

Winchester City Council



Local Plan Viability Report Further information

Appendix 1: Assumptions Summary (Tables 1a-1f)

July - August 2024

DSP21766

Winchester City Council - Appendix 1: Local Plan Viability Assessment - Residential Assumptions
 - Table 1a: High-Level Site Typologies and Value Levels / Revenue Assumptions

High-Level Typology Sensitivity Tests

Scheme Size Appraised	Type	Site Type	Density (dph)	Net Land area (ha)	Gross Land Area (ha)*	Main Build Period (Months)
1	House	PDL / GF	35	0.03	0.03	6
5	Houses	PDL / GF	35	0.14	0.16	6
10	Houses	GF	35	0.29	0.33	12
10	Houses	PDL	35	0.29	0.33	12
15	Flats	PDL	125	0.12	0.14	18
15	Houses	GF	40	0.38	0.43	12
15	Houses	PDL	55	0.27	0.31	12
30	Houses	GF	40	0.75	0.86	18
30	Houses	PDL	55	0.55	0.63	18
50	Mixed (Houses/Flats)	GF	40	1.25	1.44	18
50	Mixed (Houses/Flats)	PDL	55	0.91	1.05	18
50	Flats	PDL	125	0.40	0.46	18
100	Mixed (Houses/Flats)	PDL	55	1.82	2.36	24
100	Mixed (Houses/Flats)	GF	40	2.50	3.25	24
500	Mixed (Houses/Flats)	GF	40	12.50	16.25	24*

*assumes multiple sales outlets

Notes:

The above scenarios tested at 0% AH on sites of 1-9 and 20%, 25%, 30%, 35%, 40% on-site AH on sites of 10+ units. The appraisals have been completed in each case to the point at which a negative result is returned - we consider there to be no merit in extending testing beyond the points where there is a negative residual land value. Affordable Housing tenure split assumed at 65% Affordable Rented and 35% Affordable Home Ownership - includes 25% First Homes, 10% Low Cost / Affordable Home Ownership (AHO) of total overall requirements. The above assumes fully applied policy position - actual percentage will necessarily vary due to policy requirement. 6% self/custom-build plots required on sites 50+ dwellings assuming plot values of £150,000 per plot (based on DSP research data). See Table 1c for Sheltered/Extra Care Typologies, Table 1d for Strategic Site Allocations and Table 1e for Build to Rent TBC.

Land Area Adjustment - 15% added (30% added on largest sites)

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes*		Dwelling Mix (%)**		
	Market Units	Affordable Units	Market Units	Affordable Units - Affordable Rent	Affordable Units - Affordable Home Ownership
1-bed flat	50	50		20.0%	20.0%
2-bed flat	61	61	30.0%	40.0%	45.0%
2-bed house	79	79			
3-bed house	93	93	45.0%	30.0%	
4-bed house***	130	106	25.0%	10.0%	35.0%

*Based on Nationally Described Space Standard October 2015

**based on Winchester Strategic Housing Market Assessment Update (April 2024)

***1-house typology tested at 200sq.m.

Affordable Housing Revenue Assumptions

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

Note: % MV based on VL4 £4,750 (below).

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

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

Value Levels - Locations by ward area

Ward Area	Value Level Range
District-wide typical new build values range	VL3 - VL6
Alresford and Itchen Valley	VL4 - VL8
Badger Farm and Oliver's Battery	VL7 - VL10
Bishop's Waltham	VL4 - VL8
Central Meon Valley	VL4 - VL8
Colden Common & Twyford	VL4 - VL7
Denmead	VL2 - VL4
Southwick and Wickham	VL3 - VL5
The Worthys	VL4 - VL7
Upper Meon Valley	VL5 - VL8
Whiteley and Shedfield	VL3 - VL6
Wonston and Micheldever	VL5 - VL8
Winchester City typical new build values range	VL6 - VL10
St Barnabas (Winchester City)	VL6 - VL10
St Bartholomew (Winchester City)	VL8 - VL11
St Luke (Winchester City)	VL4 - VL8
St Paul (Winchester City)	VL8 - VL11
St Michael (Winchester City)	VL7 - VL11

*data residing within the South Downs National Park Authority area have been excluded from the above analysis

Dixon Searle Partnership (2024)

Winchester City Council - Appendix 1: Local Plan Viability Assessment - Residential Assumptions - Table 1b: Development Cost Assumptions & Key Sensitivity Testing Parameters

See Table 1c for Older Persons typologies/assumptions

Base Appraisal Cost Description	Cost Assumption	Notes
Build cost - Mixed Developments (generally - houses/flats)	£1,626/sq. m. (LQ £1,457/sq. m.)	
Build cost - Estate housing (generally)	£1,600/sq. m.	<i>Based on BCIS 'median' rebased to a Winchester location factor (5yr data sample), excludes external works. Lower Quartile (LQ) rates applied to specific/strategic site testing.</i>
Build cost - Flats (generally)	£1,851/sq. m.	
Build cost - Flats (6-storey)	£2,182/sq. m.	
Build cost - 'One-off' housing detached (3 units or less)	£2,744/sq. m.	
External Works	10% (Flats) 15% (Houses)	
Site Prep Contingency (on gross land area)	£500,000/ha	<i>Non-strategic scale typology test. Larger-scale typologies (500+ dwellings) assume costs at £25,000 per dwelling where applicable. Further bespoke assumptions apply to specific site allocations - see Table 1d</i>
Contingency (% of build cost)	5%	
Professional Fees (% of build cost)	8-10%	<i>variable depending on scale of development</i>
CIL Rates testing scope	Tested at indexed rates plus trial rates from £0 - £500/sq. m. at £25/sq. m. increments	<u>Indexed CIL Rates as follows:-</u> <ul style="list-style-type: none"> • Zone 1 (Strategic Allocations and South Hampshire Urban Areas) - £0/sq. m. (indexed) / (Adopted Rate £0) • Zone 2 (Winchester Town)- £192.91/sq. m. (indexed) / (Adopted Rate £120) • Zone 3 (All other areas) - £128.61/sq. m. (indexed) / (Adopted Rate £80)
Residual s106/Contingency	£5,000/dwelling	<i>based on analysis of s106 monitoring data provided by the Council.</i>
Climate Change Response (% of build cost)	5% (Flats / mixed) 5.8% (Houses)	<i>Assumes Part L 2021 Building Regulations baseline. Cost data based on 'Net Zero Carbon Targets Evidence Base for Winchester Council' by Elementa, Currie & Brown and Etude (2022). Embodied Carbon Assessment - assumed overall nominal cost.</i>
Electric Vehicle Charging Points (£/unit)¹	£865/unit (houses) £1,961 (flats)	<i>Houses only typologies - assumes 1x EVCP per dwelling Flats typologies - assumes 1x EVCP per dwelling Mixed (Houses/Flats) typologies - cost weighted by dwelling mix, assumes 1x EVCP per dwelling</i>
Water efficiency standards	100 litres per person per day	<i>Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis.</i>
Nitrates (nutrient neutrality) / Phosphates	Variable by Catchment Area	<i>Itchen Catchment - £11,250/dwelling (total for nitrates and phosphates) East Hampshire Catchment - £5,365/dwelling (nitrates only)</i>
SPA - Solent Recreation Mitigation	£777/dwelling	<i>Assume SPA mitigation costs only as fully applied base position - majority of planned development identified to come forward within that zone of influence. Flate rate applied per net additional dwelling as confirmed by the Council.</i>
Biodiversity Net Gain (BNG) (% of build cost)	2.4% (Greenfield) 0.5% (PDL)	<i>Assuming 10%, variable by site type. Costs based on Impact Assessment (Scenario C)² plus uplift for latest information from the 10% minimum baseline.</i>
M4(2) Accessible and adaptable dwellings compliance	£15.5/sq. m.	<i>100% provision on all dwellings for M4(2)</i>
M4(3-a) Wheelchair user dwellings compliance	£115/sq. m.	<i>5% provision for M4(3-a) on market dwellings on schemes of 10+ dwellings only. 10% provision for M4(3-b) on affordable homes on schemes of 10+ dwellings.</i>
M4(3-b) Wheelchair user dwellings compliance	£180/sq. m.	<i>High-level costs based on the analysis as described in the 'Raising accessibility standards in new homes' consultation document²</i>
Marketing & Sales Costs (% of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
<u>Developer's Return for Risk & Profit</u>		
Open Market Housing Profit (% of GDV)	Range of 15-20%	<i>DSP assumed testing at mid-point of range at 17.5%. First Homes at 12%. Build to Rent at 10%. Sensitivity Test at 20% for Sheltered/Extra Care typologies and Strategic Sites.</i>
Affordable Housing Profit (% of GDV)	6%	
<u>Finance & Acquisition Costs</u>		
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	<i>HMRC Scale</i>
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

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

²<https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#raising-accessibility-standards-of-new-homes>

**Winchester City Council - Appendix 1: Local Plan Viability Assessment - Residential Assumptions
- Table 1c: Older Persons accommodation**

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

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

Unit sizes and dwelling mix assumptions

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

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

Value Levels - Winchester district

Market Value (MV) - Private units	VL8	VL9	VL10	VL11	VL12
	Typical New Build "Sheltered" Values Range			Upper VL Sensitivity Tests	
1-bed flat (Sheltered)	£316,250	£330,000	£357,500	£385,000	£412,500
2-bed flat (Sheltered)	£431,250	£450,000	£487,500	£525,000	£562,500
MV (£/sq. m.)	£5,750	£6,000	£6,500	£7,000	£7,500

Market Value (MV) - Private units	VL8	VL9	VL10	VL11	VL12
	Lower VL Sensitivity Tests		Typical New Build "Extra Care" Values Range		
1-bed flat (Extra Care)	£351,000	£380,250	£409,500	£438,750	£468,000
2-bed flat (Extra Care)	£456,000	£494,000	£532,000	£570,000	£608,000
MV (£/sq. m.)	£6,000	£6,500	£7,000	£7,500	£8,000

Bespoke Cost Assumptions

Note: Base cost assumptions set out in Table 1b

Base Build Cost - Supported Housing	£1,943	Based on BCIS - Median rebased to the Winchester location factor (5yr data sample), excludes external works. 17.5% represents base position with sensitivity test at 20%.
External Works	7.50%	
Legal Fees	£750/unit	
Empty Property Costs - Sheltered	£2,000/unit	
Empty Property Costs - Extra Care	£5,000/unit	
Open Market Housing Profit (% of GDV)	17.5% and 20%	

**Winchester City Council - Appendix 1: Local Plan Viability Assessment -
Residential Assumptions
- Table 1d: Strategic Site - Sir John Moore Barracks**

Site Name:	Sir John Moore Barracks <i>Policy W2</i>	
Site Type:	PDL - Military Barracks	
Indicative capacity: (approx. no. of dwellings)	900 dwellings Assuming 6% self-build plots (54)	
Affordable Housing %:	Tested at 20% / 25% / 30% / 35% / 40% (Tenure assuming 65% Rented, 35% Affordable Home Ownership, including 25% First Homes)	
Non-residential element (where applicable):	N/A	
Assumed Gross Site Area (ha):	86 (assuming net developable area of 20ha)	
Catchment Area:	Itchen - Assume £11,250 per dwelling	
Site works/infrastructure:	Assume £25,000/dwelling (includes BCIS All-in TPI uplift since Regulation 18 stage DSP assessment). Note: these costs relate to site works e.g. prep, servicing etc. Specific infrastructure requirements, where known, are listed below.	
Contingency	10%	
Indexed CIL Rate	Zone 3 (All other areas) - £128.61/sq. m. (indexed) / (Adopted Rate £80)	
Indicative Residential Market Value (£/sq.m.):	VL4 £4,750 - VL7 £5,500	
Housing Trajectory - timescales/phasing:	Assumes 150/dwellings pa	
DSP Additional Assumptions / Comments / Site Specific Costs		
Infrastructure Category	Detailed requirement / DSP Comments	Indicative Cost (£ Total)
S106 Contributions	Allowances made for education, highways, green infrastructure, open space, health etc. (alongside CIL)	£4,500,000
Transport - Park & Ride Facility	850 spaces (assume 2.2ha) - Serviced land provided @ £550,000/ha	£1,210,000

Dixon Searle Partnership (2024)

Winchester City Council - Appendix 1: Local Plan Viability Assessment
Table 1e: Commercial Assumptions, Site Typologies and Value Levels/ Revenue Assumptions

Use Class / Type	Example Scheme Type	GIA (m ²)	Site Size (Ha)	Build Period (Months)*	Values Range - Annual Rents £ per sq m			Build Cost (£ per sq m)**	External works cost addition (%)	Total Build Cost (£/sq m excl)	Notes:
					Low	Mid	High				
Business - Research & Development	Office/ research space/ warehousing	10000	5.00	15	£180	£265	£350	£2,890	15%	£3,324	BCIS - Research facilities
Business - Light Industrial or Warehousing	Smaller / Move-on type industrial units including offices - industrial estate	1000	0.25	12	£90	£110	£130	£1,507	15%	£1,733	BCIS - Advance factories / offices - mixed facilities (E) - generally
Business - Industrial or Warehousing	Larger industrial / Distribution unit including offices	10000	5.00	15	£90	£110	£130	£1,098	15%	£1,263	BCIS - Advance factories / offices - mixed facilities (E) - >2000
C2 - Residential Institution	Nursing Home (65-Bed)	1900	0.32	16	£110	£125	£140	£2,225	15%	£2,559	BCIS - Care Homes for the Elderly - generally
					<i>Monthly net rent per sq. m. per room (after deducting operating costs, operating profit and occupancy)¹</i>						
					£2,200	£2,500	£2,800				
					<i>Annual net rent per room (after deducting operating costs, operating profit and occupancy)¹</i>						
Purpose Built Student Accommodation (PBSA)	70% Cluster/30% Studio type accommodation (200 rooms) DSP NOTES - Assumes studio apartments @ 25m2 per room / 15m2 for cluster rooms plus allowance for all communal spaces @ 40%.	5760	0.96	18	£223	£269	£295	£2,490	5%	£2,615	BCIS - Student Accommodation
					Weekly room rents						

¹ Care costs variable by rental level depending on the level of care required. Upper level rents assume high-level needs care alongside usual location/quality factors.

Development Costs	
Sustainability Allowance / other enhancements addition contingency (% of cost)	5%
Professional & Miscellaneous Fees (% of cost)	10%
Contingencies (% of cost)	5%
Site preparation/servicing/S106	£600,000/ha £47,885 per ha
Biodiversity Net Gain (BNG) (£ per ha)	(based on Scenario C, Table 15 of the Government's Impact Assessment - Net Gain Delivery Costs (non-residential))
Indexed CIL Rates (£ per sq. m.)	Retail: £0 and £192.91 (Adopted Rate: £120) Hotel: £0 and £112.53 (Adopted Rate: £75) All other uses: £0
Finance Costs	
Finance rate p.a. (including over lead-in and letting / sales period)	6.5%
Sales, Lettings & Marketing Costs	
Purchaser's costs	5.75%
Marketing, letting & sales costs	3.00%
Developer Profit (% of GDV)	15%
Yields	Variable applicability - sensitivity tested across range at 4.5% to 8.0%
Site Acquisition Costs	
Agents Fees (% of site value)	1.50%
Legal Fees (% of site value)	0.75%
Stamp Duty (% of value - HMRC scale)	0 to 5%

*BCIS Construction Duration Calculator

**BCIS Median - Winchester Location Factor

Winchester City Council - Appendix 1: Local Plan Viability Assessment - Table 1f: Policy Review

Latest Policy Ref	Policy Name	Policy overview	Viability Impact	Addressed where applicable through specific study approach / assumptions - associated commentary / cost allowance
CN1	Mitigating and adapting to climate change	In meeting the Council's Climate Emergency Declaration, new development is designed to adapt to challenges of climate change including consideration of various opportunities for low carbon solutions, nature-based solutions, sustainable travel modes etc. Development will need to demonstrate it meets various criteria including water use management/conservation, other design measures linked to ventilation etc. DSP Policy Cost Assumption (sustainable design and construction) of +5% on base build - aligning to the LETI standard.	High	Specific allowance made in addition to base build costs to achieve the requirements set out in the policy detail, aligned to LETI - see assumptions detail. May have site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site. However, the wider consideration of 'sustainable development' is more of a planning, design and land use implication than for viability consideration.
CN2	Energy Hierarchy	Development will comply with a specified energy hierarchy		
CN3	Energy efficiency standards to reduce carbon emissions	New development should demonstrate the lowest possible level of carbon emissions in line with the requirements set out in the policy detail, aligned to the LETI standard. DSP Policy Cost Assumption (sustainable design and construction) of +5% on base build - aligning to the LETI standard.		
CN4	Water efficiency standards in new developments	Development will be required to meet high standards of water efficiency at 100lpppd for residential schemes. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees.	Low / Marginal	Allowed for within overall build costs and fees so far as normal works extent is concerned. Costs to achieve 110lpppd is considered nominal. No particular additional assumptions apply. However, could have site specific impacts treated as abnormal costs in relation to specific/strategic sites testing.
CN5	Renewable and low carbon energy schemes	Proposals for renewable and low carbon energy will be supported. Proposals must demonstrate a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
CN6	Micro energy generation schemes	Proposals for micro energy generation schemes will be supported. Proposals must demonstrate a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
CN7	Energy storage	Development proposals involving energy storage will be supported subject to a range of criteria detailed within policy.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
CN8	Embodied carbon	Major residential and non-residential development proposals must undertake an embodied carbon assessment which follows the RICS Whole Life Carbon Assessment for the Build Environment' methodology. The outcome should be included in the energy and carbons statement required by CN1. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees. Cost assumed nominal.	Low / Marginal	Allowed for within overall build costs and fees including bespoke allowances for climate change response. It is assumed the cost to meet this requirement is relatively nominal.
D1	High quality, well designed and inclusive places	The policy requires new development to make a positive contribution to the area, responding to the immediate and wider context of the site to achieve good design. High quality materials appropriate to the context and design should be used alongside a range of other policy criteria. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees.	Low / Marginal	Relates to the nature and quality of development expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs assumptions used for all appraisals.
D2	Design principles for Winchester Town	Bespoke design requirements for Winchester town apply to demonstrate a range of criteria has been met. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees.	Low / Marginal	
D3	Design principles for the South Hampshire Urban Areas	Bespoke design requirements for the South Hampshire Urban Areas apply to demonstrate a range of criteria has been met. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees.	Low / Marginal	
D4	Design principles for Market Towns and Rural Villages	Bespoke design requirements for Market Towns and Rural Villages apply to demonstrate a range of criteria has been met. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees.	Low / Marginal	
D5	Masterplans	Proposals on larger sites that may be brought forward in phases the LPA will seek to ensure a masterplan is developed and agreed. DSP Policy Cost Assumption - allowed for within overall build/development/professional fees.	Low / Marginal	Allowed for within overall build/development costs and professional fees as appropriate for the scale of development.
D6	Previously Development Land and making best use of land	PDL should be used effectively and the LPA will prioritise development of PDL, also expecting higher densities as appropriate for such sites.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
D7	Development standards	A range of general development standards are set out linked to pollution and noise - proposals will be supported where these are met.	Low / Marginal	Relates to the nature and quality of development expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs assumptions used for all appraisals.
D8	Contaminated land	Development of contaminated land will only be supported where it accords with the Plan and there will be no unacceptable impacts on heath, groundwater, surface water and the wider environment.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
D9	Shopfronts	Policy sets out the requirements for proposals or alterations of existing shopfronts which contribute to the character and significance of the building or area.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
D10	Signage	Policy requires advertisements and signs to respect the character and significance of the local area.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
T1	Sustainable and active transport and travel	Policy requires new development will be prioritised in areas with convenient access to a range of services and facilities where travel by car can be minimised. Proposals will require a Transport Assessment. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees.	Low / Marginal	Allowed for within overall costs including s106 contributions, alongside general design requirements, build costs, external works, site works etc. Additional cost allowance has been made for electric vehicle charging points - see assumptions detail. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.

Latest Policy Ref	Policy Name	Policy overview	Viability Impact	Addressed where applicable through specific study approach / assumptions - associated commentary / cost allowance
T2	Parking for new developments	New development will only be permitted where a range of criteria is met including provision of a design and access statement, sustainable modes of transport prioritised, parking provision depending on circumstances, secure cycle, e-mobility parking etc. DSP Policy Cost Assumption - allowance for electric vehicle charging points between £865 - £1961/dwelling	Low / Marginal	Allowed for within overall costs including s106 contributions, alongside general design requirements, build costs, external works, site works etc. Additional cost allowance has been made for electric vehicle charging points as now required by Building Regulations - see assumptions detail. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
T3	Enabling sustainable travel modes of transport and the design and layout of parking for new developments	Planning applications will be required to demonstrate through the design process how sustainable transport modes of travel, mobility parking and access to public transport has been prioritised over private car parking and access.	Low / Marginal	
T4	Access for new developments	Access for new developments will be permitted where it meets a range of criteria e.g. prioritising needs of walking, cycling safe routes, access and movement in a safe, low speed and effective manner, also linked to wider highway requirements.	Low / Marginal	
NE1	Protecting and enhancing biodiversity and the natural environment in the district	Policy requires development to demonstrate it will protect and enhance the natural environment and biodiversity including the natural beauty of landscape, natural resources, habitats and species through a range of criteria. Provision should be on-site unless circumstances dictate off-site mitigation or contribution is deliverable and effective. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees. Bespoke allowance for BNG 2.4% Greenfield and 0.5% PDL (on base build costs).	Low / Marginal	Although we consider an element of this is allowed for within overall build costs and fees so far as normal works extent is concerned, bespoke costs assumed to achieve 10% biodiversity net gain - see assumptions detail. We consider other elements of development such as open space and green infrastructure is likely to contribute towards net gain in biodiversity. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
NE2	Major commercial, educational and MOD establishments in the Countryside	The LPA will support the retention and development of existing major commercial, educational and MOD establishments.	Not Applicable	<i>More of a planning / land use and design implication than for direct viability consideration.</i>
NE3	Open space, sport and recreation	Policy seeks to improve the open space network, recreation facilities and allotments. New development to make appropriate provision of open space and built facilities in accordance with standards set out in the policy text.	Medium	Considered through range of s.106/other costs, bespoke allowances for physical open space including a general land take allowance. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.
NE4	Green and blue infrastructure	Policy required development to maintain, protect and enhance the function and integrity of green infrastructure. A measurable net gain of managed, multifunctional green infrastructure should be provided in accordance with a range o criteria.	Medium	
NE5	Biodiversity	Development proposals must demonstrate 10% net gain in biodiversity through a range of criteria - all in accordance with the Environment Act and utilising the latest Statutory Biodiversity Metric. The national minimum requirement for 10% BNG came into effect in January 2024. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees. Bespoke allowance for BNG 2.4% Greenfield and 0.5% PDL (on base build costs).	Low / Marginal	Although we consider an element of this is allowed for within overall build costs and fees so far as normal works extent is concerned, bespoke costs assumed to achieve 10% biodiversity net gain - see assumptions detail. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
NE6	Flooding, flood risk and water environment	Development proposals should demonstrate that they avoid and reduce the risk of all forms of flooding and do not increase the risk of flooding elsewhere. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees.	Low / Marginal	Given the sequential approach to suitable developments, allowed for within overall build costs and fees so far as normal works extent is concerned. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a the particular site.
NE7	Settlement gaps	LPA will retain the open and undeveloped nature of a defined set of settlement gaps - only development that does not undermine its function will be permitted.	Not Applicable	<i>More of a planning / land use and design implication than for direct viability consideration.</i>
NE8	South Downs National Park	Policy requires development proposals in close proximity to the SDNP will only be permitted where a range of criteria has been met.	Not Applicable	<i>More of a planning and land use implication than for viability consideration. General design considerations factored into cost assumptions as part of an acceptable, quality development overall.</i>
NE9	Landscape character	New development proposals should protect and enhance the distinctive landscape and will only be permitted if they meet a range of criteria.	Not Applicable	<i>More of a planning and land use implication than for viability consideration. General design considerations factored into cost assumptions as part of an acceptable, quality development overall.</i>
NE10	Protecting open areas	Open areas within defined settlement boundaries with important amenity, biodiversity, heritage, recreational value etc. will be protected from development unless a range of criteria has been met.	Not Applicable	<i>More of a planning / land use and design implication than for direct viability consideration.</i>
NE11	Open space provision for new developments	Policy requires development to provide useable open space on-site in accordance with the Council's open space standards.	Medium	Considered through range of s.106/other costs, bespoke allowances for physical open space including a general land take allowance. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.
NE12	Equestrian development	Equestrian development related to grazing, stables, training areas, riding centres, studs etc. will be permitted based on a range of criteria set out in policy.	Not Applicable	<i>More of a planning / land use and design implication than for direct viability consideration.</i>
NE13	Leisure and recreation in the countryside	Policy requires development of leisure and recreational facilities to comply with a range of criteria.	Not Applicable	<i>More of a planning / land use and design implication than for direct viability consideration.</i>
NE14	Rural character	New development proposals should not have an unacceptable effect on the rural character of the area e.g. visual intrusion, physical features, tranquillity of the area etc.	Not Applicable	<i>More of a planning and land use implication than for viability consideration. General design considerations factored into cost assumptions as part of an acceptable, quality development overall.</i>
NE15	Special trees, important hedgerows and ancient woodlands	Developments should not result in the loss or deterioration of irreplaceable habitats including woodlands/trees.	Not Applicable	<i>More of a planning / land use and design implication than for direct viability consideration.</i>
NE16	Nutrient neutrality water quality effects on the Special Protection Areas (SPAs), Special Areas of Conservations (SACs) and Ramsar Sites of the the Solent and The River Itchen	Policy requires development to mitigate the impacts of nitrogen and phosphorus in wastewater. DSP Policy Cost Assumption - bespoke cost allowances made by catchment area of £11,250 and £5,365 per dwelling.	High	Specific allowance made in addition to base build costs - see assumptions detail. Assuming mitigation via one of the Council's strategic mitigation sites via acquiring nutrient credits.
NE17	Rivers, watercourses and their settings	Policy requires development proposals to restore watercourses enabling flood storage and enhancing biodiversity. Mitigation measures required from developments within the catchment areas (SACs), and SPA sites. DSP Policy Cost Assumption - bespoke cost allowances made for nutrient neutrality (above) and SPA mitigation at £777 per dwelling.	Medium	Specific allowance made in addition to base build costs - see assumptions detail. In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary sites will vary with the site-specific details.
HE1	Historic environment	Policy requires new development to make a positive contribution to the historic environment and must not affect heritage assets of their settings.	Not Applicable	<i>More of a planning / land use and design implication than for direct viability consideration.</i>

Latest Policy Ref	Policy Name	Policy overview	Viability Impact	Addressed where applicable through specific study approach / assumptions - associated commentary / cost allowance
HE2	All heritage assets (both designated and non-designated)	Policy seeks to ensure development proposals should conserve heritage assets. A Heritage Statement should be provided including how the proposal will minimise or mitigate harm to the asset.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE3	Designated heritage assets	Policy sets a range of criteria in assessing harm to the significance of a designated heritage asset. Any harm should be clearly and convincingly justified.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE4	Non-designated heritage assets	Policy requires a balanced judgement to be made in connection with development proposals potentially resulting in harm to a non-designated heritage asset.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE5	Protecting the significance of heritage assets and mitigating unavoidable harm	Policy requires loss of a heritage asset will not be permitted unless unavoidable with appropriate mitigation measures agreed.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE6	Schedule monuments and nationally important non-designated assets	Development proposals will be supported where they seek to enhance the significance of the Monument remains and will be permitted under special range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE7	Non-designated archaeological assets	Policy requires a balanced judgement to be made in connection with development proposals potentially resulting in harm to a non-designated archaeological assets.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE8	Applicants affecting listed buildings	Policy requires applications affecting listed buildings should consider the significance of the building to inform proposed intervention. High quality design standard will be expected.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE9	Change of use to listed buildings	Listed buildings should be maintained and conserved for future generations and applications for changes of use should be for the optimal viable use of the building and its conservation. Policy sets a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE10	Development in conservation areas	Policy requires development proposals in a conservation area will only be permitted where a range of criteria has been met.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE11	Demolition in conservation areas	Policy requires demolition in a conservation area will only be permitted where a range of criteria has been met.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE12	Registered historic parks and gardens	Development proposals that would affect parks or gardens in a Historic Park or Garden Historic England's Register of Historic Parks and Gardens will be permitted under special range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE13	Non-designated historic rural and industrial heritage assets	Policy requires the change of use of non-designated heritage assets will only be permitted where it can be demonstrated that a range of criteria has been met.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
HE14	Improvements or alterations to improve the energy efficiency of historic assets	Improvements or alterations to historic assets to improve energy efficiency will be supported according to a range of criteria in policy.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
H1	Housing provision	Policy identifies the housing needs requirement for the district of 15,115 dwellings by 2040. This includes delivery through strategic and non-strategic allocations alongside windfall including prioritising PDL within defined settlement boundaries.	High	
H2	Housing phasing and supply	Phasing will be applied to greenfield sites to prioritise the development of PDL. A suitable housing trajectory should be achieved by holding back most allocated greenfield sites until later in the plan period. Policy identifies these sites.	High	Reflected through the agreed range of development typologies selected for testing at variable Value Levels representing changing values over time as well as different areas of the district and scheme type - all reflecting planned growth. Bespoke testing for specific/strategic site allocations.
H3	Spatial housing distribution	Policy sets out the proposed housing distribution for each spatial area/settlements.	High	
H4	Development within settlements	Development within settlement boundaries (defined and undefined) will be permitted based on a range of criteria.	High	Although more of a planning/land use implication, as above, a range of development typologies in different areas within the district have been modelled, reflecting planned growth.
H5	Meeting housing needs	Policy states new residential development to provide a balanced mix of property types and sizes as informed by needs evidence. 6% Self-build and custom build housing plots should be offered on sites of 50+ dwellings to improve the choice and variety of new housing. In addition, policy requires schemes of 10+ dwellings to provide 5% of new homes to be built to Building Regulation M4(3a) on market homes and 10% of affordable homes should be built to M4(3b). All new homes to be built to M4(2) accessible standards. Specialist housing for older people should also be provided. DSP Policy Cost Assumption - allowed for within overall build/development costs and fees. Bespoke costs for M4(2) at £15.5/sq. m., M4(3) at £115/sq. m. and M4(3b) at £180/sq. m. Self-build plots have been assumed at £150,000 per plot within the mix.	High	A variety of residential scenarios have been modelled, also covering a range of values levels overall representing the variety relevant in the different areas. The specific housing mix (flats/houses) is informed by the policy detail based on housing needs evidence. Additional cost allowances have been made to meet the specific standards for accessible and adaptable homes together with general site works and as factored into scheme design from the outset - see assumptions detail.
H6	Affordable housing	Policy requires provision of affordable housing on all development of 10+ dwellings at a 40% baseline and 30% AH on PDL. Over the short term where development is required to mitigate the impact of additional phosphates on the River Itchen SAC, the affordable housing proportions will be reduced to 35% on greenfield sites and 25% on PDL. AH tenure based on supporting text to Policy H6 and appropriate needs evidence assuming 65% Rented, 35% low cost home ownership. DSP Policy Cost Assumption - typology approach and scope of appraisal modelling to reflect these requirements.	High	Overall AH proportion tested reflects the policy detail, including bespoke testing for Sheltered and Extra-care housing as noted adjacent. The AH proportions were developed over time and informed by the wider viability assessment. Affordable Housing tenure split assumed at 65% Affordable Rent and 35% low cost home ownership. Costs reflected in the selection of scheme scenarios, range of AH % and tenure split %s tested together with the interpretation of appraisal results.
H7	Affordable housing exception sites to meet local needs	To maximise affordable housing provision the LPA will exceptionally grant permission or allocate sites to meet specific local needs on exceptional sites (where development on such land would not normally be permitted), subject to a range of criteria.	High	Although more of a planning/land use implication, as above, a range of development typologies in different areas within the district have been modelled, reflecting planned growth.
H8	Small dwellings in the countryside	Policy sets out the requirements for extension and replacement of existing smaller dwellings in the countryside.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
H9	Purpose built student accommodation	Development proposals for PBSA will be permitted where proposals can demonstrate a range of criteria has been met.	High	Considered through a range of commercial development scenarios for testing relevant to planned growth including as part of bespoke specific/strategic site testing - see assumptions detail.
H10	Houses in multiple occupation (HMOs)	Proposals for HMOs will be permitted subject to a range of criteria set out in policy to retain a balanced housing stock.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
H11	Housing for essential rural workers	Proposals for housing for essential rural workers will be permitted subject to a range of criteria set out in policy.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.

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H12	Provision for Gypsies, Travellers and Travelling Showpeople	Policy states that an estimated 126 pitches are needed to meet the needs of Gypsies, Traveller and Travelling Showpeople. Adequate accommodation will be supported based on a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
H13	Safeguarding traveller sites	Policy seeks to safeguard existing gypsy and traveller and travelling showpersons sites as listed in the policy detail, unless the site is no longer required to meet identified needs.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
H14	Authorised traveller site intensification	Proposals for intensification of sites will be considered based on a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
H15	Authorised new/expanded traveller sites	Proposals for new traveller sites, including expansion of the sites safeguarded, will be permitted within the settlement boundaries or through infilling based on a range of criteria set in policy.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
E1	Vibrant economy	Policy seeks to encourage economic development and the plan makes provision for a range of employment land alongside recognition and support of other employment-based opportunities.	High	Considered through a range of commercial development scenarios for testing relevant to planned growth including as part of bespoke specific/strategic site testing - see assumptions detail.
E2	Spatial distribution of economic growth	Policy encourages new employment floorspace based on identified needs according to the plan vision, objectives and wider spatial strategy. Policy identifies a number of site allocations for growth.	High	
E3	Town centres strategy and hierarchy	Policy sets out the Council's preferred hierarchy for retail and town centre uses. DSP Policy Cost Assumption - typology approach and scope of appraisal modelling to reflect these requirements.	Medium	Reflected through the range of development typologies (residential and commercial) include specific sites (as appropriate) selected for testing at variable Value Levels representing changing values over time as well as different areas of the district and scheme type - all reflecting planned growth.
E4	Main town centre uses out of centre	Proposals for new or expanded retail and other main town centre uses will be considered where they comply with a range of criteria including with a sequential test. DSP Policy Cost Assumption - typology approach and scope of appraisal modelling to reflect these requirements.	Medium	
E5	Enhancing employment opportunities	Policy seeks to support employment development within settlement boundaries subject to meeting a range of criteria. Employment uses include offices, light industrial/research, warehousing, distribution etc. DSP Policy Cost Assumption - typology approach and scope of appraisal modelling to reflect these requirements.	Medium	Considered through a range of commercial development scenarios for testing including employment-based typologies - all relevant to planned growth - see assumptions detail.
E6	Retaining employment opportunities	Where it can be demonstrated that an existing employment use is no longer practical or viable, proposals for re-development will be permitted based on a range of criteria set out in policy.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
E7	Maintaining the vitality and viability of town centres	Policy requires new development within town centres to demonstrate how the vitality and viability will be enhanced. Proposals within primary shopping areas will be encouraged and change of use or redevelopment will only be supported based on a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
E8	Local shops services and facilities	Proposals for the development of new, extended or improved facilities will be supported based on a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
E9	Economic development in the rural area	Policy requires new development outside of the defined settlement boundary must not have adverse effects on the character of the area and must maintain the quality of the natural environment. Development will be supported subject to a range of criteria being met.	Medium	Considered through a range of commercial development scenarios for testing including employment-based typologies - all relevant to planned growth - see assumptions detail.
E10	Farm diversification	Proposals will be supported and should utilise existing buildings where practical and feasible and based on meeting a range of criteria.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.
E11	Visitor-related development within the countryside	Proposals for visitor related development will be supported based on a range of criteria set out in policy.	Not Applicable	More of a planning / land use and design implication than for direct viability consideration.