

## Consultation comments on Evidence Base – Local Plan Viability Assessment

Respondent number	Comment	Officer comment
BHLF-KSAR-N863-Z	<p><i>Costs</i></p> <p>The Council's Local Plan Viability Study Interim Stage 1 Report (October 2022) assesses the cost impact of CN3 (and other policy requirements) on development viability. Appendix 1, Table 1b of the Study assumes that an allowance of 5% on top of the base build cost in order to achieve policy CN3 compliant development. As a minor point, this uplift, does not appear to correspond with the Build Cost uplifts set out in the LETI evidence (5.8%). Based on Persimmon's experience, the Council is significantly underestimating the building cost increases that will accompany stricter building regulations / standards. Base building costs have already increased circa 7-10% with the recent updates to Part L of the building regulations. Based on current estimates, to construct to Future Homes Standards (FHS), Persimmon Homes is expecting a further circa 10% increase in build cost (on top of the 7-10% associated with Part L). As discussed below, Persimmon has been trialling net zero home construction using traditional building techniques. This work indicates that building to this specification will likely add a further circa 5% (on top of the FHS costs). In the relatively short period of time since the introduction of the update Part L Regulations, the costs associated with delivering improved building efficiency has increase by around 20%. Notwithstanding these build cost increases that are being experience by the industry, the draft Plan is seeking to push building standards further</p> <p>through its emerging local plan to effectively require Passivhaus standard housing (i.e. airtight construction and reduced thermal bridges) to deliver the LETI energy targets of CN3. This requirement for Passivhaus has been promoted by the Council through its CN3 consultation event and Net Zero Carbon Targets (September 2022) evidence base. Based on the Company's experience of building homes at scale, it is thought that at least c. 20% increase in build costs should be attributed to sustainable design / climate change / carbon reduction measures associated with Policy CN3 in the Council's Viability Assessment. As discussed in the section below, this may have implications for standards/requirements set out in other policies, such as affordable housing provision. Given the anticipated cost increases set out above, Persimmon Homes strongly contests that Councils viability assumptions on this matter.</p>	<p>Thank you for your comments.</p> <p>The LETI report has been updated including the costs of LETI – please see Local Plan Evidence Base <a href="#">here</a>. This has been factored into the LP Viability Assessment that has accompanied the Reg 19 LP. <a href="#">Local Plan viability report</a></p> <p><b>Recommended Response: No Change.</b></p>

	<p>The Council will be aware of the Government's ongoing review of Building Standards. As part of its work, the Government's is considering the costs associated with a number of national new build specifications, including Passivhaus and Passivhaus+. As a member of the Future Homes Hub, Persimmon Homes is assisting the Government in this work. Whilst the Building Standards Cost Working Group is still yet to report on what might be reasonable and viable cost increases for housebuilding energy efficacy measures, Persimmon are aware of vastly different cost estimates for delivery of Passivhaus standards. As of November 2020, there were c. 1,300 dwellings across the UK which had achieved Passivhaus accreditation according to the Passivhaus Trust, which is equivalent to around 1% of the total new housing stock delivered in that same year. This inexperience within the housebuilding industry in delivering Passivhaus standard housing is likely to be a driver in the variation in cost estimates that are being seen. This further underscores our concerns regarding the accuracy of the Council's cost assumptions, and the importance of the Council engaging with the local development industry to refine the assumptions set out in the Local Plan viability (including to allow for regional cost variations to be taken into account).</p>	
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