (which are considered to provide a reasonable reflection of the type of sites likely to come forward):

• West Farm, Cleadon	259 units	Pg 5
• North West Farm, Boker Lane, Boldon	263 units	Pg 13
• Land at Shearwater, Whitburn	41 units	Pg 21
• Fellgate Sustainable Growth Area	1,200 units	Pg 29
• Former South Tyneside College, Hebburn	115 units	Pg 38
• Town End Farm, Boldon	400 units	Pg 46
• Former Temple Park Infant School, South Shields	22 units	Pg 56
• North St car park, Salem Street, South Shields	18 units	Pg 63
• Former Brinkburn Comp School, South Shields	151 units	Pg 70
• Chuter Ede, South Shields	192 units	Pg 77

1.5. The Council requires a viability assessment, taking into account the specific circumstances of each site. That said, it is recognised that full scheme information may not be known at this stage and where this is the case, we have looked to form assumptions based on our own experience. However, these assessments are also to be consistent with the methodology and the broad assumptions of the updated Local Plan viability assessment (dated Oct 2023), which we have taken into account when forming judgments.

1.6. We have assessed the viability of each scheme as at October 2023.

- 1.7. For each site, the Council has provided a gross area and estimated number of dwellings. Furthermore, the Council has contacted the site owner / promoter in each case and requested further information on each site, particularly in relation to any anticipated abnormal development costs which may impact on the scheme. The information that has been received is discussed under the heading of each scheme.
- 1.8. The appraisals have been completed using the ARGUS Developer toolkit, an industry leader for modelling development cash flows. The individual appraisal summaries are appended to this report.
- 1.9. For our initial viability appraisal testing we have looked to apply the Council's full policy provisions (as determined through the Oct 23 Local Plan update).
- 1.10. This report reflects the independent views of CP Viability, based on the research undertaken, the evidence identified and the experience of the analysing surveyor. For ease of reference, we have commented on each site individually.



## 2. GA9 – Land at West Hall Farm, Moor Lane, Cleadon



### 2.1. Property Description

2.1.1. Cleadon is a village located around 8.7 miles to the south east of Newcastle and 2.75 miles north of Sunderland. The main road access is via the A1018 (Sunderland Road), with the A19 within 3 miles of the west. The site itself is situated towards to south eastern edge of the village. There are various established residential dwellings to the north and west. Moor Lane to the south and the A1018 to the east. East Boldon Railway and Metro Station is located circa. 1.5km to the west.

2.1.2. The land comprises a single field in arable management. Scrub, hedgerow and well established trees separate the site from the residential plots, with planting denser along the western edge. Grass verges separate the site from the A1018, with a footpath and a bus stop on the south eastern section.

2.1.3. The site itself is broadly rectangular in shape with a slight slope down towards the south west. Access is via the A1018. The Council has advised that the site extends to circa 10.27 Ha (25.38 acres), on a gross basis.

2.1.4. We have been provided with a Biodiversity Metric draft report dated Aug 2021.

## 2.2. General scheme assumptions

2.2.1. The Council has estimated a total yield of 259 residential dwellings. According to a “Highways Technical Note” undertaken by Andrew Moseley Associates in Aug 2021 the indicative net developable area is 6.90 Ha (17.05 acres). This is a gross to net density of 67.19% and is considered to be achievable. This equates to a density of circa 37.5 dwellings per net Ha.

2.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

2.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

2.2.4. Based on the above assumptions, the overall density equates to 3,112 sq m per net Ha, which is considered to be realistic.

### 2.3. Gross Development Value (sales revenue)

2.3.1. In accordance with the updated Local Plan viability testing, we have adopted the following net sales values:

2 bed terrace	-	£238,000 (£3,400 per sq m)
3 bed semi	-	£289,800 (£3,450 per sq m)
4 bed detached	-	£412,500 (£3,750 per sq m)
2 bed det / semi bungalow	-	£262,500 (£3,750 per sq m)

2.3.2. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

### 2.4. Gross Development Cost (outgoings to implement the development)

2.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

2.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate, plus a 10% uplift to take into account the likely uplifted specification required in this location. This equates to £1,225 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.

- 2.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.
- 2.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 2.4.5. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3.5% (based on the BCIS cost plus the external works). Both are in line with the updated Local Plan Viability Testing.
- 2.4.6. At this stage the full extent of any abnormal costs are unknown. However, we have been provided with a variety of studies / documents relating to the site which consider potential constraints associated with the site and we would summarize as follows:
- **Preliminary Ecological Appraisal (E3 Ecology Ltd Draft Sept 2019):** this concludes that no ecological constraints have been identified.
  - **Biodiversity Metric (E3 Ecology Ltd Draft Aug 2021):** contrary to the Sep 2019 study, this identifies potential constraints with lapwing and golden plover roosting to the south that may use the subject site at time. The unmanaged hedge line with gardens may also provide good nesting and bat foraging. Various additional surveys are suggested (such as a Phase I habitat survey, breeding bat survey etc). Post-development, the Biodiversity Impact Assessment Calculator indicates a predicted net loss of 47.95% for habitats and a net increase of 23.25% for hedgerows. The report states that “Offsite compensation is required”.



- **Highways Technical Note (Andrew Moseley Associates Aug 2021):** the site is deemed to be in a sustainable location. The report states that the site is “wholly suitable for a residential site allocation and there are no highways or transport reasons that should prevent its allocation”. However, the report does refer to a number of junctions in the vicinity of the site which would see an increase in traffic as a consequence of a residential development. The report states that “...where mitigation is required, the landowner would provide proportional funding / ‘developer contributions’ towards the junction mitigation and traffic management schemes”.
- **Phase I Site Appraisal (Patrick Parsons Nov 2019):** this finds that the risk of contamination / risk posed to human health / controlled water is very low (to be confirmed through further studies). The report goes on to state that widespread capping of private gardens and soft landscaping is considered unlikely. Significant thicknesses of made ground are not anticipated. At the current time, it is anticipated that the site is likely to be suitable for the use of traditional foundations (although again this needs confirming through a Phase II site investigation). Piles may be needed close to trees and hedges. The use of a soakaway drainage scheme is unlikely to be feasible.
- **Site Viability Evidence (Stantec Sep 2023):** this discusses the above reports. It also states that the entire site sits within Flood Zone 1 with the lowest probability of flooding. Reference is also made to a 25m contour through the centre of the site, although this would be dealt with through standard building and earth move works.

2.4.7. In summary, at this stage significant abnormal works are not anticipated on site. However, the following will likely apply:

- Alternative to a soakaway drainage system (e.g. SUDS).
- Contributions to mitigate traffic impact on local junctions.
- Some offsite solutions to meet the biodiversity 10% net gain requirement.

2.4.8. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have also allowed an additional infrastructure cost for Sustainable Urban Drainage systems (“SUDS”), also at £30,000 per gross Ha. Both are in line with the updated Local Plan Viability Testing.

2.4.9. For the purposes of the viability testing, we have allowed a spot figure of £150,000 per net Ha (£1,035,000) to cover other general abnormal cost items. This is below the £200,000 per net Ha used in the updated Local Plan viability testing, but reflects the limited abnormal costs anticipated on site. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value (‘BLV’), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.

2.4.10. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.

2.4.11. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.

- 2.4.12. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 2.4.13. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.
- 2.4.14. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.
- 2.4.15. As for profit, for a scheme of this scale we consider a rate of 20% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing.
- 2.4.16. In terms of the benchmark land value, this is a greenfield site. We have therefore had regard to the updated Local Plan testing for the 'Cleadow greenfield' site typology (where a benchmark land value of £625,000 per gross Ha was adopted in the context of SUDS at £30,000 per Ha, biodiversity net gain at £30,000 per Ha and general abnormals of £200,000 per net Ha). At the subject scheme, the SUDS and biodiversity net gain allowances are the same as the updated Local Plan testing, however the abnormals has been reduced to £150,000 per net Ha. Following the requirements of the guidance, given the reduction in abnormals we have increased the benchmark land value to £675,000 per Ha.

2.4.17. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

2.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

2.4.19. Please see attached our appraisal (Appendix 1), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units
- 30% onsite affordable housing (20% rented, 10% First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

2.4.20. Including all of the above the scheme generates a residual land value of £8,180,350. As this is above the benchmark land value of £6,932,250 (£675,000 per Ha) this scheme is deemed to be viable with the full planning policies applied.

### 3. GA4 – Land at North West Farm, Boker Lane, Boldon



#### 3.1. Property Description

3.1.1. Boldon is an area made up of 3 villages: East Boldon, West Boldon and Boldon Colliery in South Tyneside. Located around 3.5 miles north west of Sunderland and 7.5 miles east of Newcastle. The main road access is via the A184 (Addison Road), with the A19 within 1.5 miles. The site is situated to the northern boundary of the area. Boldon Colliery is located around 1.5 km to the west and East Boldon Railway and Metro Station is located circa 1 km to the south east.

3.1.2. The site comprises arable farmland with established residential housing to the west and south. To the west of the site is Boker Lane with residential housing beyond. To the east is grassland and scattered woodland, beyond a former road which is now a tarmacked bridleway and to the north is the B1298 (New Road) with grass and farmland beyond. Boundaries are formed of sparsely scattered trees interspersed with hedgerow.



3.1.3. The site is divided into two uneven portions by a strip of shrub and broadleaf trees which intersect the site east to west. In the northeastern corner a small tree lined section of a tributary to the River Don runs through the site. Access is via the B1298. The land is broadly rectangular in shape is generally level. We understand the site extends to circa 9.52 Ha (23.52 acres), on a gross basis.

### 3.2. General scheme assumptions

3.2.1. The Council has estimated a total yield of 263 residential dwellings. A “Highways Technical Note” undertaken by Andrew Moseley Associates in Aug 2021 indicates a net developable area of 7.00 ha (17.30 acres), which equates to circa 37.5 dwellings per Ha. This equates to a gross to net ration of 73.53%

3.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

3.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

3.2.4. Based on the above assumptions, the overall density equates to 3,117 sq m per net Ha, which is considered to be realistic.

### 3.3. Gross Development Value (sales revenue)

3.3.1. Acting on behalf of the landowner, Stantec have submitted a “Site Viability Evidence” report to the Council dated Sept 2023. This describes the site as being within East Boldon (which under the updated Local Plan viability testing would mean the site falls under the “East Boldon / Whitburn” typology).

3.3.2. We have subsequently adopted the following:

2 bed terrace	-	£206,500 (£2,950 per sq m)
3 bed semi	-	£252,000 (£3,000 per sq m)
4 bed detached	-	£352,000 (£3,200 per sq m)
2 bed det / semi bungalow	-	£231,000 (£3,300 per sq m)

3.3.3. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

### 3.4. Gross Development Cost (outgoings to implement the development)

3.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

- 3.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate, plus a 10% uplift to take into account the likely uplifted specification required in this location. This equates to £1,225 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.
- 3.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 3.4.4. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3.5% (based on the BCIS cost plus the external works). Both are in line with the updated Local Plan Viability Testing.
- 3.4.5. At this stage the full extent of any abnormal costs are unknown. However, we have been provided with a variety of studies / documents relating to the site:
- **Preliminary Ecological Appraisal (E3 Ecology Ltd Draft Sept 2019):** this concludes that a coastal management contribution should be expected. Furthermore, circular do walking routes should be provided.
  - **Biodiversity Metric (E3 Ecology Ltd Draft Aug 2021):** this identifies potential constraints associated with hedgerows, good landscape for varies species, some breeding on the land, risk of water voles using the stream. Various additional surveys are suggested. Post-development, the Biodiversity Impact Assessment Calculator indicates a predicted net loss of 48.05% for habitats and a net increase of 28.17% for hedgerows.

- **Highways Technical Note (Andrew Moseley Associates Aug 2021):** the site is deemed to be in a highly sustainable location. The report states that the site is “wholly suitable for a residential site allocation and there are no highways or transport reasons that should prevent its allocation”. However, the report does refer to a number of junctions in the vicinity of the site which would see an increase in traffic as a consequence of a residential development. The report states that “...where mitigation is required, the landowner would provide proportional funding / ‘developer contributions’ towards the junction mitigation and traffic management schemes”.
  
- **Phase I Site Appraisal (Patrick Parsons Nov 2019):** this finds that the risk of contamination is moderate. The risk posed to human health is low to moderate. Risk to controlled waters is assessed as very low (each of the aforementioned to be confirmed through further studies). The report goes on to state that widespread capping of private gardens and soft landscaping is considered unlikely. Ground gas protection may be required. Significant thicknesses of made ground are not anticipated. At the current time, it is anticipated that the site is likely to be suitable for the use of traditional foundations (although again this needs confirming through a Phase II site investigation). Piles may be needed close to trees and hedges. The use of a soakaway drainage scheme is unlikely to be feasible.
  
- **Site Viability Evidence (Stantec Sep 2023):** this discusses the above reports. It also states that the majority of the site sits within Flood Zone 1 with the lowest probability of flooding. However, a small section sits within Flood Zone 3. Furthermore, the report states that the site is relatively flat with no significant differences across the land.

3.4.6. In summary:

- Alternative to a soakaway drainage system (e.g. SUDS).
- Moderate risk of contaminated ground.
- Contributions to mitigate traffic impact on local junctions.
- Ground gas protection.
- Small section of the site falls within Flood Zone 3.
- Some offsite solutions to meet the biodiversity 10% net gain requirement.

3.4.7. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have also allowed an additional infrastructure cost for Sustainable Urban Drainage systems (“SUDS”), also at £30,000 per gross Ha. Both are in line with the updated Local Plan Viability Testing.

3.4.8. For the purposes of the viability testing, we have allowed a spot figure of £200,000 per net Ha (£934,000) to cover other general abnormal cost items. This is in keeping with the £200,000 per net Ha used in the updated Local Plan viability testing. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value (‘BLV’), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.



- 3.4.9. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.
- 3.4.10. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.
- 3.4.11. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 3.4.12. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.
- 3.4.13. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.
- 3.4.14. As for profit, for a scheme of this scale we consider a rate of 20% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing.

3.4.15. In terms of the benchmark land value, this is a greenfield site. We have therefore had regard to the updated Local Plan testing for the 'East Boldon / Whitburn greenfield' site typology (where a benchmark land value of £425,000 per gross Ha was adopted in the context of SUDS at £30,000 per Ha, biodiversity net gain at £30,000 per Ha and general abnormalities of £200,000 per net Ha). The rate of £350,000 per gross Ha is deemed to be appropriate and has been applied to the subject site, which equates to £4,046,000.

3.4.16. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

3.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

3.4.18. Please see attached our appraisal (Appendix 2), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units
- 25% onsite affordable housing (15% rented, 10% First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

3.4.19. Including all of the above the scheme generates a residual land value of £4,060,088. As this is above the benchmark land value of £4,046,000 (£425,000 per Ha) this scheme is deemed to be viable with the full planning policies applied.

## 4. Land to the north of Shearwater, Whitburn



### 4.1. Property Description

4.1.1. Whitburn is a coastal village located around 3 miles to the north of Sunderland and 4 miles south of South Shields. The main road access is via the A183 (Mill Lane). The site itself is situated on the northern edge of the village with existing residential to the south and east. Marsden Quarries are located circa 650m to the north and the coastline is less than 500m to the east. Whitburn Point Nature reserve is located within 300m of the east.

4.1.2. The site comprises managed grassland in use for horse grazing. The A183 runs along the western boundary with Shearwater to the south. The eastern boundary is formed of a combination of a single residential house and a dense tree line. To the northwest of the site is a derelict building and its associated land. In the south eastern corner of the site is a seasonal wetland. Boundaries are formed of post and wire fencing to the western and southern boundaries with clear sight lines across the site from the road.

4.1.3. The land is generally level and irregular in shape. We understand the site extends to circa 1.65Ha (4.08 acres), on a gross basis.

#### 4.2. General scheme assumptions

4.2.1. The Council has estimated a total yield of 41 residential dwellings. According to a “Highways Technical Note” undertaken by Andrew Moseley Associates in Aug 2021 the indicative net developable area is 1.10 Ha (2.72 acres). This is a gross to net density of 66.67% and is considered to be achievable. This equates to a density of circa 37.5 dwellings per net Ha.

4.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

4.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

4.2.4. Based on the above assumptions, the overall density equates to 3,115 sq m per net Ha, which is considered to be realistic.

#### 4.3. Gross Development Value (sales revenue)

4.3.1. In accordance with the updated Local Plan viability testing, we have adopted the following net sales values:

2 bed terrace	-	£206,500 (£2,950 per sq m)
3 bed semi	-	£252,000 (£3,000 per sq m)
4 bed detached	-	£352,000 (£3,200 per sq m)
2 bed det / semi bungalow	-	£231,000 (£3,300 per sq m)

4.3.2. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

#### 4.4. Gross Development Cost (outgoings to implement the development)

4.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

4.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate, plus a 10% uplift to take into account the likely uplifted specification required in this location. This equates to £1,225 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.



- 4.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.
- 4.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 4.4.5. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3.5% (based on the BCIS cost plus the external works). Both are in line with the updated Local Plan Viability Testing.
- 4.4.6. At this stage the full extent of any abnormal costs are unknown. However, we have been provided with a variety of studies / documents relating to the site:
- **Preliminary Ecological Appraisal (E3 Ecology Ltd Draft Sept 2019):** this concludes that there is a residual risk that the grassland is of conservation value. A financial contribution to coastal mitigation is anticipated.
  - **Biodiversity Metric (E3 Ecology Ltd Draft Aug 2021):** this notes the land is heavily grazed, which impacts on the use of the land as a habitat. Various additional surveys are suggested (such as a Phase I habitat survey, breeding bat survey etc). Post-development, the Biodiversity Impact Assessment Calculator indicates a predicted net loss of 44.78% for habitats. The report states that “Offsite compensation is required”.

- **Highways Technical Note (Andrew Moseley Associates Aug 2021):** the site is deemed to be in a highly sustainable location. The report states that the site is “wholly suitable for a residential site allocation and there are no highways or transport reasons that should prevent its allocation”. However, the report does refer to 3 junctions in the vicinity of the site which would see an increase in traffic as a consequence of a residential development. The report states that “...where mitigation is required, the landowner would provide proportional funding / ‘developer contributions’ towards the junction mitigation and traffic management schemes”.
- **Phase I Site Appraisal (Patrick Parsons Nov 2019):** this finds that the risk of contamination is low. The risk posed to human health is low. Risk to controlled waters is assessed as low (each of the aforementioned to be confirmed through further studies). The report goes on to state that widespread capping of private gardens and soft landscaping is considered unlikely. Significant thicknesses of made ground are not anticipated. At the current time, it is anticipated that the site is likely to be suitable for the use of traditional foundations (although again this needs confirming through a Phase II site investigation). Piles may be needed close to trees and hedges. The use of a soakaway drainage scheme is unlikely to be feasible.
- **Site Viability Evidence (Stantec Sep 2023):** this discusses the above reports. It also states that the majority of the site sits within Flood Zone 1 with the lowest probability of flooding. Furthermore, the report states that the site is relatively flat with no significant differences across the land.

4.4.7. In summary:

- Alternative to a soakaway drainage system (e.g. SUDS).
- Contributions to mitigate traffic impact on local junctions.
- Some offsite solutions to meet the biodiversity 10% net gain requirement.

- 4.4.8. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have also allowed an additional infrastructure cost for Sustainable Urban Drainage systems (“SUDS”), also at £30,000 per gross Ha. Both are in line with the updated Local Plan Viability Testing.
- 4.4.9. For the purposes of the viability testing, we have allowed a spot figure of £150,000 per net Ha (£165,000) to cover other general abnormal cost items. This is below the £200,000 per net Ha used in the updated Local Plan viability testing, but reflects the limited abnormal costs anticipated on site. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value (‘BLV’), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 4.4.10. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.
- 4.4.11. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.

- 4.4.12. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 4.4.13. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.
- 4.4.14. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.
- 4.4.15. As for profit, for a scheme of this scale we consider a rate of 18% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing.
- 4.4.16. In terms of the benchmark land value, this is a greenfield site. We have therefore had regard to the updated Local Plan testing for the 'Cleadon greenfield' site typology (where a benchmark land value of £425,000 per gross Ha was adopted in the context of SUDS at £30,000 per Ha, biodiversity net gain at £30,000 per Ha and general abnormals of £200,000 per net Ha). At the subject scheme, the SUDS and biodiversity net gain allowances are the same as the updated Local Plan testing, however the abnormals has been reduced to £150,000 per net Ha. Following the requirements of the guidance, given the reduction in abnormals we have increased the benchmark land value to £475,000 per Ha.

4.4.17. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

4.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

4.4.19. Please see attached our appraisal (Appendix 3), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units
- 25% onsite affordable housing (15% rented, 10% First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

4.4.20. Including all of the above the scheme generates a residual land value of £1,199,172. As this is above the benchmark land value of £783,750 (£475,000 per Ha) this scheme is deemed to be viable with the full planning policies applied.



## 5. SP6 – Fellgate Sustainable Growth Area



### 5.1. Property Description

5.1.1. Fellgate is a village situated approximately 4.5 miles south east of Newcastle City Centre and 5 miles west of Sunderland. Main road access to the village is via the A19. Boldon Colliery is located around 500m to the west and the River Tyne is within 2 miles to the north west. Red Barns Quarry is located less than 50m to the west.

5.1.2. The site itself is located to the south of the village between A194 (Leam Lane) to the west, the A184 (Newcastle Road) to the south and agricultural land to the east with the A19 beyond that. Two points of access are proposed, one from Leam Lane and the other to the northern boundary from Durham Road.

5.1.3. The Regulation 18 Draft Local Plan allocated 48 hectares for 1,200 dwellings. In response to the consultation on the Draft Plan, the site promoters have contended that this area will not be sufficient to deliver 1,200 dwellings and that the site should be greatly extended. The Council has carefully considered this representation. The Council has decided to extend the site boundary to 55.8 hectares. This is in order to better facilitate the access to the site and to increase the site capacity. Whilst this does not align with the wishes of the site promoter, capacity work undertaken on behalf of the Council indicates that the delivery of 1,200 dwellings is realistic within the amended site area. This is the boundary that is shown on the map above and this assessment has been undertaken on the basis that the Council's view that estimated yield of 1,200 dwellings can be achieved within this area, is valid.

5.1.4. This is a high-level initial appraisal. Potentially further work will need to be done to understand viability in relation to a site of this scale as the project moves forward and further information becomes available, particularly in relation to strategic transport infrastructure costs.

5.1.5. We have assumed a net density of 37.50 dwellings per net Ha. This equates to a net developable area of 32 Ha (79.07 acres). In terms of a gross to net ratio we have assumed 60%. This equates to a gross site area of 53.33 Ha (131.79 acres)

## 5.2. General scheme assumptions

5.2.1. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

5.2.2. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

5.2.3. Based on the above assumptions, the overall density equates to 3,212 sq m per net Ha, which is considered to be achievable.

### 5.3. Gross Development Value (sales revenue)

5.3.1. The site situated to the south of Hebburn and west of Boldon Colliery in its own distinct location. This would not therefore likely reflect values achieved in existing market areas, but instead create its own new market (i.e. this scheme would be 'placemaking' rather than developing an existing market).

- 5.3.2. In this regard, we have considered the location of the site within the context of the wider region. This is positioned with good access the main highways network, with the A184 providing links east and west and the nearby A19 providing routes to the north and south. Gateshead is around 20 mins away to the west, Newcastle also circa 20 mins to the north west and Sunderland also 20 mins to the south east. This site is therefore well positioned for access to major employment areas and would therefore attract commuters. Furthermore, there are clear benefits from the site currently being within the Greenbelt (in terms of a semi-rural outlook from parts of the site. The site therefore has the benefit of being well connected and closer to urban centres, but also an attractive outlook which is likely to attract both commuters and families alike.
- 5.3.3. In summary, we therefore consider that the site will be attractive to purchasers, which will underpin values in this location. We do not consider that the regional 'high' values of Cleadon are achievable and equally we remain to be convinced that the values associated with East Boldon and Whitburn can be replicated here, particularly on a large scale. However, equally we would expect this to achieve values comfortably in excess of West Boldon / Boldon Colliery.
- 5.3.4. In the updated Local Plan viability testing, for East Boldon / Whitburn we adopted an average value of £3,200 per sq m for detached dwellings, reduced to £2,700 per sq m in West Boldon / Boldon Colliery. In light of our comments above, we consider £3,000 per sq m to be appropriate for Fellgate.
- 5.3.5. In the updated Local Plan viability testing, for East Boldon / Whitburn we adopted an average value of £3,000 per sq m for semi-detached dwellings, reduced to £2,600 per sq m in West Boldon / Boldon Colliery. In light of our comments above, we consider £2,800 per sq m to be appropriate for Fellgate.

5.3.6. Finally, in the updated Local Plan viability testing, for East Boldon / Whitburn we adopted an average value of £2,950 per sq m for terraced dwellings, reduced to £2,550 per sq m in West Boldon / Boldon Colliery. In light of our comments above, we consider £2,750 per sq m to be appropriate for Fellgate.

5.3.7. For the bungalows we have increased these by £300 per sq m compared to the semi-detached dwelling average, as per the approach in the updated Local Plan.

5.3.8. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

#### 5.4. Gross Development Cost (outgoings to implement the development)

5.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

5.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate. This equates to £1,114 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.

5.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.

- 5.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 5.4.5. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3.5% (based on the BCIS cost plus the external works). Both are in line with the updated Local Plan Viability Testing.
- 5.4.6. At this stage the full extent of any abnormal costs are unknown. However, the landowners / site promoters have provided the following general comments:
- The site has an existing access to its western boundary via the existing roundabout on the A194 Leam Lane
  - The current roundabout layout will need to be upgraded to accommodate the development of the site and further works to the A194/A184 Whitemare Pool roundabout will be required.
  - The site is generally flat in nature however given the scale of the site there will be some requirement for earthworks and cut and fill to create development platforms. At this stage these costs are unknown but we would anticipate that the costs would be reflective of similar large scale relatively flat sites.
  - The site is greenfield in nature (currently agricultural use) therefore we do not anticipate the need for remediation. South Tyneside is a coal mining area therefore there is a possibility that the site is underlain with former mine workings, without undertaking a coal mining assessment we are unable to verify the extent and nature of any such workings.
  - The site is situated within Flood Zone 1.
  - No significant ecological issues are anticipated.
  - The 'usual' infrastructure will be required for a larger scale strategic site of this nature.

- 5.4.7. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have also allowed an additional infrastructure cost for Sustainable Urban Drainage systems (“SUDS”), also at £30,000 per gross Ha. Both are in line with the updated Local Plan Viability Testing.
- 5.4.8. For the purposes of the viability testing, we have allowed a spot figure of £200,000 per net Ha (£6,400,000) to cover highway works (including a spine road within the scheme). A further £100,000 per net Ha (£3,200,000) is included for general abnormal costs (as yet unknown). Overall, for the site wide infrastructure including Biodiversity Net Gain, SUDS, highways and general abnormal we have subsequently allowed a total of £12,800,000 (£400,000 per net Ha). Please note, general landscaping works / open space is deemed to be included within our separate 15% external cost allowance.
- 5.4.9. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormal should be reflected in the benchmark land value (‘BLV’), therefore if abnormal increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormal at a later date may not therefore change the viability outcome of the scheme.
- 5.4.10. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.



- 5.4.11. For professional fees we have allowed 6% of the build costs / external works (deemed appropriate for a large scale project of this nature).
- 5.4.12. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 5.4.13. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.
- 5.4.14. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.
- 5.4.15. As for profit, for a scheme of this scale we consider a rate of 20% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing.
- 5.4.16. In terms of the benchmark land value, this is a greenfield site. We have therefore had regard to the updated Local Plan testing for the 'East Boldon / Whitburn greenfield' site typology (where a benchmark land value of £425,000 per gross Ha was adopted) and the West Boldon / Boldon Colliery typology (£350,000 per gross Ha). Our view is that the Fellgate scheme falls somewhere in between these 2 typology locations. For the purposes of the modelling, we have subsequently adopted £400,000 per gross Ha.

5.4.17. However, as indicated above, we have uplifted the abnormal cost allowance here to £400,000 per net Ha (including the Biodiversity Net Gain, SUDS, highways and general abnormal). As per the requirements of the guidance, where this is the case, a reduction needs to be applied to the benchmark land value. For the modelling, we have subsequently reduced the benchmark land value to £350,000 per Ha (£18,666,667).

5.4.18. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

5.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 12 per calendar month (based on 3 outlets).

5.4.20. Please see attached our appraisal (Appendix 4), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units
- 25% onsite affordable housing (15% rented, 10% First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

5.4.21. Including all of the above the scheme generates a residual land value of £19,004,473. As this is above the benchmark land value of £18,666,647 (£350,000 per Ha) this scheme is deemed to be viable with the full planning policies applied.

## 6. GA3 – Former South Tyneside College, Victoria Rd West, Hebburn



### 6.1. Property Description

6.1.1. Whitburn is a town located on the south side of the River Tyne, around 5 miles north east of Gateshead and circa 7 miles south east of Newcastle City centre. Jarrow is also around 2.5 miles to the north east. The main road access is via the A185 (Victoria Rd West), which runs along the northern boundary of the site, providing a direct link to Jarrow and A184 to the south. The site itself is situated on the southern edge of the town with existing modern residential dwellings immediately to the north east (developed by Bellway Homes) and more established dwellings to the north and west on the opposite side of Victoria Road West (beyond which is railway line). To the east there are playing fields and beyond Sy Joseph's Catholic Academy, as well as undeveloped 'scrubland' / wooded areas. Wardley Lane runs along the southern boundary, beyond which is land owned by the Council (with a large car parking area).

6.1.2. The site comprises part of the former South Tyneside College campus (the other section of the campus being the land immediately to the north east; recently developed by Bellway Homes). We understand that all of the buildings associated with the former college have since been demolished. However, from our desktop review it appears the subject site formed the grounds associated with the former college campus, rather than any previous buildings and therefore this can be regarded as a greenfield site. We also note that the site has been used in recent years generally for horse grazing.

6.1.3. The land appears to be generally level and irregular in shape. We understand the site extends to circa 5.70Ha (14.08 acres), on a gross basis.

## 6.2. General scheme assumptions

6.2.1. The Council has estimated a total yield of 115 residential dwellings. Assuming a density of 35 dwellings per Ha this equates to an indicative net developable area is 3.29 Ha (8.12 acres). This is a gross to net density of 67.64% and is considered to be achievable.

6.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

6.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

6.2.4. Based on the above assumptions, the overall density equates to 2,900 sq m per net Ha, which if anything is considered to be on the low side of expectations and may be subject to an increased capacity in the future.

### 6.3. Gross Development Value (sales revenue)

6.3.1. In accordance with the updated Local Plan viability testing, we have adopted the following net sales values:

2 bed terrace	-	£171,500 (£2,450 per sq m)
3 bed semi	-	£210,000 (£2,500 per sq m)
4 bed detached	-	£286,000 (£2,600 per sq m)
2 bed det / semi bungalow	-	£196,000 (£2,800 per sq m)

6.3.2. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

### 6.4. Gross Development Cost (outgoings to implement the development)

6.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

- 6.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate. This equates to £1,114 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.
- 6.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.
- 6.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 6.4.5. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3.5% (based on the BCIS cost plus the external works). Both are in line with the updated Local Plan Viability Testing.
- 6.4.6. At this stage the full extent of any abnormal costs are unknown. However, the landowner / site promoter has provided the following general comments:
- There are no access issues with the site which would likely attract extra-over / abnormal costs.
  - The site does not contain any significant change in levels that could impact on deliverability.
  - Given the historic use of the site no significant contamination / ground works issues are anticipated.
  - The site is within Flood Zone 1 and therefore at 'very low' risk from flooding.

- 6.4.7. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have also allowed an additional infrastructure cost for Sustainable Urban Drainage systems (“SUDS”), also at £30,000 per gross Ha. Both are in line with the updated Local Plan Viability Testing.
- 6.4.8. For the purposes of the viability testing, we have allowed a spot figure of £150,000 per net Ha (£492,857) to cover other general abnormal cost items. This is below the £200,000 per net Ha used in the updated Local Plan viability testing, but reflects the limited abnormal costs anticipated on site. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value (‘BLV’), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 6.4.9. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.
- 6.4.10. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.



- 6.4.11. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 6.4.12. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.
- 6.4.13. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.
- 6.4.14. As for profit, for a scheme of this scale we consider a rate of 20% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing.
- 6.4.15. In terms of the benchmark land value, this is a greenfield site. We have therefore had regard to the updated Local Plan testing for the 'Hebburn greenfield' site typology (where a benchmark land value of £300,000 per gross Ha was adopted in the context of SUDS at £30,000 per Ha, biodiversity net gain at £30,000 per Ha and general abnormalities of £200,000 per net Ha).
- 6.4.16. However, at the subject site the gross to net ratio is sub 60% (compared to 65% assumed in the updated Local Plan testing). In our view, it is not therefore appropriate to apply the full rate of £300,000 per Ha to the full gross site area, because over half of the site is not providing housing (and therefore the underlying value of this land should not be based on residential development).

6.4.17. To account for this differential in the modelling, we have adopted a reduced rate of £250,000 per gross Ha. This equates to a capital sum of £1,425,000. This is deemed to be a sufficient incentive for a landowner to release the land for development.

6.4.18. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

6.4.19. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

6.4.20. We have run an initial residual appraisal with a 15% onsite affordable housing provision and all of the other policy provision requirements. However, this generates a residual land value below the benchmark land value and is deemed to be unviable.

6.4.21. On a 'trial and error' basis we have subsequently reduced the planning policies to see at what point a viable outcome is shown. Please see attached our appraisal (Appendix 5), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- 15% onsite affordable housing (5% rented, 10% First Homes)
- Transport £1,000 per unit

6.4.22. Including all of the above the scheme generates a residual land value of £1,443,442. As this is above the benchmark land value of £1,425,000 (£250,000 per Ha) this scheme is deemed to be viable.

6.4.23. In summary, the scheme cannot viably support the full emerging policies. In order for the scheme to deliver a 15% onsite affordable housing provision, the M4(3) policy would need to be removed, as well as an open space offsite contribution and the education contribution would need to be set at zero. This points to high viability pressure at the current time. Equally, though, it does demonstrate that the scheme is viable with 15% affordable housing, albeit with reduced planning policy contributions equating to £2,500 per dwelling.



7.1.2. The site comprises undeveloped agricultural land. It is comprised of four fields bounded to the south by residential housing to the west by the A19, to the north by Downhill Lane and arable land beyond it and to the east by a belt of woodland on the edge of Boldon Hills. Boundaries are formed of hedgerow interspersed with mature trees. A single point of access is located to the north from Downhill Lane.

7.1.3. The land is an irregular shape and broadly flat to the most part. We understand the site extends to circa 22.4 Ha (55.35 acres), on a gross basis.

## 7.2. General scheme assumptions

7.2.1. The Council has estimated a total yield of 400 residential dwellings. The promoter for the site has suggested 30 to 35 dwellings per net Ha. For the purposes of this review, we have assumed 35 dwellings per net Ha. This equates to an indicative net developable area is 11.43 Ha (28.24 acres). This is a gross to net density of 51.02% and is considered to be achievable.

7.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

7.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

7.2.4. Based on the above assumptions, the overall density equates to 2,902 sq m per net Ha, which (if anything) is considered to be cautious and potentially there is scope to increase the density.

### 7.3. Gross Development Value (sales revenue)

7.3.1. In the updated Local Plan viability testing the following sales values were adopted:

2 bed terrace	-	£2,550 per sq m
3 bed semi	-	£2,600 per sq m
4 bed detached	-	£2,700 per sq m
2 bed det / semi bungalow	-	£2,900 per sq m

7.3.2. Applied to the subject scheme this equates to an average market value of £2,798 per sq m (£245 per sq ft).

7.3.3. However, the site promoter has suggested an uplifted average rate of (£260 per sq ft). Given the location of the site, which is set away from Boldon Colliery (and more of an extension of Town End Farm, which falls under Sunderland City Council's District) we agree that there is scope here for securing an uplift in the associated values. We have subsequently adopted the following value uplifts:

2 bed terrace	-	£189,000 (£2,700 per sq m)
3 bed semi	-	£231,000 (£2,750 per sq m)
4 bed detached	-	£313,500 (£2,850 per sq m)
2 bed det / semi bungalow	-	£213,500 (£3,050 per sq m)

7.3.4. The above equates to an average of £2,790 per sq m (circa £259 per sq ft).

7.3.5. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

#### 7.4. Gross Development Cost (outgoings to implement the development)

7.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

7.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate. This equates to £1,114 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.

7.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.

7.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.



7.4.5. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3.5% (based on the BCIS cost plus the external works). Both are in line with the updated Local Plan Viability Testing.

7.4.6. At this stage the full extent of any abnormal costs are unknown. However, the site promoter has provided the following comments:

- There are no known access issues to the site, which adjoins the public highway on all necessary frontage. There would be the usual need for a S278 agreement for tying into existing highway. The A19 improvement works recently undertaken by Highways England will support the site in terms of the network capacity. All abnormal costs are therefore likely to be within normal and viable limits.
- There are some changes in level across the site although these are not significant and will be accommodated into the site design. The changes in levels are well within normal parameters and are likely to require only intermittent, low level retaining walls at various points across the development (flag on edge/timber logs). The financial impact can be mitigated through good design and would not be significant enough to be detrimental to the site's development.
- The site has been appraised by Hellens Group, the landowners' professional representatives and national developers showing an interest in delivery. None of which have indicated any significant constraints to developing the site. The majority of investigations to date have been desk top based and will be further explored via intrusive investigations following confirmation of the draft allocation. Desk top investigations show there to be no elements of significant concern to future delivery of this greenfield site.

- Access, service and drainage connections are all available in the immediate vicinity of the site's boundary. There are no known archaeologically significant remains on site.
- The site is greenfield in nature and the vast majority is actively farmed, with no known contamination issues anywhere on site.
- There are no known ecological issues on the site, nor any high value habitats to protect or offset. An appropriate Biodiversity Net Gain strategy will be undertaken at the detailed design phase.
- A Flood Risk Assessment has been undertaken on the site and there are no known flooding issues. A copy of this has previously been provided to the Local Authority in support of representations made.
- The site is subject to high voltage electricity lines on the eastern fringe. It is noted that these would be a constraint to development in their immediate vicinity. Where necessary to facilitate maximum delivery, in line with the National Grid design code, their design can be accommodated into the lower value uses/offsetting on the site which are acceptable to be located in the vicinity of and under the electricity apparatus. Such approach is a standard part of good practice in the design process and has been accommodated in numerous other large site allocations. The landowner will also explore the opportunity to underground the high voltage electricity lines.
- The site promoter is not aware of any other issues other affecting the viability or delivery of the site than those noted above.

- 7.4.7. In summary, at this stage significant abnormal works are not anticipated on site.
- 7.4.8. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have also allowed an additional infrastructure cost for Sustainable Urban Drainage systems (“SUDS”), also at £30,000 per gross Ha. Both are in line with the updated Local Plan Viability Testing.
- 7.4.9. For the purposes of the viability testing, we have allowed a spot figure of £200,000 per net Ha (£934,000) to cover other general abnormal cost items. This is in keeping with the £200,000 per net Ha used in the updated Local Plan viability testing. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value (‘BLV’), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 7.4.10. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.
- 7.4.11. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.

7.4.12. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.

7.4.13. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.

7.4.14. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.

7.4.15. As for profit, for a scheme of this scale we consider a rate of 20% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing.

7.4.16. In terms of the benchmark land value, this is a greenfield site. We have therefore had regard to the updated Local Plan testing for the 'West Boldon / Boldon Colliery greenfield' site typology (where a benchmark land value of £350,000 per gross Ha was adopted in the context of SUDS at £30,000 per Ha, biodiversity net gain at £30,000 per Ha and general abnormals of £200,000 per net Ha).

7.4.17. However, at the subject site the gross to net ratio is around 50% (compared to 65% assumed in the updated Local Plan testing). In our view, it is not therefore appropriate to apply the full rate of £350,000 per Ha to the full gross site area, because over half of the site is not providing housing (and therefore the underlying value of this land should not be based on residential development).

7.4.18. To account for this differential in the modelling, we have adopted a reduced rate of £250,000 per gross Ha. This equates to a capital sum of £5,600,000. This is deemed to be a sufficient incentive for a landowner to release the land for development (with an underlying existing use value of only circa £560,000, based on agricultural land values of £25,000 per Ha).

7.4.19. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

7.4.20. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 4 per calendar month (which assumes 2 outlets on site).

7.4.21. We have run an initial residual appraisal with a 20% onsite affordable housing provision and all of the other policy provision requirements. Please note that with the open space, transport, education, M4(2) and M4(3) all included this equates to a total cost equivalent to £9,690 per dwelling. However, this generates a residual land value below the benchmark land value and is deemed to be unviable.

7.4.22. On a 'trial and error' basis we have subsequently reduced the planning policies to see at what point a viable outcome is shown. Please see attached our appraisal (Appendix 6), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- 20% onsite affordable housing (10% rented, 10% First Homes)
- Reduced other policies down from £9,690 per dwelling (at the full policy level) to £8,600 per dwelling

7.4.23. Including all of the above the scheme generates a residual land value of £5,606,558. As this is above the benchmark land value of £5,600,000 (£250,000 per Ha) this scheme is deemed to be viable.

7.4.24. In summary, the scheme cannot viably support the full emerging policies. However, with a relatively modest adjustment in the policy asks from £9,690 to £8,600 per unit the scheme surpasses the viability threshold.

## 8. Former Temple Park Infant School, Rubens Avenue, South Shields



### 8.1. Property Description

8.1.1. South Shields is a coastal town located to the east of Jarrow, circa 12 miles east of Newcastle and 7 miles north of Sunderland. The main road access is via the A194 Jarrow Road and the south A1300 John Reid Rd. The site itself is situated towards the southern edge of South Shields, to the south of the A1300 and Temple Memorial Park. This is a predominantly residential area, with established housing to the north, west and south of the site. To the east there is a church (St Oswalds) and a former public house.

8.1.2. The site is made up of a former infant school and its grounds, comprising various single storey buildings, tarmac covered parking areas / access roads and playing fields. We understand the existing buildings would require demolition ahead of any development. We understand that this is Council owned.

8.1.3. The land is broadly rectangular in shape and broadly flat to the most part. We understand the site extends to circa 0.70 Ha (1.73 acres), on a gross basis.

## 8.2. General scheme assumptions

8.2.1. The Council has estimated a total yield of 22 residential dwellings. We have assumed a gross to net ratio of 80%, which equates to a net developable area of 0.56 Ha (1.38 acres). This is a density of 39.29 dwellings per net Ha, which is considered achievable in an urban setting such as this.

8.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

8.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

8.2.4. Based on the above assumptions, the overall density equates to 3,236 sq m per net Ha, which is considered achievable in an urban setting.



### 8.3. Gross Development Value (sales revenue)

8.3.1. In the updated Local Plan viability testing the following sales values were adopted:

2 bed terrace	-	£2,350 per sq m
3 bed semi	-	£2,400 per sq m
4 bed detached	-	£2,450 per sq m
2 bed det / semi bungalow	-	£2,700 per sq m

8.3.2. However, the site is situated to the southern edge of South Shields, with the higher value areas of Boldon less than 1 mile to the south and Cleadon less than 1 mile to the south east. In light of this, we consider a (limited) uplift in value is achievable at the subject site. We have subsequently adopted the following:

2 bed terrace	-	£168,000 (£2,400 per sq m)
3 bed semi	-	£205,800 (£2,450 per sq m)
4 bed detached	-	£275,000 (£2,500 per sq m)
2 bed det / semi bungalow	-	£192,500 (£2,750 per sq m)

8.3.3. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

### 8.4. Gross Development Cost (outgoings to implement the development)

8.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

- 8.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate. This equates to £1,114 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.
- 8.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.
- 8.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 8.4.5. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 4.5% (based on the BCIS cost plus the external works). Both are in line with the updated Local Plan Viability Testing.
- 8.4.6. At this stage the full extent of any abnormal costs are unknown. However, the Council (as landowner) has advised that they are unaware of any abnormal costs associated with the site (other than demolition works). To cover demolition costs we have allowed a 'spot' figure of £75,000 in our appraisal.
- 8.4.7. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have not included an allowance for SUDS as this is not considered to be necessary for this particular site.

- 8.4.8. No other allowances are made for abnormals / site specific infrastructure works. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 8.4.9. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.
- 8.4.10. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.
- 8.4.11. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 8.4.12. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.

8.4.13. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.

8.4.14. As for profit, for a scheme of this scale we consider a rate of 18% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing for a scheme of this scale.

8.4.15. In terms of the benchmark land value, this is a brownfield site. We have therefore had regard to the updated Local Plan testing for the 'South Shields brownfield' site typology (where a benchmark land value of £360,000 per net Ha was adopted in the context of SUDS at £30,000 per Ha, biodiversity net gain at £30,000 per Ha and general abnormals of £200,000 per net Ha).

8.4.16. However, at the subject site the abnormal / infrastructure costs are reduced. To account for this, we have increased the benchmark land value to £400,000 per net ha (which equates to £224,000).

8.4.17. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

8.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

8.4.19. Please see attached our appraisal (Appendix 7), which incorporates the following Council proposed policies:

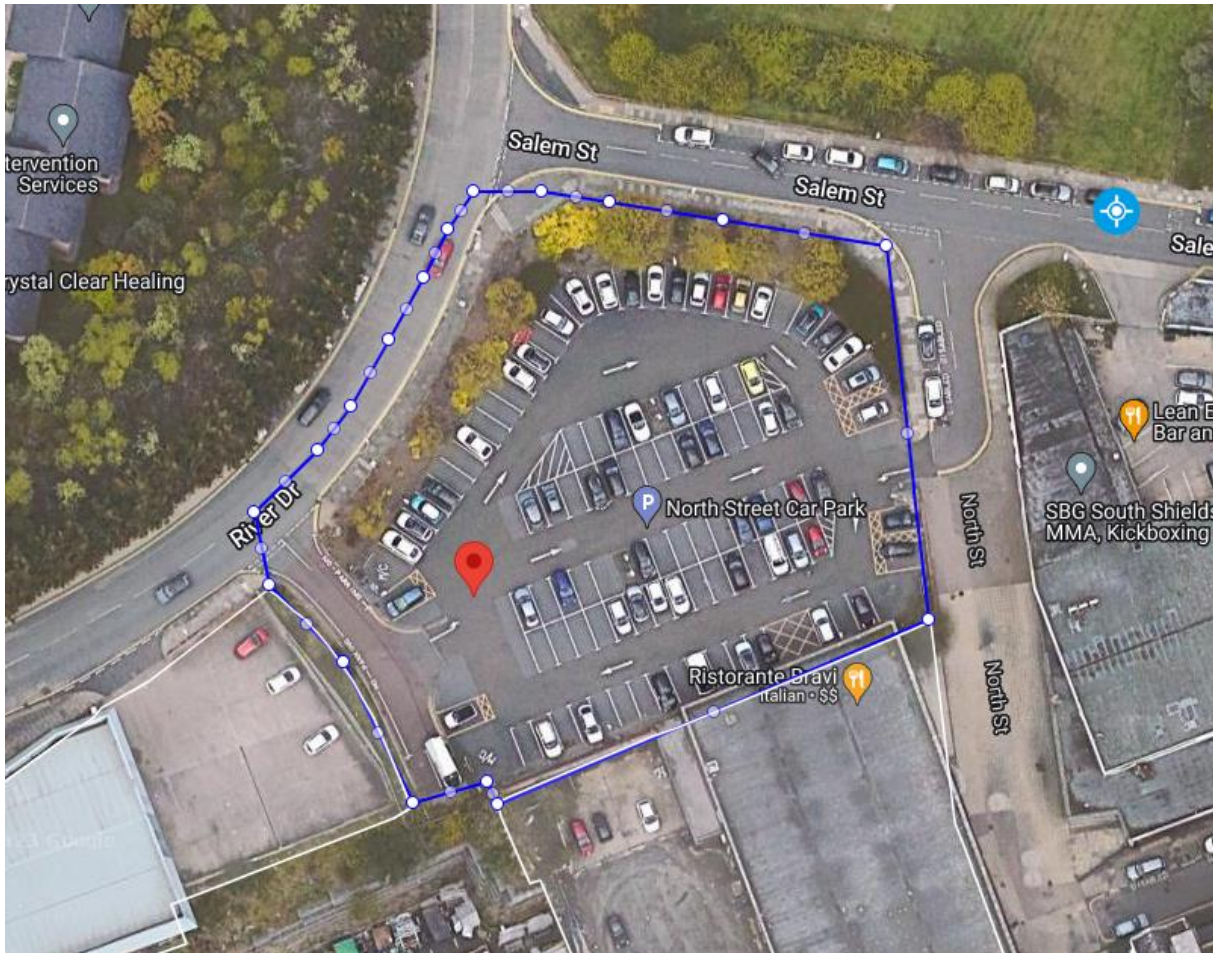
- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units

- 10% onsite affordable housing (all First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

8.4.20. Including all of the above the scheme generates a residual land value of £171,972. As this is below the benchmark land value of £224,000 (£400,000 per Ha) this scheme fails to meet the viability threshold with the full planning policies applied.

8.4.21. However, with the full planning policies applied the scheme does still produce a positive residual land value, albeit one that falls below our assessed benchmark land value. As the site is owned by the Council there is an opportunity for the Council to release the site at a lower land value than would perhaps otherwise be achievable in the marketplace. In other words, in order to deliver the full planning policy asks the Council may consider it appropriate to reduce its land value expectations. In this regard, we do not consider that the planning policies would undermine the viability of the scheme (as the Council is able to adopt a more flexible approach to land value if necessary to release sites for development).

## 9. North Street Car Park, Salem Street, South Shields



### 9.1. Property Description

9.1.1. South Shields is a coastal town located to the east of Jarrow, circa 12 miles east of Newcastle and 7 miles north of Sunderland. The main road access is via the A194 Jarrow Road and the south A1300 John Reid Rd. The site itself is situated just to the north of the town's central area, less than 250m west of the River Tyne. This is a mixed use area, with a variety of commercial buildings, including large retail warehouse units to the immediate east, south and west and low-rise 'pavilion' style office buildings to the north and north west. The northern boundary of the site abuts Salem St and River Drive, whilst North Street runs along the eastern boundary edge.

9.1.2. The site comprises an open-air 'pay and display' car park providing 115 spaces (7 disabled). We understand that this is Council owned.

9.1.3. The land is an irregular shape and slopes generally from north west to south east. We understand the site extends to circa 0.30 Ha (0.74 acres), on a gross basis.

## 9.2. General scheme assumptions

9.2.1. The Council has estimated a total yield of 18 residential dwellings. We have assumed a gross to net ratio of 90%, which equates to a net developable area of 0.27 Ha (0.67 acres). This is a density of 66.67 dwellings per net Ha, which is considered achievable in an urban setting such as this (and based on the revised dwelling mix as set out below)

9.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
1/2 bed flats	-	61 sq m

9.2.3. As for dwelling mix, given the nature of the site we consider a higher proportion of terraced / townhouses would be required, as well as some flats in order to deliver the anticipated yield. We have assumed the following:

2 bed terrace	-	55%
1/2 bed flats	-	45%



9.2.4. Based on the above assumptions, the overall density equates to 4,400 sq m per net Ha, which is considered achievable in an urban setting where there are flats in situ.

### 9.3. Gross Development Value (sales revenue)

9.3.1. In the updated Local Plan viability testing the following sales values were adopted:

2 bed terrace	-	£2,350 per sq m
1/2 bed flats	-	£2,310 per sq m

9.3.2. Given the nature of the site, the above is considered to be realistic and has been adopted in our appraisal.

9.3.3. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

### 9.4. Gross Development Cost (outgoings to implement the development)

9.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

9.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate. This equates to £1,114 per sq m. For the flats, we have adopted £1,303 per sq m (again as per the Local Plan testing).



- 9.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.
- 9.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 9.4.5. For externals, given 'in-town' setting (therefore smaller plots and less garden areas), the presence of flats (which serves to reduce the proportion of external costs) and also the limited requirement for a significant estate road, we have adopted a reduced rate of 7.5% on the BCIS rates. For contingency we have allowed a further 4.5% (based on the BCIS cost plus the external works), which is in line with the updated Local Plan Viability Testing.
- 9.4.6. At this stage the full extent of any abnormal costs are unknown. However, given the sloping nature of the site there may be a need for retaining walls. In light of this, we have adopted £300,000 per net Ha, which is in line with the updated Local Plan testing.
- 9.4.7. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have not included an allowance for SUDS as this is not considered to be necessary for this particular site.

- 9.4.8. No other allowances are made for abnormals / site specific infrastructure works. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 9.4.9. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.
- 9.4.10. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.
- 9.4.11. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 9.4.12. For marketing / disposal costs, given the smaller scale of the scheme we have allowed 2% of sales revenue, plus £800 per dwelling legal fees.

9.4.13. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.

9.4.14. As for profit, for a scheme of this scale we consider a rate of 18% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing for a scheme of this scale.

9.4.15. In terms of the benchmark land value, this can be based on the underlying car park. We note that the cost is £3 all day (or short stays at 1p per min for the first hour and then 80p per hour thereafter). Assuming 115 spaces are used all day that would be equivalent to £345 per day. Per annum this is equivalent to £125,925. However, it is highly unlikely that the car park would achieve full capacity and furthermore there are running costs to factor in. Assuming a 20% occupancy rate across the year, this would equate to a gross income of £25,185 per annum. We would expect running costs at a further 40% of this. This gives a net income of £15,111 per annum. Capitalized at a circa 10% yield this give s a benchmark land value of (rounded) £150,000.

9.4.16. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.

9.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

9.4.18. Please see attached our appraisal (Appendix 8), which incorporates the following Council proposed policies:

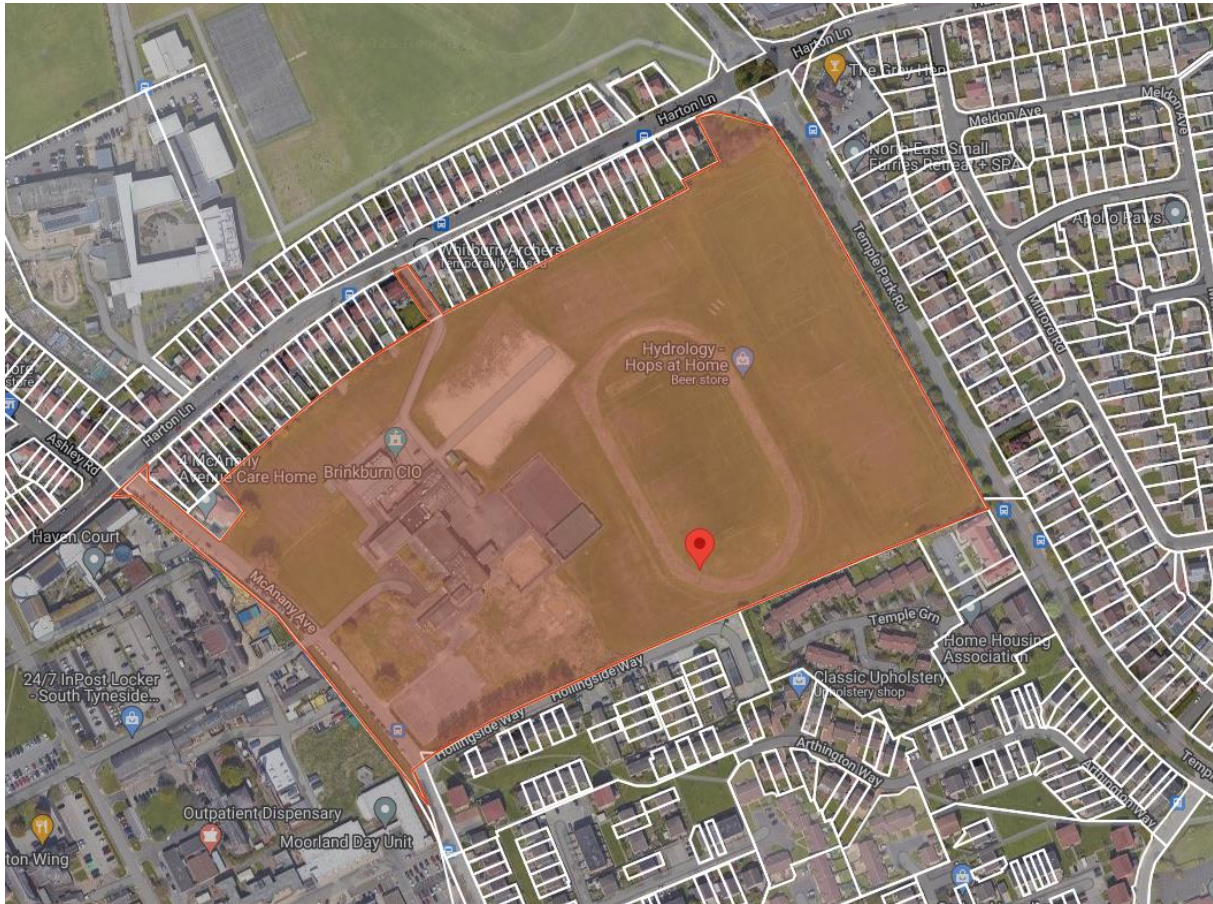
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units

- 10% onsite affordable housing (all First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

9.4.19. Including all of the above the scheme generates a negative residual land value of (minus) -£32,010. As this is below the benchmark land value of £150,000 this scheme fails to meet the viability threshold with the full planning policies applied.

9.4.20. However, the planning policy / S106 'asks' for this scheme (including open space, transport, education, M4(2) and M4(3)) is a significant sum in the context of the scheme, totalling £170,000. It may be that these full requirements are not needed (for example there may be no education contribution requirement, which would immediately save £90,000 in the appraisal. If this were the case, or if these policy asks were relaxed then the scheme could generate a positive residual land value. As the site is owned by the Council there is an opportunity for the Council to release the site at a lower land value than would perhaps otherwise be achievable in the marketplace. In other words, in order to deliver the scheme, the Council is in a position to reduce its policy requirements and/or land price expectations. In this regard, we anticipate that this scheme is deliverable, albeit it would be necessary to reduce the land expectation and also potentially the policy requirements of the site.

## 10. Former Brinkburn Comp School, Mcanany Avenue, South Shields



### 10.1. Property Description

10.1.1. South Shields is a coastal town located to the east of Jarrow, circa 12 miles east of Newcastle and 7 miles north of Sunderland. The main road access is via the A194 Jarrow Road and the south A1300 John Reid Rd. The site itself is situated towards the southern edge of South Shields, just to the north of South Tyneside District Hospital. This is a predominantly residential area.

10.1.2. The site is made up of a comprehensive school and its grounds (understood to have closed in 2007), comprising various single storey buildings, tarmac covered parking areas / access roads and playing fields. We understand that a number of the former buildings have already been demolished. However, some buildings remain onsite and we understand that an existing structure remains in use as a community swimming pool (to be retained or relocated – we have assumed retained for the purposes of this exercise). We understand that this is Council owned.

10.1.3. The land is broadly rectangular in shape and broadly flat to the most part. We understand the site extends to circa 7.82 Ha (19.32 acres), on a gross basis.

## 10.2. General scheme assumptions

10.2.1. The Council has estimated a total yield of 151 residential dwellings. At an assumed density of 35 dwellings per net Ha this would equate to a net developable area of 4.31 Ha (10.66 acres). This is equivalent to a gross to net ratio of 55.17%.

10.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m

10.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

10.2.4. Based on the above assumptions, the overall density equates to 2,900 sq m per net Ha, which is considered (If anything) to be on the low side of expectations.

### 10.3. Gross Development Value (sales revenue)

10.3.1. In the updated Local Plan viability testing the following sales values were adopted in South Shields:

2 bed terrace	-	£2,350 per sq m
3 bed semi	-	£2,400 per sq m
4 bed detached	-	£2,450 per sq m
2 bed det / semi bungalow	-	£2,700 per sq m

10.3.2. These rates are deemed to be appropriate for the subject site and have been factored into our modelling.

10.3.3. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.



#### 10.4. Gross Development Cost (outgoings to implement the development)

10.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.

10.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate. This equates to £1,114 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift.

10.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.

10.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.

10.4.5. For externals, we have adopted an additional 15% of the basic build cost. For contingency we have allowed a further 3.5% (based on the BCIS cost plus the external works).

10.4.6. At this stage the full extent of any abnormal costs are unknown. However, the Council (as landowner) has advised that they are unaware of any abnormal costs associated with the site (other than demolition works). To cover demolition costs we have allowed a ‘spot’ figure of £200,000 in our appraisal.



- 10.4.7. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have not included an allowance for SUDS as this is not considered to be necessary for this particular site.
- 10.4.8. No other allowances are made for abnormals / site specific infrastructure works. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 10.4.9. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard the proposed policy is for 13% of the total units to be compliant. We have adopted this in our modelling, at a cost of £13,000 per unit (to which the standard applies). These allowances are consistent with the updated Local Plan viability testing.
- 10.4.10. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.
- 10.4.11. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.

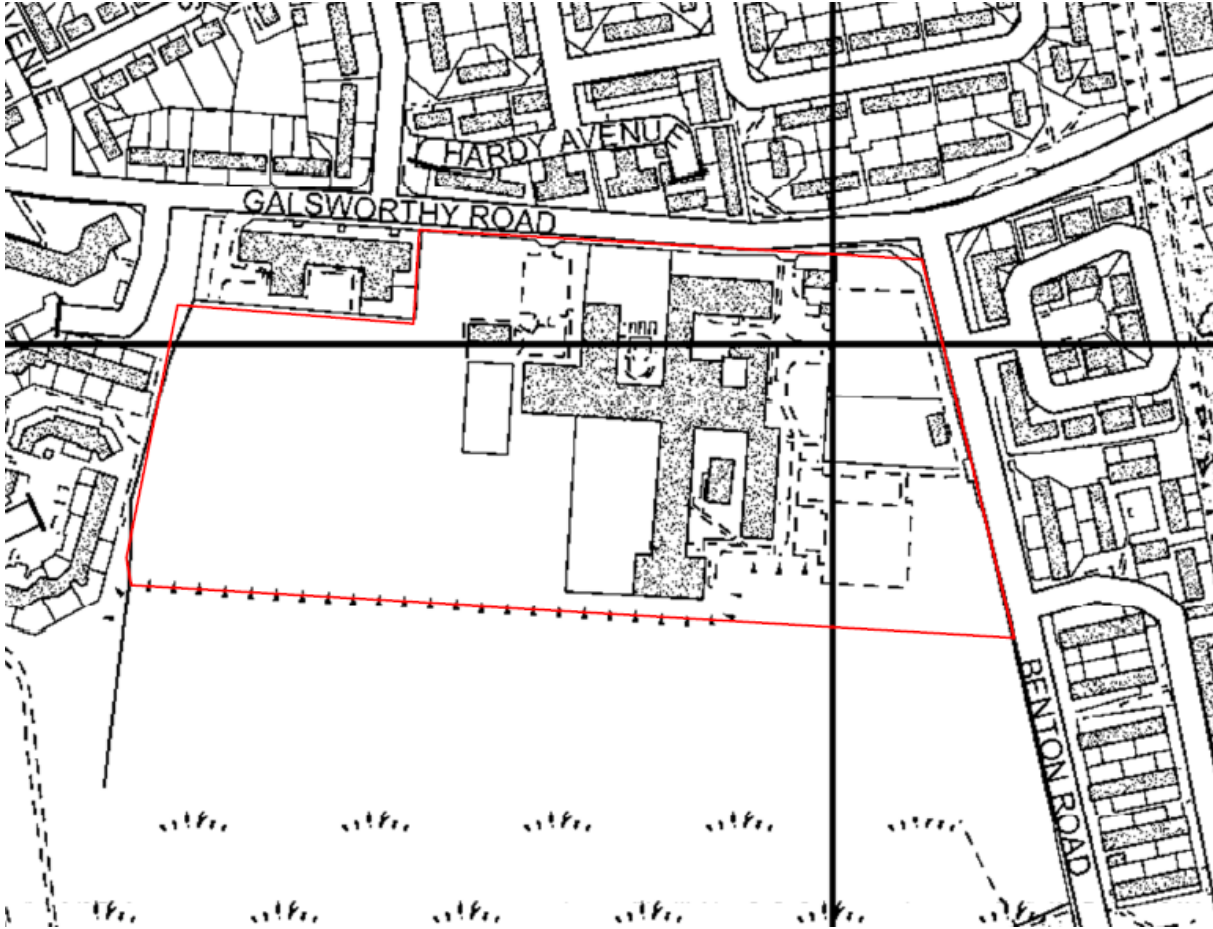
- 10.4.12. For marketing / disposal costs, we have allowed 3% of sales revenue, plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.
- 10.4.13. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.
- 10.4.14. As for profit, for a scheme of this scale we consider a rate of 20% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing for a scheme of this scale.
- 10.4.15. In terms of the benchmark land value, this is a mixed greenfield / brownfield site. We have therefore had regard to the updated Local Plan testing for the 'South Shields brownfield' site typology (where a benchmark land value of £360,000 per net Ha was adopted. This is considered to be a reasonable allowance for purposes of the modelling.
- 10.4.16. However, at the subject site the abnormal / infrastructure costs are reduced. To account for this, we have increased the benchmark land value to £400,000 per net ha (which equates to £224,000).
- 10.4.17. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.
- 10.4.18. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.
- 10.4.19. Please see attached our appraisal (Appendix 9), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units
- 10% onsite affordable housing (all First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

10.4.20. Including all of the above the scheme generates a residual land value of £1,227,422. As this is below the benchmark land value of £1,553,143 (£360,000 per net Ha) this scheme fails to meet the viability threshold with the full planning policies applied.

10.4.21. However, with the full planning policies applied the scheme does still produce a positive residual land value, albeit one that falls below our assessed benchmark land value. As the site is owned by the Council there is an opportunity for the Council to release the site at a lower land value than would perhaps otherwise be achievable in the marketplace. In other words, in order to deliver the full planning policy asks the Council may consider it appropriate to reduce its land value expectations. In this regard, we do not consider that the planning policies would undermine the viability of the scheme (as the Council is able to adopt a more flexible approach to land value if necessary to release sites for development).

## 11. Chuter Ede Education Centre, Galsworthy Rd, South Shields



### 11.1. Property Description

11.1.1. South Shields is a coastal town located to the east of Jarrow, circa 12 miles east of Newcastle and 7 miles north of Sunderland. The main road access is via the A194 Jarrow Road and the south A1300 John Reid Rd. The site itself is situated towards the southern edge of South Shields, south of John Reid Rd. This is a predominantly residential area.

11.1.2. The site is a former education facility which has been closed for a number of years. We understand that a variety of (mostly) single storey buildings remain in situ, together with tarmac covered parking areas / access roads and playing fields. We understand that this is Council owned.

11.1.3. The land is irregular in shape and broadly flat to the most part. The Council refers to gross site area of circa 7.80 Ha (19.27 acres). However, based on the plan provided to us by the Council, we measure the site to be around 4.80 Ha (11.86 acres). For the purposes of our assessment, we have taken this as the gross area.

## 11.2. General scheme assumptions

11.2.1. The Council has estimated a total yield of 192 residential dwellings, which includes 72 extra-care apartments. We have assumed a gross to net ratio of 80%, giving a net developable area of 3.84 Ha (9.49 acres).

11.2.2. With regards to dwellings sizes, and on the basis of an NDSS compliant scheme, we have followed the updated Local Plan viability modelling and adopted the following:

2 bed terrace	-	70 sq m
3 bed semi	-	84 sq m
4 bed detached	-	110 sq m
2 bed det / semi bungalow	-	70 sq m
1/2 bed extra-care apartments	-	65 sq m

11.2.3. As for dwelling mix, again we have followed the updated Local Plan viability modelling and adopted the following for the housing:

2 bed terrace	-	20%
3 bed semi	-	35%
4 bed detached	-	35%
2 bed det / semi bungalow	-	10%

11.2.4. Based on the above assumptions, the overall density equates to 3,126 sq m per net Ha, which is considered to be achievable.

### 11.3. Gross Development Value (sales revenue)

11.3.1. In the updated Local Plan viability testing the following sales values were adopted in South Shields:

2 bed terrace	-	£2,350 per sq m
3 bed semi	-	£2,400 per sq m
4 bed detached	-	£2,450 per sq m
2 bed det / semi bungalow	-	£2,700 per sq m
1/2 bed extra care flats	-	£3,135 per sq m

11.3.2. These rates are deemed to be appropriate for the subject site and have been factored into our modelling.

11.3.3. For affordable dwellings which are rented we have assumed 40% of the above net sales values. For First Homes, we have adopted 70% of the net sales values.

#### 11.4. Gross Development Cost (outgoings to implement the development)

- 11.4.1. We consider the Build Cost Information Service (“BCIS”) of the RICS to be an appropriate database for benchmarking build costs. The BCIS rate includes the construction of each dwelling, including a contractor’s overhead. However, it excludes external costs, contingency allowance and abnormal works.
- 11.4.2. As per the updated Local Plan viability testing, for the 2 storey housing we have adopted the BCIS lower quartile rate. This equates to £1,114 per sq m. For the bungalows, we have adopted a further £200 per sq m uplift. For the extra-care apartments, the BCIS rate used in the updated Local Plan testing is £1,403 per sq m, which we have applied here.
- 11.4.3. In addition, for mandatory changes to Part L and F of the Building Regulations, which came into effect from July 2023, we have adopted a rate equivalent to £5,000 per dwelling (as these changes are not currently shown in the BCIS data, which is mostly taken from schemes prior to July 23 when the new regulations came into effect). This is in keeping with the updated Local Plan viability testing.
- 11.4.4. A further allowance has been adopted at £1,000 per dwelling to cover electric car charging points. Again, this is in keeping with the Local Plan viability testing.
- 11.4.5. For externals, given that this is a mixed scheme of housing and apartments (with the latter attracting external costs at a lower percentage of the plot costs compared to housing) we have adopted an additional ‘blended’ rate of 10% of the basic build cost. For contingency, to reflect the mixed brownfield and greenfield nature of the site we have allowed a further 4% (based on the BCIS cost plus the external works).

- 11.4.6. At this stage the full extent of any abnormal costs are unknown. However, the Council (as landowner) has advised that they are unaware of any abnormal costs associated with the site (other than demolition works). To cover demolition costs, we have allowed a 'spot' figure of £200,000 in our appraisal.
- 11.4.7. For biodiversity net gain, we have assumed an onsite cost equivalent to £30,000 per gross Ha. We have not included an allowance for SUDS as this is not considered to be necessary for this particular site.
- 11.4.8. No other allowances are made for abnormals / site specific infrastructure works. However, it is stressed that the Planning Practice Guidance: Viability is clear that abnormals should be reflected in the benchmark land value ('BLV'), therefore if abnormals increase at a later date the BLV should be broadly decrease at a proportional rate and vice versa. The impact of identifying abnormals at a later date may not therefore change the viability outcome of the scheme.
- 11.4.9. The Council is also considering introducing a policy in relation to Building Regulations M4 (2) and M4 (3) enhanced accessibility standards. For M4 (2), this is to apply to 100% of the units. We have assumed this at a cost of £1,500 per unit. For the M4(3) standard, as all of the extra-care units already meet this standard no further allowance is deemed necessary here.
- 11.4.10. For professional fees we have allowed 7% of the build costs / external works, which is again considered to be appropriate for the size and nature of the scheme, in line with the updated Local Plan Viability testing.



- 11.4.11. For policy contributions, the actual likely costs associated with the scheme are not, at this moment known (and would only be accurately calculated in the event of a detailed scheme coming forward). For the purposes of this exercise, though, we have subsequently followed the updated Local Plan and adopted £500 per unit for open space, £1,000 per unit for transport and £5,000 per unit for education.
- 11.4.12. For marketing / disposal costs, we have allowed 4% of sales revenue (uplifted as extra-care apartments attract higher marketing costs), plus £800 per dwelling legal fees. This is in line with the updated Local Plan viability testing.
- 11.4.13. For finance we have assumed a 8% debit rate, in line with the updated Local Plan and CIL viability testing.
- 11.4.14. As for profit, for a scheme of this scale we consider a rate of 20% on revenue to be appropriate for the market value and First Homes. A reduced rate of 6% is deemed appropriate for the rented affordable units. This follows the approach in the updated Local Plan testing for a scheme of this scale.
- 11.4.15. In terms of the benchmark land value, this is a mixed greenfield / brownfield site. We have therefore had regard to the updated Local Plan testing for the 'South Shields brownfield' site typology (where a benchmark land value of £360,000 per net Ha was adopted. This is considered to be a reasonable allowance for purposes of the modelling (equating to £1,684,800).
- 11.4.16. Finally, we have allowed for acquisition costs, at 0.8% of the land value for legal costs, 1% for agent fee and Stamp Duty Land Tax at the prevalent rate.
- 11.4.17. Based on the above inputs we have run a policy compliant ARGUS appraisal based on a sales rate of circa 2.5 per calendar month.

11.4.18. Please see attached our appraisal (Appendix 10), which incorporates the following Council proposed policies:

- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on at least 13% of units
- 10% onsite affordable housing (all First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

11.4.19. Including all of the above the scheme generates a residual land value of £936,756. As this is below the benchmark land value of £1,382,400 (£360,000 per net Ha) this scheme fails to meet the viability threshold with the full planning policies applied.

11.4.20. However, with the full planning policies applied the scheme does still produce a positive residual land value, albeit one that falls below our assessed benchmark land value. As the site is owned by the Council there is an opportunity for the Council to release the site at a lower land value than would perhaps otherwise be achievable in the marketplace. In other words, in order to deliver the full planning policy asks the Council may consider it appropriate to reduce its land value expectations. In this regard, we do not consider that the planning policies would undermine the viability of the scheme (as the Council is able to adopt a more flexible approach to land value if necessary to release sites for development).

## 12.SUMMARY

12.1. By way of a brief summary, our appraisal testing shows the following is viable:

- West Farm, Cleadon 30% AH and full policies
- North West Farm, Boker Lane, Boldon 25% AH and full policies
- Land at Shearwater, Whitburn 25% AH and full policies
- Fellgate Sustainable Growth Area 25% AH and full policies
- South Tyneside College, Hebburn 15% AH reduced S106 £2,500/unit
- Town End Farm, Boldon 20% AH reduced S108 £8,590/unit
- Temple Park School, South Shields 10% AH and reduced policy or land value
- Salem Street, South Shields 10% AH and reduced policy or land value
- Brinkburn, South Shields 10% AH and reduced policy or land value
- Chuter Ede, South Shields 10% AH and reduced policy or land value

12.2. We consider that the above site-specific testing supplements the updated Local Plan viability assessment completed in Oct 2023. This above shows that the level of affordable housing can be achieved, together with the other policy requirements.

12.3. However, it is stressed that the full planning policy requirement assumption built into the modelling is a 'worst case' scenario (in terms of the viability testing) and in reality it will be the case that planning policy requirements will fluctuate from site to site. For example, in some cases there be a nil education contribution requirement owing to existing needs being met in that area, in which case the £5,000 per unit allowance in our modelling would immediately be saved (boosting viability). This needs to be taken into consideration when determining policy levels.

12.4. Furthermore, it is acknowledged that there will be circumstances where viability pressure will be high. However, as demonstrated through the modelling (i.e. the South Tyneside College, Town End Farm, Temple Park School and Salem Street schemes) the viability threshold can still be reached with adjustments in the planning policy requirements. The emerging Local Plan will allow flexibility in these circumstances, as planning application stage viability can be considered and where appropriate planning policies relaxed in order to ensure scheme delivery.

12.5. In conclusion, we consider the following planning policies to be at appropriate levels and not excessive (which otherwise would risk the delivery of the Local Plan):

- Affordable Housing Provision:
  - o Cleadon 30% (20% rented 10% First Home)
  - o East Boldon, Whitburn 25% (15% rented 10% First Home)
  - o West Boldon, Boldon Colliery 20% (10% rented 10% First Home)
  - o Hebburn 15% (5% rented 10% First Home)
  - o South Shields, Jarrow 10% (10% First Home)
  
- 10% onsite bungalows
- Compliance with Nationally Described Space Standards
- Accessibility and adaptability M4(2) standard on 100% of units
- Accessibility and adaptability M4(3) standard on 13% of units
- 30% onsite affordable housing (20% rented, 10% First Homes)
- Open space £500 per unit
- Transport £1,000 per unit
- Education £5,000 per unit

David Newham MRICS Director

A handwritten signature in blue ink, appearing to read 'D Newham', is written over a light blue horizontal line.

CP Viability Ltd

October 2023