Viability Study – Local Plan Accessibility Standards Additional Testing

Report to Cornwall Council

Three Dragons
November 2015

Contents

EXECUTIVE SUMMARY

This report was commissioned by Cornwall Council in 2015 as an addition to the March 2015 Viability Study – Refresh. This additional work has been undertaken to test the viability implications of proposed new Local Plan accessibility standards. It also includes the revised affordable housing proportions indicated in the Local Plan post-hearings Preliminary Findings. Other than these two changes, the viability testing uses the same assumptions as the March 2015 Viability Study – Refresh, which is where the full set of viability testing assumptions are discussed.

The conclusion from this additional testing is that the additional accessibility standards proposed by Cornwall Council have little impact on viability. While the standards do result in additional costs to development these are minor and are unlikely to render development unviable.

1 OVERVIEW

1.1 Three Dragons has produced this additional viability briefing note for Cornwall Council as an addition to the March 2015 Viability Study – Refresh. The additional testing has been undertaken in order to provide further viability information for the examination of the new Cornwall Local Plan, and should be read as part of the fuller report. In particular, the March 2015 Viability Study – Refresh report includes the full range of testing assumptions and further detail about the value zones used for affordable housing viability.

1.2 This viability testing has been produced in response to proposed modifications to Local Plan policies, primarily those relating to the accessibility standards required from new residential development. The target affordable housing is also set to be modified and therefore the testing also takes account of this, although this issue was covered within the March 2015 testing[1]. All the other viability testing assumptions are the same as those used in the March 2015 Viability Study – Refresh, including house prices, build costs, benchmark land values etc.

Changing Accessibility Standards

1.3 The March 2015 Viability Study – Refresh included the proposed accessibility standards set out in the 2014 draft Affordable Housing SPD, which were that 10% of affordable housing should be to Lifetime Homes standards. As part of the Local Plan examination process it is proposed that the accessibility standards are amended so that 25% of all market and affordable housing is provided to Lifetime Homes standards. This additional testing takes account of the viability implications of the revised accessibility requirements.

1.4 The March 2015 study included an allowance of £750 per dwelling for providing Lifetime Home standards where required. This current testing uses the same allowance.

Affordable Housing Requirements

1.5 The draft Local Plan included a requirement that new development provided 50% affordable housing in Zones 1 and 2; and 40% affordable housing in Zones 3, 4 and 5. As part of the Local Plan Preliminary Findings note produced after the hearings in May 2015 it has been proposed to change the affordable housing targets, as follows:

- Zone 1: 50% affordable housing
- Zone 2: 40% affordable housing
- Zone 3: 35% affordable housing
- Zone 4: 30% affordable housing
- Zone 5: 25% affordable housing

1.6 This current testing therefore uses these revised affordable housing targets, with the extant Cornwall Council preferred tenure mix of 70% affordable rent and 30% intermediate.

[1] The March 2015 testing included exploration of different proportions of affordable housing.

2 1 HA TILE FINDINGS

2.1 The viability testing has been undertaken using the same set of notional 1 ha tiles and generic case studies (including case studies representative of the strategic sites) as the March 2015 Viability Study – Refresh. The findings are presented in tabular form in comparison with the findings from the March 2015 Viability Study – Refresh results. Results are rounded to the nearest £1,000.

2.2 The table below sets out the viability results for the 1 ha tiles. These are tested at 20, 30 and 40 dwellings per ha (dph) in Zones 1 and 2; and at 30, 40 and 50 dph in Zones 3, 4 and 5. St Austell, which is in Zone 5, is tested at 30 and 40 dph. The findings are expressed as:

- Scheme residual value.
- Residual value less benchmark (noting that the benchmark will differ in different locations) on a per ha basis.
- Theoretical maximum CIL that could be charged (which can also be expressed as a measure of viability on a per sq m of market housing).

2.3 The table compares the current testing with the proposed new accessibility standards (25% of all market and affordable dwellings with Lifetime Homes), and the previous testing which had 10% of the affordable housing with Lifetime Homes.

Table 2.1 1 ha tile testing results

AREA/ LOCATION			RESULTS				*PREVIOUS RESULTS*			Differences (current less previous)		
Housing Market Area	DPH	Afford able %	**Residual Value**	**Benchmark**	Res Value less Benchmark	Theoretical Max CIL (£/sq m)	***Residual Value (previous)***	*Res Value less Benchmark*	*Theoretical Max CIL (£/sq m)*	Residual Value	Res Value less Benchmark	Theoretical Max CIL (£/sq m)
Zone 1	20	50%	**£1,687,000**	£1,300,000	£387,000	£313	***£1,690,000***	*£390,000*	*£316*	-£3,000	-£3,000	-£2.43
Zone 1	30	50%	**£2,257,000**	£1,300,000	£957,000	£584	***£2,262,000***	*£962,000*	*£587*	-£5,000	-£5,000	-£3.05
Zone 1	40	50%	**£2,255,000**	£1,300,000	£955,000	£562	***£2,261,000***	*£961,000*	*£566*	-£6,000	-£6,000	-£3.53
Zone 2	20	40%	**£1,154,000**	£1,300,000	-£146,000	-£99	***£1,157,000***	*-£143,000*	*-£96*	-£3,000	-£3,000	-£2.02
Zone 2	30	40%	**£1,574,000**	£1,300,000	£274,000	£139	***£1,579,000***	*£279,000*	*£142*	-£5,000	-£5,000	-£2.54
Zone 2	40	40%	**£1,563,000**	£1,300,000	£263,000	£129	***£1,570,000***	*£270,000*	*£132*	-£7,000	-£7,000	-£3.43
Zone 3	30	35%	**£901,000**	£750,000	£151,000	£71	***£906,000***	*£156,000*	*£73*	-£5,000	-£5,000	-£2.35
Zone 3	40	35%	**£837,000**	£750,000	£87,000	£39	***£844,000***	*£94,000*	*£43*	-£7,000	-£7,000	-£3.17
Zone 3	50	35%	**£969,000**	£750,000	£219,000	£89	***£978,000***	*£228,000*	*£92*	-£9,000	-£9,000	-£3.64
Zone 4	30	30%	**£587,000**	£350,000	£237,000	£103	***£592,000***	*£242,000*	*£105*	-£5,000	-£5,000	-£2.18
Zone 4	40	30%	**£413,000**	£350,000	£63,000	£26	***£420,000***	*£70,000*	*£29*	-£7,000	-£7,000	-£2.94
Zone 4	50	30%	**£454,000**	£350,000	£104,000	£39	***£463,000***	*£113,000*	*£42*	-£9,000	-£9,000	-£3.38
Zone 5	30	25%	**£82,000**	£350,000	-£268,000	-£109	***£87,000***	*-£263,000*	*-£107*	-£5,000	-£5,000	-£2.03
Zone 5	40	25%	**-£49,000**	£350,000	-£399,000	-£157	***-£42,000***	*-£392,000*	*-£154*	-£7,000	-£7,000	-£2.75
Zone 5	50	25%	**-£36,000**	£350,000	-£386,000	-£135	***-£27,000***	*-£377,000*	*-£132*	-£9,000	-£9,000	-£3.16

AREA/ LOCATION			RESULTS				*PREVIOUS RESULTS*			Differences (current less previous)		
Housing Market Area	DPH	Afford able %	**Residual Value**	**Benchmark**	Res Value less Benchmark	Theoretical Max CIL (£/sq m)	***Residual Value (previous)***	*Res Value less Benchmark*	*Theoretical Max CIL (£/sq m)*	Residual Value	Res Value less Benchmark	Theoretical Max CIL (£/sq m)
St Austell	30	25%	**£609,000**	£350,000	£259,000	£105	***£614,000***	*£264,000*	*£107*	-£5,000	-£5,000	-£2.03
St Austell	40	25%	**£367,000**	£350,000	£17,000	£7	***£375,000***	*£25,000*	*£10*	-£8,000	-£8,000	-£3.14

Commentary

2.4 The testing results for the 1 ha tiles show that the introduction of the increased accessibility standards have relatively little impact on viability.

2.5 On a per ha basis the impact is between £3,000 and £6,000 off the amount available to pay for land in Zone 1. Development remains viable at 50% affordable housing. The larger impacts are associated with denser development as there are more dwellings per ha with the new accessibility standards.

2.6 In Zone 2 the impact is between £3,000 and £7,000 per ha off the amount available to pay for land. Development remains viable at 40% affordable housing. Again, the larger impacts are associated with denser development as there are more dwellings per ha with the new accessibility standards; and the impacts are different to Zone 1 as the greater proportion of market housing in this Zone means more dwellings are now brought into the accessibility standard.

2.7 In Zone 3 the impact is between £5,000 and £9,000 per ha off the amount available to pay for land. Development remains viable at 35% affordable housing. The impacts are greater than in Zone 2 because of the greater proportion of market housing and again the higher density development carries a greater cost as there are more dwellings on a per ha basis.

2.8 In Zone 4 the impact is between £5,000 and £9,000 per ha off the amount available to pay for land. Development remains viable at 30% affordable housing. The same issues in terms of proportion of market housing and density of development will apply, although these are masked by rounding.

2.9 In Zone 5 the impact is between £5,000 and £9,000 per ha off the amount available to pay for land. The testing indicates that development is not viable at 25% affordable housing, although the changes to the accessibility standards are not the cause of this. The viability issues relating to Zone 5 have been discussed in the March 2015 Viability Study – Refresh and in the Local Plan Preliminary Findings note produced by the Inspector following the May 2015 hearings. In summary, it is apparent that development in Zone 5 has been taking place with some affordable housing provision despite the testing indicating that the values do not meet the benchmark land values; and that this is likely to be the result of some combination of higher than average values, lower than average build costs, flexibility about dwelling mixes and tenures, and flexibility about land prices. The relatively small differences resulting from the accessibility standards are unlikely to change viability to the extent that the development will not proceed, especially as the affordable housing policies in the Local Plan and the Affordable Housing SPD allow for negotiation.

3 SMALL CASE STUDIES FINDINGS

3.1 The small case studies testing covers sites of 2, 3, 10, 30, 50 and 120 dwellings in Zones 3, 4 and 5, and two small sites in Zone 2. The 30 dwelling case study is a higher density urban development (60 dph) whilst the others are between 30 and 41 dph. The urban high density case study and the larger 120 dwelling case study have additional cost allowances for site clearance/opening up costs respectively.

3.2 The testing also includes Policy 9 (rural exceptions) sites. These are affordable housing-led schemes and the proportion of affordable housing varies between 50% in Zone 5, 55%-60% in Zone 3 and 65%-70% in Zone 1. 4 and 30 dwelling case studies are tested. The Policy 9 case studies are tested against the benchmark land values although as noted in the commentary below, it may be more appropriate to use the lower benchmarks commonly accepted for rural exceptions schemes.

3.3 The site characteristics are set out in Table 3.1 and the testing results in Table 3.2.

Table 3.1 Small Case Study Characteristics

Site Details							
Case Study no	Zone	Description	No of dwgs	Net area ha	Gross area ha	Net to gross %	Afford able %
1	3	Small infill	2	0.07	0.07	100%	35%
2	3	Town/village windfall	3	0.08	0.08	100%	35%
3	3	Town/village windfall	10	0.33	0.33	100%	35%
4	3	Town/village windfall	50	1.29	1.43	90%	35%
5	3	Town/village windfall	120	2.91	3.43	85%	35%
6	3	Urban high density	30	0.50	0.50	100%	35%
7	4	Small infill	2	0.07	0.07	100%	30%
8	4	Small infill	3	0.08	0.08	100%	30%
9	4	Town/village windfall	10	0.33	0.33	100%	30%
10	4	Town/village windfall	50	1.29	1.43	90%	30%
11	4	Town/village windfall	120	2.91	3.43	85%	30%
12	4	Urban high density	30	0.50	0.50	100%	30%
13	5	Small infill	2	0.07	0.07	100%	25%
14	5	Small infill	3	0.08	0.08	100%	25%
15	5	Town/village windfall	10	0.33	0.33	100%	25%
16	5	Town/village windfall	50	1.29	1.43	90%	25%
17	5	Town/village windfall	120	2.91	3.43	85%	25%
18	5	Urban high density	30	0.50	0.50	100%	25%
19	2	Higher value small infill	2	0.07	0.07	100%	40%
20	2	higher value town/village windfall	10	0.33	0.33	100%	40%
23	1	Policy 9 site	4	0.11	0.11	100%	75%
24	1	Policy 9 site	30	0.86	0.86	100%	65%

Site Details							
Case Study no	Zone	Description	No of dwgs	Net area ha	Gross area ha	Net to gross %	Afford able %
25	3	Policy 9 site	4	0.11	0.11	100%	60%
26	3	Policy 9 site	30	0.86	0.86	100%	55%
27	5	Policy 9 site	4	0.11	0.11	100%	50%
28	5	Policy 9 site	30	0.86	0.86	100%	50%

Table 3.2 Small Case Studies Testing Results

Site			RESULTS					*PREVIOUS RESULTS*				Differences (current less previous)			
Case Study no	Zone	No of dwgs	**Residual Value**	**RV per gross ha**	**Benchmark per Gross ha**	**Residual per gross ha less Benchmark**	**Theoretical Max CIL (£/sq m)**	***Residual Value***	***RV per gross ha***	***Residual per gross ha less Benchmark***	***Theoretical Max CIL (£/sq m)***	Residual Value	Res Value per gross has	Residual per gross ha less Benchmark	Theoretical Max CIL (£/sq m)
1	3	2	**£43,657**	**£654,855**	£750,000	-95,145	-£48	***£44,000***	***£660,000***	*-£90,000*	*-£46*	-£343	-£5,145	-5,145	-£2.61
2	3	3	**£50,485**	**£673,133**	£750,000	-76,867	-£35	***£51,000***	***£680,000***	*-£70,000*	*-£32*	-£515	-£6,867	-6,867	-£3.10
3	3	10	**£269,283**	**£807,849**	£750,000	57,849	£29	***£271,000***	***£813,000***	*£63,000*	*£32*	-£1,717	-£5,151	-5,151	-£2.61
4	3	50	**£1,526,139**	**£1,068,297**	£750,000	318,297	£138	***£1,533,277***	***£1,073,294***	*£323,294*	*£140*	-£7,138	-£4,997	-4,997	-£2.17
5	3	120	**£3,238,769**	**£944,641**	£750,000	194,641	£85	***£3,255,212***	***£949,437***	*£199,437*	*£87*	-£16,443	-£4,796	-4,796	-£2.08
6	3	30	**£484,848**	**£969,696**	£750,000	219,696	£79	***£490,000***	***£980,000***	*£230,000*	*£82*	-£5,152	-£10,304	-10,304	-£3.68
7	4	2	**£23,649**	**£354,728**	£350,000	4,728	£2	***£24,000***	***£360,000***	*£10,000*	*£5*	-£351	-£5,272	-5,272	-£2.48
8	4	3	**£17,473**	**£232,971**	£350,000	-117,029	-£49	***£18,000***	***£240,000***	*-£110,000*	*-£46*	-£527	-£7,029	-7,029	-£2.96
9	4	10	**£170,243**	**£510,729**	£350,000	160,729	£76	***£172,000***	***£516,000***	*£166,000*	*£78*	-£1,757	-£5,271	-5,271	-£2.48
10	4	50	**£1,047,846**	**£733,492**	£350,000	383,492	£155	***£1,055,149***	***£738,604***	*£388,604*	*£157*	-£7,303	-£5,112	-5,112	-£2.06
11	4	120	**£2,140,342**	**£624,266**	£350,000	274,266	£111	***£2,157,166***	***£629,173***	*£279,173*	*£113*	-£16,824	-£4,907	-4,907	-£1.98
12	4	30	**£201,728**	**£403,456**	£350,000	53,456	£18	***£207,000***	***£414,000***	*£64,000*	*£21*	-£5,272	-£10,544	-10,544	-£3.50
13	5	2	**-£8,359**	**-£125,385**	£350,000	-475,385	-£209	***-£8,000***	***-£120,000***	*-£470,000*	*-£206*	-£359	-£5,385	-5,385	-£2.36
14	5	3	**-£19,539**	**-£260,520**	£350,000	-610,520	-£239	***-£19,000***	***-£253,333***	*-£603,333*	*-£236*	-£539	-£7,187	-7,187	-£2.82
15	5	10	**£17,203**	**£51,609**	£350,000	-298,391	-£131	***£19,000***	***£57,000***	*-£293,000*	*-£129*	-£1,797	-£5,391	-5,391	-£2.37
16	5	50	**£357,470**	**£250,229**	£350,000	-99,771	-£38	***£365,019***	***£255,513***	*-£94,487*	*-£36*	-£7,549	-£5,284	-5,284	-£2.00
17	5	120	**£542,540**	**£158,241**	£350,000	-191,759	-£72	***£559,743***	***£163,258***	*-£186,742*	*-£70*	-£17,203	-£5,018	-5,018	-£1.89
18	5	30	**£16,608**	**£33,216**	£350,000	-316,784	-£98	***£22,000***	***£44,000***	*-£306,000*	*-£95*	-£5,392	-£10,784	-10,784	-£3.34

Site			RESULTS					*PREVIOUS RESULTS*				Differences (current less previous)			
Case Study no	Zone	No of dwgs	**Residual Value**	**RV per gross ha**	**Benchmark per Gross ha**	**Residual per gross ha less Benchmark**	**Theoretical Max CIL (£/sq m)**	***Residual Value***	***RV per gross ha***	***Residual per gross ha less Benchmark***	***Theoretical Max CIL (£/sq m)***	Residual Value	Res Value per gross has	Residual per gross ha less Benchmark	Theoretical Max CIL (£/sq m)
19	2	2	**£64,665**	**£923,779**	£1,300,000	-376,221	-£233	***£65,000***	***£928,571***	*-£371,429*	*-£230*	-£335	-£4,793	-4,793	-£2.97
20	2	10	**£368,323**	**£1,116,129**	£1,300,000	-183,871	-£107	***£370,000***	***£1,121,212***	*-£178,788*	*-£104*	-£1,677	-£5,083	-5,083	-£2.97
23	1	4	**£74,441**	**£651,358**	£1,300,000	-648,642	-£739	***£75,000***	***£656,250***	*-£643,750*	*-£734*	-£559	-£4,892	-4,892	-£5.57
24	1	30	**£1,088,567**	**£1,269,995**	£1,300,000	-30,005	-£24	***£1,093,000***	***£1,275,167***	*-£24,833*	*-£20*	-£4,433	-£5,172	-5,172	-£4.21
25	3	4	**-£27,607**	**-£241,562**	£750,000	-991,562	-£77	***-£27,000***	***-£236,250***	*-£986,250*	*-£77*	-£607	-£5,312	-5,312	-£0.41
26	3	30	**£68,327**	**£79,715**	£750,000	-670,285	-£463	***£73,000***	***£85,167***	*-£664,833*	*-£459*	-£4,673	-£5,451	-5,451	-£3.76
27	5	4	**-£89,639**	**-£784,341**	£350,000	-1,134,341	-£647	***-£89,000***	***-£778,750***	*-£1,128,750*	*-£643*	-£639	-£5,591	-5,591	-£3.19
28	5	30	**-£498,793**	**-£581,925**	£350,000	-931,925	-£531	***-£494,000***	***-£576,333***	*-£926,333*	*-£528*	-£4,793	-£5,591	-5,591	-£3.19

Commentary

Zone 2

3.4 The case study testing in Zone 2 was for a two dwelling small infill and a 10 dwelling windfall site. The impact of the new accessibility standards is between £4,500 and £4,800 per ha for both schemes. Neither scheme achieves the benchmark land value (although they still provide £0.92m/ha and £1.1m/ha respectively) but this was the same situation without the new accessibility standards. Whilst the accessibility standards will have some viability impact on these types of development they do not alter the underlying economics.

Zone 3

3.5 The impact of the new accessibility standards varies between approximately £5,000/ha for the 2 dwelling, 50 dwelling and 120 dwelling schemes, and £10,300/ha for the higher density 30 dwelling scheme. The 2 dwelling and 3 dwelling schemes do not achieve the benchmark land value (although they still provide £0.66m/ha and £0.67m/ha respectively), but this was the same situation without the new accessibility standards. Whilst the accessibility standards will have some viability impact on these types of development they do not alter the underlying economics.

3.6 The 10 dwelling, 50 dwelling, 120 dwelling and higher density 30 dwelling schemes remain viable with the new accessibility standards.

Zone 4

3.7 The impact of the new accessibility standards varies between approximately £5,000/ha for the 2 dwelling, 50 dwelling and 120 dwelling schemes, and £10,500/ha for the higher density 30 dwelling scheme. The 3 dwelling scheme does not achieve the benchmark land value (although still provides £0.23m a/ha), but this was the same situation without the new accessibility standards.

3.8 All of the other case study schemes in Zone 4 are viable with the new accessibility standards. The 2 dwelling case study is marginal, but again this was the case under the previous testing.

Zone 5

3.9 The impact of the new accessibility standards varies between approximately £5,000/ha for the 120 dwelling scheme, and £11,000/ha for the higher density 30 dwelling scheme. The viability impacts from the new accessibility standards are higher in Zone 5 than the other value zones because there are proportionately more market dwellings (as the proportion of affordable housing required is smaller), and this is where the majority of the impacts fall.

3.10 The case studies in Zone 5 do not reach the benchmark land value (although all except the 2 and 3 dwelling case studies produce a positive residual value). However this was also apparent in the previous testing with lower accessibility standards, where affordable housing had to be reduced to 0% to achieve residual values above the benchmark land value. Again, while the accessibility standards will have some viability impact on development in Zone 5 they do not alter the underlying economics.

Policy 9 (rural exceptions) Sites

3.11 The case study testing in Zone 1 is just for the Policy 9 (rural exceptions) sites. The impact of the new accessibility standards is approximately £5,000 per ha. As in the previous testing, the 75% affordable housing scheme does not meet the land value benchmark although it still achieves over £18,000 a plot (which is well above most land value benchmarks for rural exception schemes) with the new accessibility standards. At 65% affordable housing the larger Policy 9 case study is just under the land value benchmark and well over the rural exceptions benchmark plot value.

3.12 In Zone 3 the impact of the new accessibility standards is just under £5,500 per ha. At 60% affordable housing the site has a negative residual value, suggesting that the development will not proceed; and at 55% there is a small positive residual value of £2,300/plot. None of the Policy 9 sites were viable in Zone 5. These findings are very similar to the results of the March 2015 testing.

4 RESIDENTIAL VIABILITY FINDINGS – STRATEGIC SITES CASE STUDIES

4.1 The testing also includes 12 notional strategic sites based on the types of site that Cornwall Council anticipates will provide significant housing. The strategic sites are expected to meet their own infrastructure needs as part of s106 agreements and therefore the modelling uses estimates of the likely costs provided by Cornwall Council. These costs vary according to the different infrastructure needs around Cornwall.

4.2 All of the notional strategic sites are in value zones 3, 4 and 5, and are tested against the lower strategic sites benchmark land values.

4.3 The site characteristics are set out in Table 4.1 and the testing results in Table 4.2.

Table 4.1 Strategic Site Case Study Characteristics

Site Details								
Case Study no	Zone	Area/ Town	Description	No of dwgs	Net area ha	Gross area ha	Net to gross %	Afford able %
29	4	Launceston	CC allocated site	375	10.71	15.30	70%	30%
30	4	Bodmin	CC allocated site	600	20.30	29.00	70%	30%
31	4	Bodmin	CC allocated site	790	22.57	32.20	70%	30%
32	4	Bodmin	CC allocated site	250	7.14	10.20	70%	30%
33	SA	St Austell	CC allocated site	540	15.47	22.10	70%	25%
34	3	Falmouth	CC allocated site	350	10.00	14.00	71%	35%
35	3	Falmouth	CC allocated site	255	7.30	10.40	70%	35%
36	5	CPIR	CC allocated site	280	8.00	10.68	75%	25%
37	5	Helston	CC allocated site	500	14.30	20.52	70%	25%
38	4	Hayle	CC allocated site	220	5.75	9.58	60%	30%
39	4	Penzance	CC allocated site	510	15.61	23.30	67%	30%
40	4	Penzance	CC allocated site	170	4.80	8.00	60%	30%

Table 4.2 Strategic Sites Case Studies Testing Results

Site			RESULTS					PREVIOUS RESULTS				Differences (current less previous)			
Site no.	Zone	No of dwgs	**Residual Value**	**RV per gross ha**	**Benchmark per Gross ha**	**Residual per gross ha less Benchmark**	**Theoretical Max CIL (£/sq m)**	***Residual Value***	***RV per gross ha***	***Residual per gross ha less Benchmark***	***Theoretical Max CIL (£/sq m)***	Residual Value	Res Value per gross has	Residual per gross ha less Benchmark	Theoretical Max CIL (£/sq m)
29	4	375	**£4,820,538**	**£315,068**	£250,000	65,068	£37	***£4,867,810***	***£318,858***	*£68,158*	*£39*	-£47,272	-£3,790	-3,090	-£1.78
30	4	600	**£3,614,434**	**£124,636**	£250,000	-125,364	-£85	***£3,683,580***	***£127,020***	*-£122,980*	*-£84*	-£69,146	-£2,384	-2,384	-£1.63
31	4	790	**£5,789,094**	**£179,786**	£250,000	-70,214	-£40	***£5,878,607***	***£182,565***	*-£67,435*	*-£39*	-£89,513	-£2,780	-2,780	-£1.60
32	4	250	**£2,689,969**	**£263,722**	£250,000	13,722	£8	***£2,723,154***	***£266,976***	*£16,976*	*£10*	-£33,185	-£3,253	-3,253	-£1.87
33	SA	540	**£4,843,114**	**£219,145**	£250,000	-30,855	-£18	***£4,858,984***	***£219,864***	*-£30,136*	*-£16*	-£15,870	-£718	-718	-£0.39
34	3	350	**£7,562,683**	**£540,192**	£300,000	240,192	£146	***£7,606,270***	***£543,305***	*£243,305*	*£148*	-£43,587	-£3,113	-3,113	-£1.89
35	3	255	**£5,751,934**	**£553,071**	£300,000	253,071	£157	***£5,784,946***	***£556,245***	*£256,245*	*£159*	-£33,012	-£3,174	-3,174	-£1.97
36	5	280	**-£559,963**	**-£52,431**	£250,000	-302,431	-£152	***-£520,047***	***-£48,694***	*-£298,694*	*-£150*	-£39,916	-£3,737	-3,737	-£1.88
37	5	500	**£94,534**	**£4,607**	£250,000	-245,393	-£133	***£156,830***	***£7,643***	*-£242,357*	*-£131*	-£62,296	-£3,036	-3,036	-£1.64
38	4	220	**£1,266,052**	**£132,156**	£250,000	-117,844	-£89	***£1,295,612***	***£135,241***	*-£114,759*	*-£87*	-£29,560	-£3,086	-3,086	-£2.33
39	4	510	**£4,910,033**	**£210,731**	£250,000	-39,269	-£25	***£4,970,964***	***£213,346***	*-£36,654*	*-£24*	-£60,931	-£2,615	-2,615	-£1.69
40	4	170	**£2,472,989**	**£309,124**	£250,000	59,124	£39	***£2,496,313***	***£312,039***	*£62,039*	*£41*	-£23,324	-£2,916	-2,916	-£1.94

Commentary

4.4 Strategic Site 31 790 dwellings (Zone 4) - The impact of the new accessibility standards is £2,800 per ha. The scheme value does not reach the land value benchmark although this situation was also apparent with the former accessibility standards. While there may need to be flexibility about land values and/or negotiation about the s106 obligations, the overall viability of the site is hardly affected by the new accessibility standards.

4.5 Strategic Site 32 250 dwellings (Zone 4) - The impact of the new accessibility standards is £3,300 per ha. The scheme remains viable, although there is limited viability headroom. The overall viability of the site is hardly affected by the new accessibility standards.

4.6 Strategic Site 33 540 dwellings (St Austell, Zone 5) - The impact of the new accessibility standards is £3,000 per ha. The scheme remains marginally unviable, with the residual value just below the benchmark (£0.22m compared to £0.25m/ha). However this situation was also apparent with the former accessibility standards. While there may need to be flexibility about land values and/or negotiation about the s106 obligations, the overall viability of the site is hardly affected by the new accessibility standards.

4.7 Strategic Site 34 350 dwellings (Zone 3) - The impact of the new accessibility standards is £3,100 per ha. The scheme remains viable and overall viability of the site is hardly affected by the new accessibility standards.

4.8 Strategic Site 35 255 dwellings (Zone 3) - The impact of the new accessibility standards is £3,200 per ha. The scheme remains viable and overall viability of the site is hardly affected by the new accessibility standards.

4.9 Strategic Site 36 280 dwellings (Zone 5) - The impact of the new accessibility standards is £3,700 per ha. The scheme does not produce a positive residual value as modelled, although this situation was also apparent with the former accessibility standards and relates back to earlier discussion about the apparent viability issues in Zone 5. Notwithstanding these zone-wide issues, the overall viability of the site is hardly affected by the new accessibility standards.

4.10 Strategic Site 37 500 dwellings (Zone 5) - The impact of the new accessibility standards is £3,000 per ha. In the same way as the other Zone 5 strategic site case study, this scheme does not meet the land value benchmark although it does just produce a positive residual value. However this situation was also apparent with the former accessibility standards. Notwithstanding these zone-wide issues, the overall viability of the site is hardly affected by the new accessibility standards.

4.11 Strategic Site 38 220 dwellings (Zone 4) - The impact of the new accessibility standards is £3,100 per ha. The scheme value does not reach the land value benchmark although this situation was also apparent with the former accessibility standards. While there may need to be flexibility about land values and/or negotiation about the s106 obligations, the overall viability of the site is hardly affected by the new accessibility standards.

4.12 Strategic Site 39 510 dwellings (Zone 4) - The impact of the new accessibility standards is £2,600 per ha. The scheme remains marginally unviable, with the residual value just below the benchmark (£0.21m compared to £0.25m/ha). However this situation was also apparent with the former accessibility standards. While there may need to be flexibility about land values and/or negotiation about the s106 obligations, the overall viability of the site is hardly affected by the new accessibility standards.

4.13 Strategic Site 40 170 dwellings (Zone 4) - The impact of the new accessibility standards is £2,900 per ha. The scheme remains viable, although there is limited viability headroom. The overall viability of the site is hardly affected by the new accessibility standards.

5 CONCLUSIONS

5.1 The overall conclusions from this supplementary testing are that the additional accessibility standards proposed by Cornwall Council have little impact on viability. While the standards do result in additional costs to development these are minor (typically a decrease of approximately £5,000 per ha in the residual value) and the testing has not revealed any instances where the additional standards have rendered development unviable.

5.2 However, it is important to note that the testing does indicate that there are types of schemes, particularly in lower value areas of Cornwall, which will not reach the benchmark land values and can therefore be considered unviable. However, a comparison with the same testing with the former, lower accessibility standards shows that this is as a result of the underlying development economics rather than the imposition of the addition accessibility standards.