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**BARROW LOCAL PLAN  
VIABILITY ASSESSMENT**

**PREPARED ON BEHALF OF  
BARROW COUNCIL**

**By**

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**AUGUST | 2016**

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## Table of Contents

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1.0	INTRODUCTION .....	1
2.0	PLANNING POLICY CONTEXT.....	4
3.0	METHODOLOGY.....	20
4.0	OVERVIEW OF BARROW .....	34
5.0	FINANCIAL APPRAISAL ASSUMPTIONS .....	49
6.0	STAKEHOLDER CONSULTATION .....	63
7.0	VIABILITY RESULTS AND POLICY IMPACTS.....	64
8.0	ECONOMIC PROFILING AND SENSITIVITY ANALYSIS .....	87
9.0	PLAN VIABILITY AND DELIVERY .....	93

### Appendices

Appendix 1	Residential Planning Applications Analysis and Land and Sales Prices Summary
Appendix 2	WYG Construction Cost Report
Appendix 3	House Prices By Ward Data
Appendix 4	Prices Paid for New Houses
Appendix 5	Residential Allocations Assumptions
Appendix 6	Stakeholder Consultation

## 1.0 INTRODUCTION

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- 1.1 Barrow Borough Council ('the Council') is preparing a Local Plan to shape future development of the Borough up to the year 2031. The Barrow Borough Local Plan will replace the adopted Barrow-in-Furness Local Plan Review 1996-2006 (August 2001) and the Housing Chapter Alteration (June 2006).
- 1.2 The Local Plan will contain a realistic vision for the Borough, looking forward to 2031. The vision will seek to address the key planning issues that are currently facing the Borough. These issues include population decline, lack of housing choice and unemployment. The vision will also seek to promote the Borough's greatest assets to attract and retain people and businesses in the area, such as its natural environment, its highly skilled workforce and its strong communities.
- 1.3 A key priority is Regeneration and working with partners and service providers to enhance the built environment and the public realm. This will address some of the challenges faced, particularly in the town centre and help towards securing a sustainable long term economic future for the Borough and attracting inward investment.
- 1.4 The emerging Local Plan will set out key objectives, and will include the strategic objectives and detailed policies to achieve the Vision and meet the Councils Key Priorities. In order to achieve the Vision the Plan identifies sites for the development of new housing, employment, leisure facilities and associated infrastructure, and contains policies to guide this development whilst protecting the existing assets and characteristics of the Borough. The policies in the Local Plan will also be used to determine planning applications. The Council will need to demonstrate that based on these policies any housing, mixed-use or employment site allocated in the Local Plan is viable and deliverable for development.
- 1.5 A number of these planning policies may impact on the viability of development. To inform the site allocations and overall Plan delivery, the Council needs to determine the impact of plan policies on development viability. This will ensure that in accordance with the National Planning Policy Framework (NPPF) the sites and scale of development are not subject to such a scale of obligations, standards and policy burdens that cumulatively threatens the plan's ability to be developed viably.

1.6 Keppie Massie, in conjunction with the WYG Group have been commissioned by the Council to establish the economic viability and deliverability implications of the emerging Local Plan policies. This is to ensure that they are realistic and can deliver sustainable development without putting the delivery of the Plan at risk. The aim of the study is to satisfy the tests of viability and deliverability laid down in the NPPF. The report therefore provides an assessment of the overall viability of development in the Borough, and considers which policies can be afforded having regard to development viability. It also provides an assessment of the viability of the key sites that are proposed for allocation in the plan.

1.7 **Format of Report**

1.8 The report is presented to provide an overview of the Local Plan and its key policies, details of our methodology, a property market commentary, the results of our testing and conclusions regarding Plan viability and delivery.

1.9 For ease of reference the report is structured based on the following sections:

1.10 **Section 2 – Planning Policy Context**

Here we have provided an overview of the emerging Local Plan together with an outline of the allocations and plan policies which impact on viability and delivery.

1.11 **Section 3 – Methodology**

In this section we outline the methodology that has been adopted for the study and the viability assessments, together with the rationale for the development scenarios tested.

1.12 **Section 4 – Overview of Barrow**

This section provides general information about the social and economic characteristics of Barrow, together with an overview of the residential and non-residential property markets.

1.13 **Section 5 – Financial Appraisal Assumptions**

This section outlines the key assumptions that we have made in preparing our financial assessments including details of how we have addressed specific Local Plan Policies.

1.14 **Section 6 – Stakeholder Consultation**

This section provides a review of the Stakeholder Workshop and the Stakeholder comments received.

1.15 **Section 7 – Viability Results and Policy Impacts**

This section provides an overview of the results from the viability testing together with a commentary on the results and also the impact of the Local Plan policies on viability.

1.16 **Section 8 – Economic Profiling and Sensitivity Analysis**

This section provides our thoughts regarding future economic trends and the likely impact on development viability. The viability results are then tested further based on this to ensure robustness, and the results are outlined in graphical form.

1.17 **Section 9 – Plan Viability and Delivery**

At Section 9 we provide our conclusions about the key policies that have implications for economic viability and comment on the viability and deliverability of Barrow's emerging Local Plan.

## 2.0 PLANNING POLICY CONTEXT

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### 2.1 **Background**

2.2 To reflect the changes to the planning system, the Council is presently preparing a Local Plan as an alternative to a Local Development Framework. The Council has taken the decision to produce a single Local Plan document as it is considered that it provides more flexibility, in line with guidance in the NPPF, and, at a time when the future economic climate is changing within the Borough, is more sustainable in the medium to long term both for the Council and also developers, landowners, investors and employers.

2.3 Public consultation began on the Local Plan in 2012 and the results of this consultation informed the preparation of the Issues & Options Draft Local Plan which was consulted upon in September/October 2014. The comments received from this consultation were considered in the preparation of the Preferred Options Consultation Draft of the Local Plan and consultation on this version of the Local Plan took place during the second part of 2015.

2.4 The comments received from this consultation will be used to inform the next Draft of the Local Plan which it is anticipated will be available later in summer 2016. It is intended that the final Plan will be adopted in 2017.

2.5 Our study has regard to the Barrow Borough Local Plan: Preferred Options Consultation Draft dated June 2015 as the most up to date version of the plan.

### 2.6 **A Vision for Barrow**

2.7 The Local Plan contains a vision for the future development of Barrow to 2031 which is identified in Chapter 2. This is summarised as follows:-

*'By 2031 Barrow Borough will be a place where a thriving diverse economy has supported strong inclusive communities, with an improved housing offer, diversified job opportunities, high level education and skills base, vibrant town centres and retail offer, and access to high quality open space and active leisure. The Borough's health and wellbeing will have improved, and the natural environment and landscape will have been protected and enhanced, with resources managed sustainably and waste minimised.'*

- 2.8 There are a number of key objectives that are identified as supporting this vision, and in particular the following are considered most relevant to this study.

*'Economy* - Barrow will play a leading and pivotal role in South and West Cumbria's economy and have sustainable economic growth based on a highly skilled workforce operating effectively in national and international markets, set within a unique and high quality environment, with links to the Energy Coast.'

*'Employment* - The attractiveness of Barrow to local people, investors, businesses and tourists will be clearly visible. The number, variety and quality of employment opportunities in the town will have increased, creating a more diverse economic base for the area. There will be improved transport connections to wider regional, national and international destinations. New business start-up and inward investment will have been encouraged and local people will have the skills and expertise to access jobs created.'

*'Housing* - There will be a choice of good quality housing for current and future residents, which meets local needs and aspirations throughout the Borough, to encourage inward investment and to attract and retain a high quality workforce. Good quality housing will also enable improved health, reduced crime and greater fuel efficiency. Neighbourhoods will be safe, clean and sustainable with healthy, highly skilled and diverse communities.'

## 2.9 **Strategic Policies**

- 2.10 A number of policies within the Local Plan guide the location and scale of new development in Barrow. We have provided a short summary of those most relevant to the study in the paragraphs that follow.

### 2.11 **Policy S3: Development Strategy**

- 2.12 This policy informs the overall strategy and distribution of new development across the Borough. It states that the Council should pursue an overarching strategy of sustainable balanced growth, redistributing development across the Borough to improve the residential environment of the central Barrow area and also allow an increased amount of development in Dalton and/or Askam and other sustainable settlements.

2.13 Chapter 3 of the Local Plan also makes reference to the continued promotion of various regeneration initiatives in the Borough through the Cumbria Local Enterprise Partnership, the Furness Economic Development Forum, the Housing Market Renewal Initiative and the Clusters of Empty Homes Fund. Reference is also made to the Barrow Port Area Action Plan which sets out the strategic vision for the Waterfront Business Park, Marina Village, the Marina and Marina Link, Salthouse Mills, Cavendish Dock, the environment and also support through the planning framework for the continued regeneration of the Town Centre.

2.14 **Strategic Employment Sites**

2.15 The Local Plan identifies Barrow Port as the Council's priority area for economic regeneration, infrastructure provision and environmental enhancement with the Waterfront Business Park allocated in the Barrow Port Area Action Plan 2010 as the Borough's Strategic Employment Site for B1, B2 and B8 uses. The Local Plan contains a specific policy for the Business Park.

2.16 **Policy EM1: Waterfront Business Park Strategic Employment Opportunity Area**

2.17 Within this policy the Waterfront Business Park, is identified as part of the wider Barrow Waterfront regeneration area, as an employment site of regional significance suitable for large scale business development. In addition, proposals seeking to expand the port and its role in supporting the development of the 'Energy Coast' will be supported by the Council subject to proposals meeting the criteria set out in the Barrow Port Action Area Plan Document (2010) as periodically reviewed.

2.18 **Policy EM2: Local Employment Sites**

2.19 This policy deals with Local Employment sites and in the current draft of the plan contains two options for consultation.

2.20 **Option 1:** Proposals for new employment uses (classes B1, B2 and B8), or the extension of existing premises used for employment uses, will be approved subject to meeting all of the range of criteria identified in the draft policy, or



- 2.21 **Option 2:** Allocates specific sites in Barrow and Dalton for employment uses and would also include a separate criteria based policy, similar to that in option 1 for use when determining applications for employment uses on windfall sites. In conjunction with this option the policy identifies 8 sites considered suitable for employment development with a total of 41.54 hectares available for development across these sites.
- 2.22 **New Housing Development**
- 2.23 **Policy H1: Annual Housing Target**
- 2.24 This policy deals with the annual housing target for the Borough and identifies a housing requirement of 1,630 dwellings over the Plan period with an annual requirement of 126 in years 1 to 5 and an annual requirement of 100 in years 6 to 15. These targets are noted as being the minimum number of dwellings which should be delivered in the Borough over the periods identified.
- 2.25 **Policy H2: Distribution of Housing**
- 2.26 The preamble to this policy notes that over the last decade settlements in the Borough have grown roughly in line with the population distribution ie. Barrow 81%, Dalton 12%, Askam and Ireleth 4% and other areas 3%.
- 2.27 The policy itself identifies the use of the following hierarchy and development distribution:
- 2.28 Housing development will be concentrated in the Principal Centre of Barrow (74% or 1,206 dwellings); followed by the Key Centre of Dalton (18% or 293 dwellings), the Local Centre of Askam and Ireleth (6% or 98 dwellings) and Newton and Lindal (2% or 33 dwellings).
- 2.29 It states that housing development outside of the settlements listed in the policy will require exceptional justification.

### 2.30 **Policy H3: Allocation of Sites for Housing Development**

In order to meet the housing requirement over the Plan period, this policy identifies a number of specific sites that are allocated for residential development. These are listed in Table 8 of the plan and for ease of reference are reproduced in table 2.1 below. The preamble to the policy notes that the sites will be subject to an on-going process of viability testing throughout the Local Plan process.

Site Ref	Site Name	Site Size	Notes	Net Developable Area	No of dwellings
<b>Barrow-in-Furness</b>					
<b>REC05</b>	Land South of Leece Lane, Barrow	1.54	Vacant, greenfield site adjoining the urban boundaries The eastern part of the site represents a valuable habitat. It needs to be established whether the developer controls the residential unit on site required to secure access.	0.62	19
<b>REC09</b>	Field between Netherby Drive and Ormsgill Lane, Barrow	0.57	Greenfield site used for grazing. Located within Green Wedge within the urban boundaries Amenity distances will need to inform detail layout. Optimum location in relation to minimising the loss of frontage landscaping in securing access will be required.	0.37	12
<b>REC18</b>	Field to East of Park View School, Barrow	0.8	Greenfield site within the urban boundaries. Consideration will need to be given to ensuring that access arrangements take suitable account of the new green wedge and neighbouring development.	0.48	15
<b>REC19b</b>	Thornclyffe South (tennis court/field)	1.77	Tennis Courts are no longer in use, playing field still in use and used for informal recreation/dog walking. Potential access achievable from Lichfield Close.	0.62	19
<b>REC26</b>	Land East of Holbeck, Barrow	6.6	Greenfield site adjoining the urban boundaries used in part for grazing. The prominence of the site to views of the green `horizon' to barrow limits the extent of the scheme with green infrastructure measures to protect the character of the settlement edge.	3.00	90
<b>SHL001</b>	Marina Village	26.48	Previously developed site within the urban boundaries. Allocated for housing in Barrow Port Area Action Plan.	14.7	650
<b>SHL002</b>	Salthouse Mills	7.99	Brownfield, predominantly vacant site within the urban boundaries. Allocated as housing site in Barrow Port Area Action Plan and therefore an acceptable location for housing. However it is the Councils intention to phase into the latter stages of the Plan as discussions are ongoing with the developer in relation to resolving access issues. Without provision of adequate access and unless it is proved viable at the next stage of the Plan this site will not be carried forward as an allocation, but could still come forward as a windfall development .	5.07	250

Site Ref	Site Name	Site Size	Notes	Net Developable Area	No of dwellings
<b>SHL010</b>	Park Vale, Walney	5.93	Previously developed site within the urban boundaries including running track, sports pitch, car park and changing rooms. Site locations identified to enhance edges to the Green Wedge `corridor' developing up the central spine of Walney with an opportunity for a development addressing the track area whatever its future use. Development would include offsite improvements to footpath infrastructure.	1.53	46
<b>SHL13b</b>	Former Candleworks Site (South), Schneider Rd, Barrow	1.21	Brownfield site within urban boundaries, currently occupied on short term basis by gypsy and travellers. Opportunity to incorporate enhanced pedestrian route to the coast.	1.06	32
<b>SHL037</b>	E5 Land South of Ashley & Rock, Park Road, Barrow	2.75	Previously developed site within the urban boundaries, which provides an informal buffer between industrial areas and residential estates. Allocated in current Local Plan for employment uses Need to maintain distinct sense of openness to through views and a robust `green route' along Park Road.	2.55	77
<b>SHL047</b>	North Central Clearance Area, Barrow	1.49	Brownfield site within the urban boundaries. Former housing estate which has been cleared as part of Housing Market Renewal Scheme Development to the east of Arthur Street with a town house format would enable the creation of an urban park providing a significant area of open space.	0.65	33
<b>SHL059</b>	Former Avon Garden Centre, Mill Lane, Walney	0.20	Previously developed site within the urban boundaries. Formerly a garden centre site requiring clearance. Site located within Green Wedge. Opportunity to enhance eastern edge of green wedge with enhancement to the setting for the school as well.	0.20	6
<b>SHL061</b>	Former Kwik Save premises, Holker st, Barrow	0.5	Brownfield site within the urban boundaries of Barrow. Currently occupied by large vacant retail unit and associated parking. Urban site with potential for a town house scheme or possibly higher density apartments. Need to achieve an open space within the scheme.	0.43	22
<b>SHL068</b>	Fields to rear of Croslands Park (Holly Croft)	3.04	Greenfield site within the urban boundaries, used in part for grazing. Access via Stoneleigh Close. Retain existing green links across site.	0.93	28
<b>SHL070a</b>	Land to South of Abbey Meadow	0.96	Greenfield site within the urban boundaries used for grazing. Need to set development back from Flass Lane to maintain character of green route.	0.86	26

Site Ref	Site Name	Site Size	Notes	Net Developable Area	No of dwellings
<b>SHL071</b>	No. 11 smallholding	1.44	Part Greenfield/part previously developed site within the urban boundaries. Draft Development Brief produced. Retention of existing green link and area of planting suitable for creation of landscaped focus for the development.	1.15	35
<b>SHL100a</b>	Land North of Westpoint House (western section), Solway Drive, Walney	0.81	Greenfield site within the urban boundaries between residential area and community woodland. Draft Development Brief produced. Maintaining the setting around any development will be important in optimising the setting of the green wedge.	0.46	23
<b>SHL101</b>	Land South of Westpoint House, Solway Drive, Walney	0.88	Greenfield site within the urban boundaries between residential area and community woodland. Draft Development Brief produced.	0.69	21
<b>SHL103</b>	Land off Meadowlands Ave	1.56	Greenfield site adjoining urban boundaries used for grazing. Area of surface water flooding to be focus for frontage development.	1.29	22
<b>Total</b>					<b>1426</b>
<b>Dalton-in-Furness</b>					
<b>REC10</b>	Land to West of Crooklands Brow	2.74	Greenfield site within the Green Wedge adjoining the urban boundaries Need to maintain and enhance the green route character of the site frontage.	0.79	65
<b>REC25</b>	Land at Greenhills Farm	10.48	Greenfield site adjoining the urban boundaries. Currently used for grazing with small farm buildings to the South East corner of the site Nb. Incorporates small part of REC44.	2.15	69
<b>REC34</b>	Site at junction of Long Lane & Newton Rd	2.73	Greenfield site within the Green Wedge within the urban boundaries Prominent gateway site into Dalton from the South. A `clustered` approach needed to ensure that adequate setting is retained to avoid a further hard edge being created to the settlement.	0.77	24
<b>REC43</b>	Land East of Greystone Lane, Dalton	1.66	Greenfield site adjoining the urban boundaries. A prominent site on approach down Greystone Lane. Existing green links retained with a varied arrangement of housing types suggesting a more rural `cluster`.	1.55	30
<b>REC47</b>	Elliscales Quarry Dalton & Land to West,	4.71	In part a discrete site with the potential to complement the barn conversion development opposite and achieve an environmental enhancement.	4.09	70
<b>REC48</b>	Land East of Askam Road, Dalton	0.72	Need to maintain separation due to variation in levels between site and surrounding development.	0.64	12

Site Ref	Site Name	Site Size	Notes	Net Developable Area	No of dwellings
<b>SHL005</b>	Land at Crooklands Brow	1.45	Previously developed, cleared site within the urban boundaries. Some material stored on site. Allocated for housing in the current Local Plan Need to maintain and enhance the green route character of the site frontage.	0.79	32
<b>SHL096</b>	Crompton Drive, Dalton	0.75	Greenfield site adjoining the urban boundary Important to ensure that development does not locate over the crest to protect the existing green wedge character visible from Barrow Road	0.34	11
<b>Total</b>					<b>313</b>
<b>Askam &amp; Ireleth</b>					
<b>REC01</b>	Land East of Saves Lane, Ireleth	0.83	Vacant, greenfield site outside but adjoining the current development cordon. Need for building form to be single or one and half storey to maintain openness and softer transition.	0.48	15
<b>REC02</b>	Duke Street, Askam	0.36	Vacant, greenfield site within the current development cordon Small flat block most appropriate to maintain adequate setting for site and adjacent memorial.	0.18	9
<b>REC03</b>	Land at junction of Lots Rd and Duke St, Askam	0.92	Vacant, greenfield site outside but adjoining the current development cordon. Need to ensure that development is set back to maintain setting for vista achievable across settlement and to maintain a softer edge to streetscene and settlement edge character.	0.64	16
<b>REC31</b>	Land North of New Road, Askam	1.52	Vacant, greenfield site used for grazing, outside but adjoining the current development cordon. Need to ensure that development is set back to maintain setting for vista achievable across settlement and to maintain a softer edge to streetscene and settlement edge character.	1.33	27
<b>REC36</b>	Land South of New Road, Askam	0.69	Vacant, greenfield site outside but adjoining the development cordon Need to ensure that development is set back to maintain setting for vista achievable across settlement and to maintain a softer edge to streetscene and settlement edge character.	0.29	9
<b>SHL017</b>	Urofoam Factory, Duddon Road	1.58	Brownfield. Higher density scheme feasible on this site subject to concluding the assembly of a vacant site.	1.18	48
<b>Total</b>					<b>124</b>

Site Ref	Site Name	Site Size	Notes	Net Developable Area	No of dwellings
<b>Lindal and Newton</b>					
<b>REC37</b>	Land East of London Road, Lindal	2.34	Greenfield site A `clustered` form of development feasible. Development set back from London Road to maintain streetscene character and reduce the massing of development	1.05	36
<b>REC39</b>	Land to rear of Farmers Arms, Newton	0.36	Need to create `clustered` form to allow development of green links to reduce exposure of site.	0.24	6
<b>Total</b>					<b>42</b>

2.31 A Broad Location SHL082 Land East of Rakesmoor Lane has also been identified to meet the housing requirement in the later plan period (years 6 plus). Broad Locations are areas where specific sites have not yet been identified but where there is a reasonable chance that housing could be developed on the site within that timeframe. It is anticipated that 107 dwellings will be provided in this area based on a net developable area of 5.32 hectares.

2.32 **Key Policies related to Viability Testing**

2.33 The emerging Local Plan also contains the Development Management Policies that will guide the delivery of new development in Barrow. Having regard to the development management policies contained within the Local Plan, we have summarised below the key policies which will have an impact on development viability.

2.34 **Policy S4: Design**

2.35 The policy requires new development to be of a high quality design, which will support the creation of attractive, vibrant places. Designs are to be specific to the site and must demonstrate a clear process that analyses and responds to the characteristics of the site and its context.

2.36 Relevant parts of the policy with respect to development viability include:

- Create clearly distinguishable, well defined and designed public and private spaces that are attractive, accessible, coherent and safe and provide a stimulating environment;
- Exhibit design quality using design cues and materials appropriate to the area, locally sourced wherever possible;
- Incorporate public art where this is feasible and where it can contribute to design objectives;
- Integrate into landscaping, where relevant, sustainable urban drainage systems of an appropriate form and scale;
- Mitigate against the impacts of climate change by the incorporation of energy and water efficiency measures, the orientation of new buildings, and use of recyclable materials in construction.



2.37 **Policy S5: Landscaping**

2.38 This policy deals with the requirements for a Landscaping Scheme to be submitted as part of a planning application.

2.39 **Policy S7: Development Briefs**

2.40 This policy relates to allocated housing sites. The Council is keen to promote development briefs as a mechanism for the timely delivery of development on allocated housing sites in order to meet supply.

2.41 **Policy C3: Water Management**

2.42 This policy deals with the plan requirements in relation to water management issues and states that all new development will minimise its impacts on the environment through a number of identified measures including:

- Achieving the minimum standards for water efficiency, as defined by Building Regulations (Approved Document G taking effect from October 2015);
- The submission of a Drainage Strategy that shows how foul and surface water will be effectively managed;
- The external use of SuDS.

2.43 **C5: Promotion of Renewable Energy**

2.44 This policy is intended to mitigate against the effects of climate change by expecting new development to promote the use of energy efficient methods and materials, and minimise its impact on the environment. In particular proposals are expected to maximise the design of buildings, use of materials, their layout and orientation on site to be as energy efficient as possible.

2.45 In addition all new developments will be encouraged to incorporate renewable energy production equipment, sources of renewable energy such as photovoltaics and the potential for renewable, low carbon or decentralised energy schemes appropriate to the scale and location of the development provided they do not result in unacceptable harm.

2.46 **Policy I1: Developer Contributions**

2.47 This policy deals with requirements for developer contributions where developments will create an additional need for improvements/provision of infrastructure, services or facilities or exacerbate an existing deficiency. In these cases contributions will be sought to ensure that the appropriate enhancements/improvements are made, and appropriate management arrangements are in place. Such contributions may take the form of a Planning Obligation by means of a Section 106 agreement.

2.48 The policy also notes that the development of a CIL could take place after the Local Plan is adopted, subject to resources and viability.

2.49 **Policy I3: Access to Community Facilities**

2.50 This policy deals with requirements for the provision of new community facilities or a contribution towards them where such facilities are not suitable or accessible for new housing development.

2.51 **Policy I4: Sustainable Travel Choices**

2.52 Amongst other matters this policy deals with requirements for planning obligations where new development would require the provision of travel links beyond the development site, for example new footpaths and cycle ways or enhanced bus services. There are also requirements for secure cycle parking provision in all new car parks. The policy also contains a reference to the Council encouraging the use of vehicle charging infrastructure.

2.53 **Policy I5: Travel Plans**

2.54 Development which generates a significant amount of movement will require the submission of a Transport Assessment and/or Travel Plan.

2.55 **Policy I6: Parking**

2.56 Proposals for new developments will be required to provide evidence to demonstrate that adequate parking provision has been provided in consultation with the Local Highways Authority and in accordance with the parking standards in the "Parking Guidelines in Cumbria" SPG or any update to it.

2.57 **Policy H9: Housing Density**

2.58 This policy addresses development densities for new housing development. The density of development on allocated sites is to be informed by development briefs to determine the most appropriate density on a site by site basis.

2.59 Densities on windfall sites are to be appropriate to the character of the location of the development in negotiation with the planning authority.

2.60 The intention is that the policy will allow a range of densities to be developed and applied to best suit the character and requirements of different parts of the Borough.

2.61 **Policy H11: Housing Mix**

2.62 The preamble to this policy notes that there is currently a lack of variety in the Borough's housing offer, with terraced housing being particularly dominant. It makes reference to the SHMA which shows that there is a need to continue to satisfy household aspirations and expectations, with a particular emphasis on delivering market housing at a range of prices. The development of semi-detached houses and properties with two and three bedrooms is noted as a particular priority.

2.63 The specific policy states that development proposals will be expected to provide a mix of different types and sizes of housing to address local need, and that developers will be required to demonstrate how this need has been met as evidenced by:

- a) any relevant and up to date SHMA or Housing Need Assessment;
- b) any other relevant housing needs information;
- c) the location and characteristics of the site;
- d) the mix of dwelling type and size in the surrounding area;
- e) housing market conditions at the time of the application.

2.64 It is intended that the policy will be applied on a site by site basis and so that a mix of types and sizes will be achieved and each of the site allocations will be viable and contribute to delivering an improved housing offer within the borough. However it is expected that on larger sites a broad mix of types and sizes of dwellings will be provided to meet a range of needs and demands as outlined in the Council's SHMA and Housing Needs Assessment.

2.65 **Policy H12: Lifetime Homes**

2.66 This policy is intended to encourage the provision of specialist housing for older people across all tenures in sustainable locations. The Council aims to ensure that older people are able to secure and sustain independence in a home appropriate to their circumstances and to actively encourage developers to build new homes to the current space standards, as defined by Building Regulations, so that they can be readily adapted to meet the needs of those with disabilities and the elderly as well as assisting independent living at home.

2.67 **Policy H14: Affordable Housing**

2.68 In relation to the provision of affordable housing in the Borough, the Council will encourage the development of a percentage of affordable dwellings on allocated or windfall sites. Where appropriate and in discussion with the planning authority developers may provide mixed tenure developments with affordable dwellings on the whole or part of a site.

2.69 This will allow a number of affordable dwellings to come forward when appropriate sites are available and conditions dictate that the development would be viable.

2.70 The justification to the policy states that at this time the Council feels requiring a fixed percentage or number of affordable dwellings on every site would be unviable given market conditions and local needs information. However the Council will work with developers, partners and the social rented sector to deliver schemes with an element of social housing on suitable sites, this has been successful in the Borough in the past particularly on brownfield sites in Barrow.

2.71 **Policy GI1: Green Infrastructure**

2.72 It is intended that the Council, through the preparation and adoption of a Green Infrastructure Strategy SPD, Masterplans, Development Briefs and Design Codes will identify and promote the creation, enhancement and protection of a framework of Green Infrastructure assets and funding mechanisms necessary to secure their delivery. These requirements include amongst other aspects adaptive measures to offset climate change including sustainable urban drainage (SUDs) management and tree planting.

2.73 **Policy HC1: Health and Wellbeing**

2.74 In summary this policy states that the Council will encourage development which promotes health and wellbeing by providing a number of measures which include amongst other things:

- Providing access to a range of types of housing in sustainable locations;
- Promoting the use of sustainable construction materials and methods where appropriate;
- Encouraging the use of renewable energy technologies where appropriate.

2.75 **Policy HC10: Play Areas**

2.76 In relation to the requirements for play area the policy suggests that proposals for residential development will be assessed on a site by site basis. Where deemed appropriate through a lack of provision or other limiting factor such as access, they will be required to provide well designed and located children's play space, within close proximity to the development, that is safe and accessible for users. Developers will be expected to provide a commuted sum for a minimum of 5 years maintenance, or contributions for off-site provision within walking distance.

## 3.0 METHODOLOGY

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### 3.1 **Economic Viability Framework**

3.2 The National Planning Policy Framework 2012 (the NPPF) introduces a focus on viability in considering appropriate Development Plan Policies. In particular Paragraph 173 states that:

*'Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.'*

3.3 In addition to the above, the NPPF (paragraph 174) states that:

*'Local Planning Authorities should set out their Policy on local standards in the Local Plan, including requirements for affordable housing. They should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle. Evidence supporting the assessment should be proportionate, using only appropriate available evidence.'*

3.4 This report provides an analysis of the deliverability and economic viability (satisfying the requirements of the NPPF) of the future development sites in Barrow, taking into account the policy standards contained within the plan.

- 3.5 The Local Housing Delivery Group has published advice for planning practitioners titled 'Viability Testing Local Plans'. This guidance recommends that (page 10):

*'The approach to assessing plan viability should recognise that it can only provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability. It cannot guarantee that every development in the plan period will be viable, only that the plan policies will be viable for the sufficient number of sites upon which the plan relies in order to fulfil its objectively assessed needs.'*

- 3.6 The guidance states that:

*'An individual development can be said to be viable if, after taking account of all costs, including central and local government Policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.'*

- 3.7 In addition the advice set out within the NPPF (paragraph 175) states that *'where practical, CIL charges should be worked up and tested alongside the Local Plan.'*

### 3.8 **Appraisal Methodology**

- 3.9 In preparing our viability assessments we have adopted the Residual Approach. This is where the value of the completed development is assessed and the cost of undertaking the development (including the cost of land, finance and planning obligations) is deducted, along with a target developer's profit return. The residual sum that is left represents the development surplus or "headroom". Consideration of this then allows an informed decision to be made about the viability of the development in general, and in particular, the ability to fund Local Plan policies involving additional costs for development such as developer contributions policies and also CIL.

3.10 Table 3.1 provides a simple diagram illustrating this approach:

<b>Gross Development Value (value of the completed development scheme)</b>
<i>Less</i>
<i>Cost of Development (inclusive of build costs, fees, finance, land cost)</i>
<i>Less</i>
<i>Other Costs (inclusive of planning obligations)</i>
<i>Less</i>
<i>Developers Target Profit</i>
<i>= Development Surplus or "Headroom"</i>

Table 3.1: Residual Appraisal Approach

- 3.11 This methodology is recognised and supported by the Royal Institution of Chartered Surveyors (RICS) in relation to the valuation of development land. The RICS Guidance Note 'Financial Viability in Planning' defines viability for planning purposes as (paragraph 2.1.1): '*an objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, whilst ensuring an appropriate site value for the land owner and a market risk adjusted return to the developer in delivering that project.*'
- 3.12 The guidance note defines site value as follows (paragraph 2.3.1): '*site value should equate to the market value subject to the following assumption; that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.*'
- 3.13 When undertaking area wide viability testing, the guidance suggests that a second assumption needs to be applied to this definition, namely (paragraph 2.3.3): '*Site value may need to be further adjusted to reflect the emerging Policy/CIL charging level. The level of the adjustment assumes that site delivery would not be prejudiced.*'
- 3.14 We have assessed Market Value in accordance with VPS4 1.2 and IVS Framework paragraph 29. Under these provisions, the term 'Market Value' is defined as '*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.*'



3.15 The document 'Viability Testing Local Plans' suggests that viability testing of Local Plans does not require a detailed viability appraisal of every site anticipated to come forward over the plan period. As a consequence of the potentially widely different economic profiles of sites within the local area, it suggests:-

*'A more proportionate and practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies.'*

3.16 In preparing our residual appraisals, it has been necessary to make certain assumptions, both in relation to the form of development and also the variables adopted in each of the appraisals based upon a significant quantity of data. Inevitably, given the character of the property market in Barrow, the data does not necessarily fit all eventualities and every development site will be unique. It has therefore been necessary to draw upon our development experience and use our professional knowledge to derive a data set that best fits the typical characteristics of the site allocations, likely future development sites and form of development in the Borough and can be considered reasonable.

3.17 It should be noted that when adopting the Residual Appraisal Approach, the end result is extremely sensitive to even the smallest of changes in any of the assumptions which feed into the appraisal process. We are satisfied however that our approach and the assumptions that we have made are appropriate to the property market characteristics within Barrow and represent the most reasonable approach given the appropriate available evidence at the time of preparing this study.

### 3.18 **Residential Development Scenarios**

#### 3.19 **Sites and Typologies for Testing**

3.20 The emerging Local Plan identifies the following hierarchy and development distribution for future housing development in the Borough.

- Barrow - 74% or 1,206 dwellings
- Dalton - 18% or 293 dwellings
- Askam & Ireleth - 6% or 98 dwellings
- Newton and Lindal - 2% or 33 dwellings

3.21 In addition the emerging Plan allocates 35 housing sites together with a broad location for housing development at Rakesmoor Lane in Barrow. Tables 3.2 – 3.4 contain a summary of the proposed allocations by size, location and land type.

No Dwellings	Greenfield	Brownfield	Total
<10	0	1	1
10-19	3	1	4
20-34	5	3	8
35-49	0	1	1
50-74	0	0	0
75-99	1	1	2
100-250	1	2	3
>250	1	0	1
<b>Total</b>	<b>11</b>	<b>9</b>	<b>20</b>

Table 3.2: Summary of Proposed Allocations, Barrow

No Dwellings	Greenfield	Brownfield	Total
<10	0	0	0
10-19	2	0	2
20-34	2	1	3
35-49	0	0	0
50-74	2	1	3
<b>Total</b>	<b>6</b>	<b>2</b>	<b>8</b>

Table 3.3: Summary of Proposed Allocations, Dalton

No Dwellings	Greenfield	Brownfield	Total
<10	0	0	0
10-19	2	0	2
20-34	2	1	3
35-49	0	0	0
50-74	2	1	3
<b>Total</b>	<b>6</b>	<b>2</b>	<b>8</b>

Table 3.4: Summary of Proposed Allocations, Askam, Ireleth, Newton and Lindal

3.22 The Planning Advisory Service in the note 'Successful Plan Making – Advice for Practitioners' suggests that:

*'Under the NPPF, authorities need to test the whole plan and all its policies together to show its impact on viability; however, separate viability testing of strategic sites is also recommended if they are key to the delivery of the plan.'*

3.23 The Harman Guidance suggests that:

*'Planning Authorities may build up data based on the assessment of a number of specific local sites included within the land supply, or they may create a number of hypothetical sites, typologies or reasonable assumptions about the likely flow of development sites.'*

*'What is important is that partners have confidence that the profile of sites included within an assessment is a good match with likely future supply over the plan period, and avoid making assumptions that could be contested.'*

*'The appraisal should be able to provide a profile of viability across a geographical range and/or range of different types of site.'*

*'Once this profile is established, it may also help to include some tests of case study sites, based on more detailed examples of actual sites likely to come forward for development if this information is available.'*

3.24 The Local Plan does not specify a particular preferred or minimum density for development. It takes a flexible approach with the density of development on allocated sites being informed on a site by site basis. This is to allow a range of densities to be developed and applied to best suit the character and requirements of different parts of the Borough.

3.25 The larger allocations are significant to the delivery of new housing in the Borough and our approach therefore has been to undertake site specific viability assessments of all of the larger proposed allocations of around 50 dwellings or more. Table 3.5 contains details of those housing allocations for which we have prepared site specific viability assessments, including the broad location at Rakesmoor Lane.

Site Ref	Address	Settlement	Site Size (Hectares)	Land Type	Density (dph)	No Dwellings
SHL037	E5 Land South of Ashley & Rock, Park Road	Barrow	2.75	Mixed	30	77
REC26	Land East of Holbeck	Barrow	6.6	Greenfield	30	90
SHL082	Land East of Rakesmoor Lane	Barrow		Greenfield	20	107
SHL010	Park Vale, Walney	Barrow	5.91	Brownfield	30	178
SHL001	Marina Village	Barrow	26.48	Mixed	45	650
REC10	Land to West of Crooklands Brow	Dalton	2.74	Greenfield	24	65
REC25	Land at Greenhills Farm	Dalton	10.48	Greenfield	30	69
REC47	Elliscales Quarry Dalton & Land to West	Dalton	4.71	Mixed	30	70
SHL017	Urofoam Factory, Duddon Road	Askam & Ireleth	1.58	Brownfield	40	48

Table 3.5: Summary of Allocations Tested

3.26 For the smaller allocations we have prepared a framework of development typologies for the purpose of undertaking our viability testing for residential development. Table 3.6 below provides details of the development typologies that we have adopted. In each case we have undertaken viability testing based assumed development densities of 30 and 40 dwellings per hectare, and have tested based on greenfield and previously developed (brownfield) site typologies. We have also considered development at 50 dwellings per hectare on previously developed sites. The viability assessments have also been prepared reflecting the house prices across the different market locations in the Borough.

Scheme Ref	No of Dwellings
1	5
2	10
3	20
4	35
5	50

Table 3.6: Generic Housing Typologies Assumed for Testing

3.27 There has also been some limited new apartment development in Barrow-in-Furness over the last few years and having regard to the anticipated form and location of future development we have also undertaken viability testing based on apartment schemes of 15 (scheme 6) and 50 (scheme 7) units.

3.28 For site specific viability tests we have adopted the sites areas and capacity identified in the allocation. In relation to the generic testing, the net developable site area has been calculated at the respective density. We have then calculated the gross site area with reference to the net developable area calculation contained in the Strategic Housing Land Availability Assessment Review and Interim Housing Land Statement 2014 which is reproduced at Table 3.7.

Total Site Area	Net Developable Area
Up to 0.4 Ha	100% of gross area
0.4 ha to 2 Ha	90% of gross area
Sites over 2 Ha	75% of gross area

Table 3.7: Assumed Net Developable Area used when Calculating Housing Yield

### 3.29 Form of Development Assumed for Testing

3.30 Having established the development areas for each site we have then adopted a typical housing mix and house size reflecting the development density. In order to inform this we have considered both the emerging Local Plan and also the evidence base documents that support this including the Strategic Housing Market Assessment. We have also undertaken an analysis of recent planning consents relating to residential development in Barrow based on the available information. Further details are contained at Appendix 1. Table 3.8 provides a summary of the average housing mix and dwelling size, taken from this analysis.

	1 bed	2 bed	3 bed	4 bed	5 bed	2 bed apt
% of mix	0.3%	5.2%	48.5%	31.7%	8.7%	5.6%
Size (sq.m)	62	67	89	132	156	57
Size (sq.ft)	671	723	959	1,420	1,680	612

Table 3.8: Analysis of Mixes and Dwelling Sizes Taken from Planning Applications Analysis

3.31 The Local Plan makes reference to the up to date SHMA or Housing Needs Assessment in determining the Housing Mix. The Plan notes that there is currently a lack of variety in the Borough's housing offer, with terraced housing being particularly dominant. The SHMA shows that there is a need to continue to satisfy household aspirations and expectations, with a particular emphasis on delivering market housing at a range of prices. The development of semi-detached houses and properties with two and three bedrooms is identified in the Local Plan as a particular priority.

3.32 The analysis of recent planning consents shows that over 80% of the dwellings consented are 3 and 4 beds. Having regard to this need for a larger number of smaller dwellings we have slightly adjusted the mix obtained from analysed planning permissions with an increase in the number of 2 bed houses and a small reduction in the proportion of 5 bed homes.

3.33 In terms of the size of the dwellings that have been adopted for the purpose of our testing we have considered the analysis of recent planning applications and have also had regard to the Local Plan requirements at Policy H12 Lifetime Homes that encourages new housing developments to meet the Current Space Standards as defined by Building Regulations.

3.34 Figure 3.1 is a reproduction of Table 1 taken from the National Space Standards and contains details of the minimum gross internal floor area requirements.

No of Beds (b)	No of Bed Spaces (persons)	1 storey dwellings (sq.m)	2 storey dwellings (sq.m)	3 storey dwellings (sq.m)	Built in storage
1b	1p	39 (37) <sup>2</sup>			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0

Figure 3.1: National Space Standards

3.35 Having regard to these factors tables 3.9 and 3.10 contain details of the respective dwelling mixes and sizes that we have adopted for the purpose of our viability testing.

No Beds	% mix	Size (sq.m)	Size (sq.ft)
<b>1</b>	5%	58	624
<b>2</b>	20%	70	755
<b>3</b>	35%	90	970
<b>4</b>	35%	116	1,250
<b>5</b>	5%	158	1,700

Table 3.9: Standard Housing Mix for Testing at 30 and 40 dph

No Beds	% mix	Size (sq.m)	Size (sq.ft)
<b>1</b>	10%	58	624
<b>2</b>	35%	70	755
<b>3</b>	55%	90	970

Table 3.10: Standard Housing Mix for Testing at 50 dph

3.36 In terms of the apartment size and mixes we have undertaken testing based on the schemes at table 3.11.

Scheme	1 Bed	2 Bed	Total
<b>Size (sq.m)</b>	50	50	
<b>Size (sq.ft)</b>	540	750	
<b>6</b>	5	15	15
<b>7</b>	18	32	50

Table 3.11: Summary of Apartment Mixes and Sizes Tested

3.37 Reflecting development trends in the Borough and also having regard to the requirements of Policy H12: Lifetime Homes we have included the provision of bungalows in our viability testing. For the generic housing schemes tested at 30 and 40 dph and also for the site specific testing we have assumed that all of the 1 bed units will be bungalows together with 20% of the 2 bed houses on the larger schemes.

3.38 Our viability testing also has regard to the requirements of Policy H14: Affordable Housing. In those cases where our testing includes affordable provision we have assumed that the affordable housing will be provided pro-rata across the 1, 2 and 3 bed house types.

3.39 **Starter Homes**

3.40 The recent Housing and Planning Act has introduced 'Starter Homes' and places a general duty on Local Authorities to promote the supply of starter homes. The Act provides that starter homes are to be sold at a discount of at least 20% of the market value to 'qualifying first-time buyers' who are aged at least 23 and not yet 40. There is a price cap of £250,000 outside of Greater London.

3.41 The Act outlines the framework within which starter homes will be delivered, whilst in due course the Secretary of State will make regulations covering a range of issues including setting the starter homes requirement that is to be met in order for a Local Planning Authority to grant planning permission. The starter homes consultation document anticipates that this will be a nationwide requirement of 20% which will be applied to sites of 10 units or more or 0.5 hectares or more.



- 3.42 We have discussed the likely future requirements for starter homes with Council Officers and for completeness have prepared viability testing to assess the viability of starter homes. We have assumed that developments greater than 10 dwellings will provide 20% starter homes, comprising 2 and 3 bed dwellings and will be sold at a discount of 20% to market value. Were viability is at issue we have tested a lower level of provision at 10%.
- 3.43 **Non-Residential Uses**
- 3.44 **Generic Testing**
- 3.45 In preparing the non-residential development typologies to be tested, we have had regard to recent planning applications and discussed the forms of development that are likely to come forward during the Local Plan period with the Council. We have also considered the likely location of this future development, together with its size, form and specification.
- 3.46 Based on the Local Plan, its evidence base and discussions with Council Officers, we have considered non-residential development scenarios for the Borough based on primarily employment uses.
- 3.47 Table 3.12 below contains a summary of the non-residential developments that have been tested as part of the viability assessment.
- 3.48 In relation to the non-residential developments, we have had regard to parking requirements, circulation space and the provision of landscaping to arrive at typical forms of development for testing. In addition based on both our and WYG's experience we have analysed typical development footprints in comparison with site areas to form a view as to the ratio of built footprint compared to site area.

3.49 For the non-residential developments we have summarised the development scenarios, built areas and also the assumed site area for the development in Table 3.12.

Development Type	Built Area (sq.m)	Built Area (sq.ft)	Land Area (sq.m)
<b>Industrial B2</b>	464	5,000	695
<b>Industrial B2</b>	1,857	20,000	2,728
<b>Industrial B2/B8</b>	4,643	50,000	6,669
<b>Industrial B2/B8</b>	9,287	100,000	13,095
<b>Offices</b>	464	5,000	569
<b>Offices</b>	929	10,000	1,164
<b>Offices</b>	1,857	20,000	2,313

Table 3.12: Summary of Non-Residential Development Tested and Site Areas

3.50 The Local Plan identifies 12 potential employment allocations which provide a total of 55 hectares. We have undertaken viability assessments in relation to a number of the larger employment allocations as outlined at table 3.19. The testing in relation to EMR03 has been based on a reduced site area of 10.59ha reflecting the undeveloped balance of the site. The testing for each site assumes a mix of starter units, larger B2/B8 units and some offices. Further site specific details are contained in the Appendices to WYG's construction cost report at Appendix 2.

Ref	Site	Allocation (Gross ha)	Built Area (sq.m)	Built Area (sq.ft)
<b>EMR03</b>	Waterfront Business Park, Barrow (residual allocation)	24.5	28,789	310,000
<b>EMR05</b>	Land East of Park Road, Barrow	8.1	37,611	405,000
<b>EMR06</b>	Land West of Robert McBride, Park Rd, Barrow	3.67	14,302	154,000
<b>EMR07</b>	Land South of Kimberley Clark, Park Rd, Barrow	5.45	23,589	254,000
<b>EMR14</b>	Site at Sandscale Park (West of Railway Line), Barrow	7.86	33,432	360,000

Table 3.13: Summary of Employment Allocations Tested

3.51 **Local Plan Development Management Policies**

3.52 For the generic and allocated sites that we have tested, table 3.14 contains a summary of the key policies that impact on viability and how these have been dealt with in our testing.

<b>Requirements</b>	<b>Viability Consideration</b>	<b>Policy</b>
<b>Density and Mix of New Residential Development</b>	<p>We have undertaken testing based on the range of density requirements at 30, 40 and 50 dwellings per hectare. In addition the testing of specific allocations assumes a range of densities. Our testing has also considered the viability of new apartment developments, and in addition we have made provision for bungalows in a number of the assessments.</p> <p>We have assumed a broad mix of house types, and in particular have incorporated provision for 1, 2 and 3 bed house types in the typologies that have been tested.</p>	<p><b>Policy H9: Housing Density</b></p> <p><b>Policy H11: Housing Mix</b></p> <p><b>Policy H12: Lifetime Homes</b></p>
<b>Compliance with National Space Standards for New Homes</b>	The dwellings sizes that have been assumed for the purpose of our testing accord to the requirements of the National Space Standards.	<b>Policy H12: Lifetime Homes</b>
<b>Affordable Housing</b>	Testing has been undertaken based on 10 and 20% affordable housing provision. We have assumed a mix of affordable rent and intermediate tenures. In addition we have also considered the viability of starter homes.	<b>Policy H14: Affordable Housing</b>
<b>Water Measures</b>	<p>The construction cost assessments prepared by WYG will achieve the minimum standards for water efficiency, as defined by Building Regulations and include a cost for surface water attenuation.</p> <p>The form of development tested and in particular the inclusion of open spaces addresses the requirement for Sustainable Urban Drainage Systems, and the costs assessed by WYG make provision for all associated SUDs costs.</p>	<p><b>Policy C3: Water Management</b></p> <p><b>Policy GI1: Green Infrastructure</b></p>
<b>Local Infrastructure Provision and Developer Contributions</b>	Our appraisals are inclusive of S106 contributions. We have assumed a contribution of £1,000 per dwelling based on an analysis of previous S106 contributions required in the Borough.	<p><b>Policy I1: Developer Contributions</b></p> <p><b>Policy I3: Access to Community Facilities</b></p> <p><b>Policy I4: Sustainable Travel Choices</b></p>
<b>Open Space Provision</b>	The development typologies for each site reflect any relevant requirements for public open space, and therefore the construction cost assessments are reflective of this together with the costs of future maintenance of the open space.	<b>Policy HC10: Play Areas</b>
<b>Parking Provision</b>	The form of development tested includes the costs associated with the provision of secure cycle provision and relevant parking standards	<p><b>Policy I4: Sustainable Travel Choices</b></p> <p><b>Policy I6: Parking</b></p>

Table 3.14: Implications of Development Management Policies

## 4.0 OVERVIEW OF BARROW

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### 4.1 **Key Characteristics**

- 4.2 The Borough of Barrow is located in the south west of Cumbria and is bordered to north and east by South Lakeland District Council. Morecombe Bay forms the southern boundary whilst the Duddon Estuary is to the west. The Borough of Copeland is situated beyond the Duddon Estuary to the north west. Barrow-in-Furness is located to the south west of the Lake District National Park.
- 4.3 The Borough comprises the main coastal town of Barrow together with the town of Dalton and the rural villages of Askam, Ireleth, Lindal and Newton. Barrow is the main commercial, retail and cultural centre for South West Cumbria. It is home to the most current and largest knowledge base in the UK for the design, testing and commissioning of submarines and naval surface vessels, and is a Centre of Excellence for nuclear powered submarine building. It is also the gateway to Britain's Energy Coast, and Walney Offshore Wind Farm is currently one of the biggest wind farms of its kind in the world with plans for a major expansion.
- 4.4 Barrow is the second largest settlement in Cumbria and is surrounded by a rural hinterland, the Borough is remote from other centres of population and services, and the only link to the motorway network is via the A590. At 78km<sup>2</sup>, the Borough is the smallest area of any district in Cumbria; however it is the most densely populated.
- 4.5 The population of the Borough reached a peak of 76,619 in the 1951 Census. After this, the population declined gradually in the 1950s and 60s, more sharply in the 1970s to 72,645 in 1981, rallied in the 1980s to reach 73,704 in 1991 and fell again in the 1990s and 2000's.<sup>1</sup>
- 4.6 At the time of the Census in 2011 the Borough's population was 69,056 and this is concentrated in the principal settlement of Barrow and the market town of Dalton, with smaller populations in the outlying villages and rural areas. The population of the Borough is predicted to decline over the Plan period along with the average household size albeit the proportion of older people living in the Borough is projected to increase.

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<sup>1</sup> Source: ONS, based on mid-year population estimates 2012

- 4.7 Barrow was originally a 19th Century planned town founded on iron ore and ship building. The town retains much of its distinctive Victorian character, although there is a need to improve the quality of the built environment in some parts of the town. There is also considered to be a lack of open and green space in the town centre.
- 4.8 Dalton was the ancient capital town of Furness, and is noted for the 14th Century Dalton Castle which is a Scheduled Monument. Much of central Dalton is designated as a Conservation Area. Askam is a 19th century village that grew around the excavation of iron ore in the area, whilst the adjoining village of Ireleth dates back to the Viking occupation of Britain.
- 4.9 Most of the Borough falls within the West Cumbria Coastal Plain National Character Area. This area is characterised by inland views set against the Lake District, and a coastline that encompasses a diverse range of mudflats, shingle and pebble beaches, soft cliffs, dune systems and the barrier islands of Walney and Foulney.
- 4.10 Industry also forms part of the landscape, with Devonshire Dock Hall being particularly visible in many parts of the town of Barrow, as are the offshore wind farms off the coast of Walney Island.
- 4.11 Barrow is the main retail centre in the Borough with modern shopping facilities, an indoor market hall and an open market, in addition to independent shops and traditional shopping streets. The market town of Dalton has a smaller local shopping centre.
- 4.12 Barrow is a significant retail destination for areas outside the Borough, although the Barrow Retail and Town Centre Uses Study shows that there has been an overall decrease of 6% in comparison expenditure in the Borough between 2006 and 2013. There has also been a shift in the focus of such sales from Barrow town centre to other retail locations, such as edge of centre retail parks.
- 4.13 There has been significant recent investment in education in the Borough. Three primary schools in Barrow have been rebuilt or refurbished; a new campus was built at Furness Academy; and £43m has been invested at Furness College, which is combining with the Sixth Form College, to modernise college facilities with further monies allocated for the Advanced Technology Centre.
- 4.14 Barrow depends on long distance connections to West Cumbria, the M6 and the rest of the UK by road and railway. However, transport links to / from the area are limited. The A590 and the A6 provide links to the motorway network.

- 4.15 Barrow Railway Station has services to both Lancaster and Carlisle and there are regular services direct to Manchester Airport; however the rail connections north of Barrow are not regular.
- 4.16 Tourism in the Borough is primarily focused around business customers and people visiting residents in the area. The coastal and marine heritage of the town offers opportunities for the development of tourism activity around the port area and there are also opportunities for the development of tourism activity relating to industrial heritage.
- 4.17 **Property Market Overview**
- 4.18 **Residential Market (Summer 2016)**
- 4.19 Barrow Borough is a fairly self-contained housing market area. The housing stock of the Borough is dominated by older, terraced housing. The 2014 Strategic Housing Market Assessment (SHMA) identified that based on the results of the household survey approximately 43% of the housing stock is terraced. The 2012 Barrow Housing Statement noted approximately 50% of the stock as being terraced of which 45% was built pre-1919. Most of this concentrated in the central Barrow areas. The extent of older terraced properties contributes to relative levels of affordability in the Borough.
- 4.20 The SHMA considered house prices in the Borough based on sales over an 18 month period to July 2013, and identified the following trends in mean and median house prices in the sub-market areas in the Borough. Table 4.1 contains a summary of the findings relating to median and mean house prices whilst figure 4.1 contains a map of the sub-market areas.

Sub-Area	Median	Mean
Barrow Inner	£69,000	£79,395
Barrow Outer	£145,000	£154,630
Dalton, Askam and Lindal	£103,750	£124,877
Walney	£92,500	£105,963
Total	£95,000	£113,577

Table 4.1: Summary of Median and Mean House Prices taken from SHMA

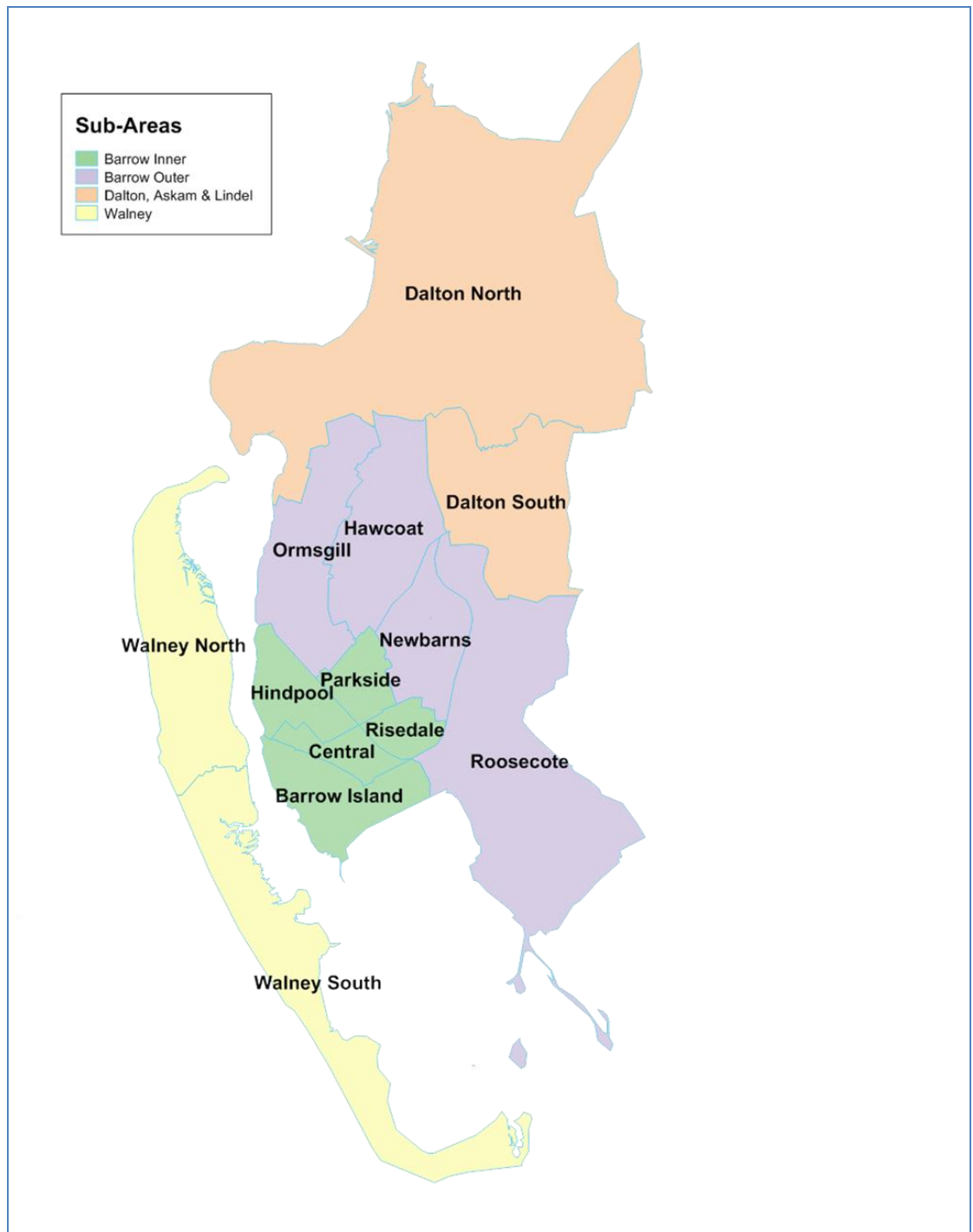


Figure 4.1: Barrow Housing Market Sub-Areas

- 4.21 We have provided at table 4.2 data extracted from the Council's Annual Monitoring Report 2014/15 which is taken from the DCLG 'Live Tables'. This shows mean, median and lower quartile house prices in Barrow relative to Cumbria and England and Wales as a whole over the period since 2011.

	2011	2012	2013	2014	2015
<b>Barrow</b>					
Mean	111,162	114,572	112,074	114,263	120,842
Median	95,000	97,108	99,250	95,180	100,735
Lower Quartile	70,000	68,138	67,250	67,407	71,158
<b>Cumbria</b>					
Mean	162,255	164,799	159,319	167,810	167,071
Median	137,000	140,000	133,750	140,864	139,877
Lower Quartile	90,500	92,250	91,625	91,477	91,335
<b>England and Wales</b>					
Mean	232,770	238,406	240,652	228,280	250,473
Median	176,000	180,000	179,500	172,794	175,143
Lower Quartile	122,500	125,000	124,000	113,991	111,662

Table 4.2: House Price Comparison (£)

- 4.22 The data shows that although there has been a recovery in house prices in the Borough during 2015, prices still remain below those for Cumbria as a whole and are considerably below the England and Wales average.
- 4.23 We have undertaken an analysis of house sales in Barrow over the period since January 2015. The data has been sourced from Land Registry and is contained at Appendix 3 and includes sales to late February 2016. Based on this data, table 4.3 contains information relating to the overall average price paid together with the average price across the various dwellings types. We have presented this data by reference to ward and have also included details of the number of sales over the period.



Ward	Overall (£)	Detached (£)	Semi (£)	Terraced (£)	Flat (£)
Hawcoat	£187,293	£201,170	£184,236	£164,167	
	<b>88</b>	<b>23</b>	<b>59</b>	<b>6</b>	
Roosecote	£183,294	£210,998	£184,774	£152,747	£123,000
	<b>98</b>	<b>25</b>	<b>49</b>	<b>19</b>	<b>5</b>
Newbarns	£182,308	£242,928	£167,307	£129,246	£123,875
	<b>109</b>	<b>36</b>	<b>45</b>	<b>24</b>	<b>4</b>
Dalton North	£144,286	£247,762	£158,556	£103,480	£60,000
	<b>97</b>	<b>21</b>	<b>17</b>	<b>56</b>	<b>3</b>
Parkside	£133,373	£245,889	£170,876	£109,643	£92,875
	<b>134</b>	<b>9</b>	<b>33</b>	<b>88</b>	<b>4</b>
Dalton South	£126,884	£200,138	£149,045	£98,514	£92,000
	<b>148</b>	<b>20</b>	<b>43</b>	<b>84</b>	<b>1</b>
Walney North	£121,761	£194,000	£136,722	£98,315	£105,500
	<b>113</b>	<b>9</b>	<b>46</b>	<b>55</b>	<b>3</b>
Walney South	£113,514	£174,333	£147,961	£96,052	£58,000
	<b>128</b>	<b>3</b>	<b>40</b>	<b>83</b>	<b>2</b>
Ormsgill	£90,247	£193,667	£112,031	£81,059	£59,611
	<b>127</b>	<b>3</b>	<b>33</b>	<b>82</b>	<b>9</b>
Risedale	£86,638		£127,452	£76,469	£52,500
	<b>133</b>		<b>27</b>	<b>105</b>	<b>1</b>
Hindpool	£75,398	£163,700	£140,279	£65,888	£58,500
	<b>152</b>	<b>2</b>	<b>17</b>	<b>131</b>	<b>2</b>
Central	£60,839		£107,742	£58,220	£33,500
	<b>104</b>		<b>6</b>	<b>97</b>	<b>1</b>
Barrow Island	£53,793		£80,000	£59,886	£33,532
	<b>56</b>		<b>4</b>	<b>36</b>	<b>16</b>

Table 4.3: Average House Prices Since 2015 By Ward

- 4.24 Over the period there were a total of 1,487 transactions. The majority of sales were of terraced houses (58.24%) followed by semi-detached (28.18%) and detached houses (10.15%). Just over 3% of all sales were of apartments.
- 4.25 There is a significant difference in the range of average prices the highest being £187,293 and the lowest £53,793. The highest average house prices were in the 3 wards of Hawcoat, Roosecote and Newbarns. The lowest prices were in the older, inner areas of Barrow namely Barrow Island, Central and Hindpool. The majority of sales related to second hand properties and the prices paid are reflective of the type and quality of the housing stock.

4.26 The lower value inner areas are characterised by older terraced stock often of poorer quality. The higher value wards of Hawcoat, Newbarns and Roosecote are more recent expansions to Barrow and are typically characterised by more modern housing developments with larger houses often detached together with a number of bungalows. This is evident in the profile of the dwellings sold and the prices paid.

#### 4.27 ***New Housing Developments***

4.28 The data contained in the preceding paragraphs is helpful to an understanding of relative house prices in Barrow and also provides a useful insight into the characteristics of the types of houses in the Borough. It does however relate principally to re-sales of properties and hence will reflect the condition of those properties. To fully inform the study we need to understand the prices that are likely to be achieved for the sale of newly constructed dwellings. Therefore the best evidence of house prices for the purpose of the study comes from sales of new dwellings that have recently taken place in the Borough.

4.29 Over the last few years as some confidence has returned to the housing market a number of new housing developments have commenced in the Borough. Some of these developments are now complete and all houses have been sold, whilst others are part way through development and some have only just started.

4.30 To inform our study evidence base we have undertaken an analysis of sales prices (taken from Land Registry) for these newly built housing developments in Barrow. Appendix 4 contains an overview of the research that we have undertaken in relation to the sales and current asking prices for dwellings on these various developments. For completeness this data in terms of sales and asking prices has then been related back to the appropriate development within the planning applications analysis at Appendix 1.

4.31 Table 4.4 contains a summary analysis of each of the newly built developments we have considered in preparing our evidence base. For completeness we have also included table 4.5 which is a summary of housing developments that are under construction but where no sales are yet recorded at Land Registry.

Scheme	Ward	Developer	Ave Price (per sq.ft)	Current Asking Price Range	Comments
St Georges	Central	Neil Price	£155	£127,000	A development of 35no 1 and 3 bed semi-detached and terraced houses and 6no 2 bed flats. Dense scheme located in Central Barrow. 7 sales since Feb 2014.
Plover Gardens	Walney North	Leck Construction	£168		<p>A development of 22no houses, of which 12 are affordable. The market dwellings are 2.5 storey townhouses with 3 bedrooms and integral garage. All are situated on the promenade with views across the channel. 9 sales over the period June 2014 to Nov 2015.</p> <p>The average price noted would need to be adjusted to reflect the arrangement of the accommodation over 3 floors with a discount to the price per sq.ft for the upper floor.</p>
Holbeck Park Phase 3	Roosecote	Neil Price	£168		<p>Third phase of new housing development situated on the eastern edge of Barrow in Roosecote. This phase comprises 94no houses of which 88 are 4 bed, together with 12no 2 bed apartments. The majority of the houses are 2.5 storeys however there are also 6 bungalows. Density is 37 dph. There have been 17 sales over the period from April 2014 to Nov 2015.</p> <p>For some of the houses the average price noted would need to be adjusted to reflect the arrangement of the accommodation over 3 floors with a discount to the price per sq.ft for the upper floor.</p>
Wensum Lea	Walney North	Moorsolve	£169		A development of 11no 3 bed houses together with 2no 2 bed bungalow. The development is situated on an infill site on the edge of the Local Authority Housing Estate. Density is 41 dph. All 13 houses sold over the period from Sept 2014 to Nov 2015.
Roose Garden Centre, Flass Lane	Roosecote	Roose Homes	£189	£179,950	<p>A development 20no detached, semi-detached and terrace properties. The development is situated in Roosecote and is adjacent to Old Roose Railway Station. The development is only partially complete with 2 sales of 2.5 storey dwellings to date.</p> <p>The average price noted would need to be adjusted to reflect the arrangement of the accommodation over 3 floors with a discount to the price per sq.ft for the upper floor.</p>

Scheme	Ward	Developer	Ave Price (per sq.ft)	Current Asking Price Range	Comments
St James Gardens	Hindpool	Brookside Homes	£197	£124,950 to £159,950	A development of 63no 2 and 3 bed, 2 storey houses including 7no bungalows. The development is situated in Hindpool immediately to the north of the town centre and adjacent to the railway line. The development density is 43 dph  There have been 30 sales over the period from June 2013 to Feb 2016.
Flass Lane, North	Rosecote	Mulberry Homes	Houses - £193 Apartments - £222		A development of 142no houses and 24 apartments which is part of the larger development known as ratings village. The site is located to the east of Barrow in Rosecote. The development density is 39 dph.  There have been 9 new build houses and 10 apartments sold over the period from Jan 2014 to July 2015.
Crompton Drive	Dalton South	Moorsolve Ltd	£208		A small development of 3no 2bed detached bungalows overlooking the town centre of Dalton.
Southampton Street	Walney South	Mulberry Homes	£213	£204,995 (£226) to £359,995 (£201)	Erection of 7no 2.5 storey houses. 4no semi-detached and 3no detached. Located in Walney north.  There have been 3 sales over the period from June to December 2015.  The average price noted would need to be adjusted to reflect the arrangement of the accommodation over 3 floors with a discount to the price per sq.ft for the upper floor.
Parkhouse Court	Rosecote		£222		This was the sale of the final dwelling in a conversion of farm buildings located in Yarlside to the east of Barrow. The development is in a countryside location and is accessed via a track across the railway line.

Table 4.4: Summary of New Housing Developments and Sale Prices in Barrow

Scheme	Ward	Developer	Current Asking Price Range	Comments
<b>Arlington House</b>	Newbarns	Leck Construction	£239,950 to £269,500	Partially completed development of 10no 2.5 storey 3 and 4 bed houses and one 2 bed bungalow. Located on Abbey Road the main route in from northeast. Situated in Newbarns to the NE of the town centre.
<b>Lakesfell</b>	Dalton North	Barker Developments	£179,950 to £210,000	Development of 16no 3 bed semi-detached and 3 bed 2.5 storey town houses. Currently under construction. Located on part of former Urofoam Factory site in Askam.
<b>Duke Street</b>	Dalton North		£147,500 (£169)	2 pairs of 3 bed semi-detached houses in Askam
<b>Rusland Drive</b>	Dalton South		£199,950 house £195,000 bungalow	3no 3 bed detached houses and 1no detached 2 bed bungalow
<b>Thorncliffe Road</b>	Hawcoat	Mulberry Homes	£299,995 to £499,950	2 sites (north and south) forming part of former school site. Development of 40 large 4 and 5 bed houses and 1 3 bed house. Many of the dwellings are 2.5 storeys. Located on edge of Hawcoat and Ormsgill
<b>Redrose Estate</b>	Hindpool	Neil Martin Group	£220,000 to £245,000	Development of 57 detached, semi-detached and terraced houses together with 2 bed flats. Located in Hindpool overlooking channel. Currently under construction.
<b>Park Lane</b>	Walney South	Neil Price	No Details yet	A development of 6no houses and 4no bungalows to the r/o Vickerstown Working Men's club. Currently under construction.

Table 4.5: Summary of asking prices for Recently Commenced Residential Developments in Barrow

#### 4.32 **Industrial and Office Market Commentary (Summer 2016)**

#### 4.33 **Overview**

4.34 According to the Office of National Statistics the UK Economy grew by 0.6% in Q2 2016, increasing from 0.4% in Q1 2016. The UK Economy has therefore expanded at an annualised rate of 2.1% over the course of the last 12 months. Notwithstanding this, there is currently a degree of caution amongst commentators concerning reduced growth over the next 12 months following the UK's decision to leave the European Union following the Referendum on 23 June 2016.

4.35 Until such time as the terms of the UK's withdrawal from the EU are known it is difficult to predict the impact on the UK economy (which is particularly dependent on the UK's continued access to the common market). The Monetary Policy Committee at the Bank of England decided to cut interest rates to a historic low of 0.25% in a bid to fend off a potential recession, and the consensus view is that the UK economy will either enter recession or feature reduced growth by the end of the year.

4.36 There are concerns that inflation may increase as a result of the devaluation of Sterling following the UK's decision to withdraw, which has been compounded by the decision of the Bank of England to reduce interest rates. Whilst this may immediately impact the UK economy, it is considered likely that a number of investors will adopt a wait and see approach before committing to longer term projects to assess what the immediate outlook for the UK economy is likely to be. A degree of inertia, in addition to existing uncertainty could further harm the prospects of growth in the immediate future.

4.37 We understand that a number of Commercial Property funds (operated by Standard Life, Aviva, Henderson Global Investors and M&G) have restricted withdrawals following investor's decisions to try to withdraw their exposure to commercial property markets in the UK, which are particularly geared towards London and the South East. It therefore appears that Investors are concerned that the UK economy may enter into recession, and that this could reduce the investment value of assets particularly within London and the South East (which could be more adversely impacted from the Referendum decision depending on whether London continues to be able to operate as the financial hub within the Eurozone).

- 4.38 On a regional basis the Royal Bank of Scotland within their 'Regional Growth Tracker' state that the North West economy is growing at a faster rate relative to the UK national average at around 2.7% per annum.
- 4.39 According to CoStar the recent economic recovery has seen development levels and capital values recover to pre-recession levels observed in 2007, albeit this has been tempered somewhat by the potential impacts of Brexit and concern as to whether this reported growth is now slowing. The recent economic recovery has impacted different forms of commercial property in different ways, with some sectors appearing to recover more quickly than others.
- 4.40 ***Barrow Key Characteristics***
- 4.41 The Furness Peninsula, focussed on the town of Barrow, is a relatively isolated and self-contained economy originally built on the heavy industries of iron and steel making and shipbuilding. Barrow is has become a centre of excellence for marine engineering and the construction of sophisticated military ships and submarines with BAE Systems continuing to be the main economic driver for Barrow. There are also a number of other major companies and advanced manufacturing firms such as Robert McBride (detergent manufacture), Centrica onshore gas reception terminals and condensate storage plant (energy), Kimberly Clark (paper manufacture), and also GlaxoSmithKline (pharmaceuticals) at Ulverston.
- 4.42 The commercial port is currently operated by Associated British Ports and is an important location in supporting shipbuilding activity of BAE Systems, transport of nuclear fuels via a terminal for BNFL, natural gas extraction and other offshore activities including supporting offshore wind farm assembly and maintenance for companies including Dong Energy, Siemens and Vattenfall.
- 4.43 The Borough is experiencing a period of investment with the local economy expected to benefit over the next few years from the Successor Programme at BAE Systems, the development of new offshore wind farms, and the expansion of Glaxo SmithKline in nearby Ulverston. BAE Systems is one of the largest shipyards in the UK and the largest employer in Barrow, with approximately 6,500 employees.

- 4.44 The economy of the Borough is relatively self-contained, and a significant proportion of people who work in the Borough also live in the Borough. Manufacturing accounts for 21% of the Borough's employment, which is more than double the national average (Census 2011). Median individual and household incomes in the Borough are higher than the regional and national averages. Notwithstanding the success of manufacturing companies in the area, the long term decline of the Borough's traditional industries has resulted in significant job losses.
- 4.45 The economy of Barrow has diversified in recent years, with significant numbers now working in public services, retail and hospitality. However, there is still opportunity to further diversify the economic base of the area, and this is particularly important given the isolation of the area from regional and national markets and the reliance on a small number of major employers such as BAE Systems.
- 4.46 **Offices**
- 4.47 Manchester and to a lesser extent Liverpool dominate the supply of office accommodation in the North West. Prime rents in Manchester now exceed £345 per sq.m (£32 per sq.ft), which is significantly higher than other North West Centres including Liverpool at £226 per sq.m (£21 per sq.ft). In Cumbria there are small concentrations of office accommodation located in key service centres including Carlisle, Kendal, Penrith and Barrow.
- 4.48 According to CoStar there is 45,437 sq.m (489,101 sq.ft) of office accommodation in Barrow. At present, around 2,465 sq.m (26,538 sq.ft) of accommodation is vacant, which equates to a vacancy rate of around 3.4%. The majority of the accommodation is identified on CoStar as comprising office accommodation is located in Barrow Town Centre.
- 4.49 The CoStar figures listed above include Council occupied buildings, together with former social club premises and schools, and therefore to some degree the analysis contained above is deceptive and overstates the amount of accommodation that would appeal to businesses with modern business requirements.



- 4.50 Larger purpose built office accommodation in Barrow includes Craven House (7,857 sq.m/84,571 sq.ft), College House (3,437 sq.m/37,000 sq.ft) and Furness House (2,245 sq.m/24,157 sq.ft). These blocks are either occupied by the Council or other public sector bodies (the majority of College House is occupied by the NHS); although at the present time a large part of Furness House is currently available to let at rents of £75 per sq.m (£7 per sq.ft). Current asking rents across all forms of office accommodation are typically at between £65 and £102 per sq.m (£6 and £9.50 per sq.ft) dependent on the location and quality.
- 4.51 Emlyn Hughes House comprises 1,003 sq.m (10,800 sq.ft) and is a purpose built office constructed in 2006 and located within close proximity to Barrow Railway. Recent lettings in the building have taken place from asking prices of £108 sq.m (£10 per sq.ft).
- 4.52 **Industrial**
- 4.53 The main employment locations in the Borough includes Furness Business Park and Phoenix Business Park which is a more recent expansion, Park Road East and West and Sowerby Woods Business Park. Waterfront Business Park has been identified as a strategic employment site and BAE systems have just completed the construction of a new 29,821 sq.m (321,000 sq.ft) facility on the business park.
- 4.54 There is a limited amount of available transactional evidence in relation to industrial and warehousing accommodation within Barrow. In terms of larger premises a 9,356 sq.m (100,708 sq.ft) unit built in 1997 is currently for sale on Sandscale Road off Park Road to the north of Barrow. The asking price is £4,000,000 and equates to 4,275 per sq.m (£39.72 per sq.ft).
- 4.55 At Andrews Court which is situated to the north of Furness Business Park a 344 sq.m (3,706 sq.ft) unit built in 2005 was let in August 2015 off an asking rent of £51.56 per sq.m (£4.79 per sq.ft). Nearby at Phoenix Court a modern 420 sq.m (4,522 sq.ft) unit is currently under offer at an asking rent of £51 per sq.m (£4.75 per sq.ft).
- 4.56 At Haws View Industrial Estate off Park Road a modern 442 sq.m (4,760 sq.ft) industrial unit with showroom is currently available at a rent of £25,000 per annum (£57 per sq.m/£5.25 per sq.ft).

- 4.57 Elsewhere in Dalton a modern industrial unit of 297 sq.m (3,200 sq.ft) with yard which was formerly a builders merchants is currently available to let at a rent of £16,500 per annum (£56 per sq.m/£5.16 per sq.ft).
- 4.58 There is no new stock currently available however based on the prevailing level of values we would expect rents to be at around £59 per sq.m (£5.50 per sq.ft) for new stock.

## 5.0 FINANCIAL APPRAISAL ASSUMPTIONS

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5.1 In this section, we have outlined the assumptions that have been adopted in our financial appraisals, in relation to the Residential and Commercial Development Scenarios, and also used within our Site Specific Testing.

### 5.2 **Base Input Land Cost**

5.3 Land value is difficult to assess for a number of reasons. Firstly, development land value is an utterly derived value, with land being bought as a factor of production in the course of development. The price is generally determined by the development potential of the site. Secondly, the comparison of land value in terms of prices paid for sites is extremely difficult because of the large number of site specific variables that will impact upon the price paid. For example, the amount of remediation or other abnormal costs are likely to differ from site to site. Hence, any evidence of land transactions needs to be treated with a degree of subjectivity as adjustments may be necessary for factors such as abnormal site conditions, contamination and development density.

5.4 The National Planning Policy Framework states that viability should consider "*competitive returns to a willing landowner and willing developer to enable the development to be deliverable.*"

5.5 Paragraph: 015 of the Planning Practice Guidance notes that:-

*'A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy.'*

- 5.6 Building on this approach, the document 'Viability Testing in Local Plans' advocates the use of 'threshold land value'. This should represent the value at which a typical willing landowner is likely to release land for development, before the payment of taxes. The guidance suggests that threshold land value needs to take account of the fact that future plan Policy requirements will have an impact on land values and landowner expectations, and therefore using a market value approach as a starting point carries the risk of building in assumptions of current Policy costs rather than helping to inform the potential for future Policy. As a result it suggests that market values can be a useful 'sense check' and suggests that the threshold land value is based on a premium over current use values and credible alternative use values. The latter would be most appropriate where there is competition for land among a range of alternative uses such as in town centres.
- 5.7 The RICS Guidance Note 'Financial Viability in Planning' explains that for a development to be financially viable, any uplift from the current use value of land that arises when planning permission is granted should be able to meet the cost of planning obligations, whilst at the same time, ensuring an appropriate site value for the land owner and a risk adjusted return to the developer for delivering the project. The return to the land owner will be in the form of a land value increase in excess of current use value. The land value will be based on market value which will be risk adjusted, so it will normally be less than current market prices for development land on which planning permission has been secured and planning obligation requirements are known. The guidance note recognises that the market value will be by definition at a level at which the landowner would be willing to sell.
- 5.8 In arriving at our assessments of land values in Barrow, we have had regard to available transactional evidence in the Borough. We have undertaken research using Land Registry data and other databases such as EGi and CoStar. We have also had regard to Valuation Office Property Market Surveys (albeit these are now fairly out-dated, which has been reflected in the weighting that we have given to such studies). We have provided as part of Appendix 1 details of land transactions that we have considered.

## 5.9 Residential Land Values

- 5.10 The future residential development sites within the Borough are likely to be either previously developed sites, or greenfield sites located immediately adjacent or close to the existing settlements in the Borough. Having regard to the characteristics of Barrow, a typical settlement area site will have been previously developed and most likely would have been in previous commercial use.
- 5.11 Having regard to the likely characteristics of future development within the Borough, we have identified a number of possible development scenarios on both previously developed and greenfield sites. We have had regard to these classifications for the purpose of our testing.
- 5.12 In arriving at a market value for previously developed land in this case, both the land owner and the developer would have regard to a site's current use value, albeit a landowner would be seeking uplift in value above this level. Conversely, a developer would be reluctant to pay a full residential value for the site, having regard to the risk and cost involved in obtaining planning consent and the likely policy contributions being sought by the Council. In arriving at an assessment of market value for these purposes it is therefore necessary to have regard to both evidence of current use values as well as evidence from sites with residential planning permissions and then make reasonable adjustments to reflect factors such as the land owner's aspirations, the developer's concerns, risks inherent in the development process, and potential planning obligations.
- 5.13 Within Barrow we would expect current values for previously developed land in the settlements areas with extant planning consents for commercial development to be in the range of £370,000 per hectare (£100,000 per acre) to £618,000 per hectare (£200,000 per acre). The definition of viability in the context of planning recognises the issue of a landowner receiving an appropriate site value, which whilst being less than full residential value is likely to be higher than current use value. Having regard to this we have considered the level of site value at which a landowner is likely to release a site for development in the town and settlement areas. This will also be influenced by the supply of competing residential development sites available in the area. A large number of sites will have a limiting effect on value, and conversely a more limited number of sites is likely to increase the landowners' expectations of a value uplift.

- 5.14 The landowner in making a decision regarding site value will also have regard to the likely houses prices in the area and inevitably those in higher value areas will be seeking a greater site value than those in lower house price areas.
- 5.15 In order to deliver the growth proposed in the emerging Local Plan, it is likely that some greenfield development sites on the edge of the existing built-up areas for example will need to be developed over the Local Plan period.
- 5.16 At the present time, these sites will normally be used for agricultural and grazing purposes or informal open space with site values on this basis typically in the region of £25,000 - £50,000 per hectare (£10,000 - £20,000 per acre) or less. It is probable that a number of such sites have had development expectations, since they are at the edge of or within the settlement area and in some cases may already be subject to option agreements. Naturally, any land owner is unlikely to sell such sites for that level of value and clearly a land owner will be seeking an uplift in value if they are to consider releasing the site for development.
- 5.17 With reference to the RICS guidance and that from the Housing Delivery Group, it would be inappropriate to assume land values based on sites with full residential planning permission, and in reality the site value for viability purposes will lie somewhere between this and current value. In addition many greenfield sites may require significant initial expenditure on services and infrastructure to enable them to be developed for residential purposes.
- 5.18 Having regard to these factors we have considered the range of land values based on the likely revenues that residential developments would be expected to achieve across the Borough and the availability of land for development. Table 5.1 contains details of the residential land value assumptions that we have adopted for the purpose of our testing for both proposed allocations and generic typologies.

	<b>£ per net developable ha</b>	<b>£ per net developable acre</b>
Low Value	£370,500	£150,000
Medium Value	£555,750	£225,000
High Value	£741,000	£300,000

Table 5.1: Residential Land Value Assumptions

- 5.19 The NPPF requires local authorities to provide a buffer of 5% or 20% in relation to their supply of sites to ensure choice and competition in the market for land. This is intended to ensure that the landowner will have to compete in the market to sell their site so will have to competitively price it to sell albeit will still want a return in excess of its current or alternative use value. If a landowner has unrealistic expectations of value, then the theory is that developers will then just acquire a more competitively priced site elsewhere and the overpriced site will remain undeveloped.
- 5.20 As a sense check we have also considered residential land sales based on the available evidence. From the sales listed as part of Appendix 1 it is clear that there is a range of prices that have been paid for land with residential planning permission reflecting the differing characteristics of the development sites, the landowner's expectations and the existing planning policy requirements. From the analysis that we have been able to undertake based on the available evidence, the prices paid for land with residential planning permission range from £212,765 per hectare (£86,140 net acre) for a site acquired in 2011 to £1,702,129 per hectare (£689,121 per acre) for a site acquired in 2005. The vast majority of transactions are at land prices of £300,000 or less. As previously noted these values can only provide guidance in relation to the subject viability testing as these sales will include the pre-existing policy requirements and as a consequence are not directly comparable for this exercise.
- 5.21 **Commercial Land Values**
- 5.22 Over the last few years, there has been limited available evidence of land sales in Barrow due to limited development activity in the commercial sector. Having regard to this, considered adjustments have been made in order to reach land values based on both the reported transactional evidence and our market experience within the area.
- 5.23 Potential commercial development sites are a mix of vacant Previously Developed Land, opportunity sites within or adjacent to existing industrial areas, or alternatively the extension of current industrial areas into the surrounding greenfield areas.
- 5.24 In arriving at our assessment of market value, current use values have been considered and allowances made to reflect both the land owner's aspirations and the developer's concerns.
- 5.25 In preparing our viability assessments for employment uses we have adopted base input land values ranging from £247,000 to £370,500 per hectare (£100,000 to £150,000 per acre) dependent on the assumed location, land type and form of development.

## 5.26 Acquisition Costs

5.27 In addition to the land values detailed above, we have also assumed land acquisition costs based on 1% of purchase price for agent's fees and legal fees at 0.75%. This is in line with normal market practice and rates. We have also assumed payment of stamp duty in accordance with HMRC thresholds and rates which are summarised in table 5.2.

Property or lease premium or transfer value	SDLT rate
Up to £150,000	Zero
The next £100,000 (the portion from £150,001 to £250,000)	2%
The remaining amount (the portion above £250,000)	5%

Table 5.2: HMRC Stamp Duty Rates

## 5.28 Timing of Land Acquisition

5.29 Our viability appraisals assume that the land is acquired on day 1 of the development programme and hence the purchase carries finance costs from the outset. For most of the small allocations considered this would be usual practice. However, it should be noted that for the larger residential developments typically above 100 units it would be unusual for a developer to acquire the entirety of such large sites from day 1. A large development site would normally be the subject of a phased acquisition programme, with the land only being drawn down by the developer as required. As a result, land acquisition costs are more likely to be phased over the development period and so the cost of finance would be reduced with a corresponding increase in the amount of development surplus. Whilst each development will depend on its own circumstances inevitably a landowner would expect and accept a phased draw down of land from a developer. Hence for the purposes of our assessments the landowner is benefitting from the entire land receipt at the outset.

## 5.30 Residential Appraisal Assumptions

### 5.31 Development Programme

5.32 In our experience a developer would seek to construct and sell around 30-40 dwellings per annum. For the purpose of the assessments we have assumed an average sales rate for each site of between 2 and 3 per month, depending on the size of the development, with the first sales typically taking place around 8 months after a start on site.



5.33 Sales rates tend to increase in respect of larger sites as developers seek to 'double up' and develop out a site in tandem. This may take the form of affiliated developers (such as Barratt and David Wilson Homes) or separate house builders. We have factored this into the sales rates assumed within the testing parameters for the largest allocations such as Marina Village and have adopted a rate of 6 per month.

5.34 **Sales Values**

5.35 Market Housing

5.36 Having regard to the market commentary contained at Section 4 and the detailed comparable sales evidence at Appendices 3 and 4 we have applied the ranges of net sales values detailed at table 5.3 below. The prices reflect the values that we would expect to be paid for new houses in these locations, and are also reflective of the hierarchy of overall house prices across the wards in the Borough which is identified at table 4.3.

Zone	Ward	Net Sales Price (per sq.m)	Net Sales Price (per sq.ft)
<b>Low</b>	Central, Barrow Island, Risedale, Hindpool, Ormsgill	£1,830	£170
<b>Mid</b>	Walney North and South, Dalton North and South, Parkside	£2,099	£195
<b>High</b>	Hawcoat, Newbarns, Roosecote	£2,260	£210

Table 5.3: Residential Sales Prices Adopted

5.37 Further details regarding the specific net sales prices applied to each allocation that we have tested are contained in the schedule at Appendix 5.

5.38 Affordable Housing

5.39 The values that have been assumed for the affordable homes are based on the likely bid by a Registered Provider. In this respect we have assumed bid prices for the different tenure options based on a percentage of market value. The bid prices adopted for our testing are as follows:

Affordable Rent	55% of market value
Intermediate	65% of market value

5.40 For starter homes we have assumed sales at a discount of 20% to market value. We have assumed a zero grant position.

5.41 **Construction Costs**

5.42 The construction costs that have been adopted have been prepared by WYG Quantity Surveyors. A report containing their methodology and generic cost assessments is contained at Appendix 2. In addition the individual site construction cost assessments for the site specific viability appraisals are also contained in their report.

5.43 These costs are based on current building regulation requirements and are inclusive of substructures, super structures, all external works, incoming services and drainage, preliminaries, fees and a contingency. In addition in the generic testing undertaken we have also included an additional amount per dwelling for 'site opening up' costs on greenfield sites to cover for example service reinforcement and increased access costs. These allowances are summarised in table 5.4.

No Dwellings	Cost per Dwelling
0-14	£0
15-49	£2,750
50-99	£4,000

Table 5.4: Greenfield Site Opening Up Costs.

5.44 The construction costs are inclusive of the provision of on-site public open space and play areas as appropriate together with the capitalised cost of future maintenance.

5.45 To account for future development on previously developed sites, some of which may be subject to significant contamination WYG have made an additional allowance for dealing with the additional costs associated with these matters. Further details are provided in their report.

5.46 **Section 106/Section 278 and Emerging Planning Policy Requirements**

5.47 Our viability testing for each of the generic development typologies and also the site specific viability assessments assumes a base position of no on site affordable housing provision. To model the requirements of Policy H14 of the emerging local plan we have then adjusted our testing to include on site affordable provision based on 10% and 20%. This allows us to make informed decisions about the extent to which new development in the Borough is likely to be sufficiently viable to support any on-site affordable housing.

5.48 In terms of the tenure of onsite provision the emerging policy is flexible and therefore for the purpose of our viability testing we have assumed a tenure mix based on 50% affordable rent and 50% intermediate tenure. We have also undertaken testing inclusive of 10% and 20% starter homes.

5.49 Table 3.14 contains further details of the assumptions that we have made to address the emerging policy requirements in our viability assessments.

5.50 Policies I1 and I3 relate to developer contributions and require development to contribute towards the mitigation of its impact on infrastructure, services and the environment and contribute towards the requirements of the community. In order to model the impact of developer contributions on viability we have undertaken viability testing assuming a contribution of £1,000 per dwelling.

5.51 **Sales and Marketing Costs**

5.52 Disposal costs, including sales and marketing expenses, have been assumed at a rate of 3.5% of the Gross Development Value of the market housing. This is in line with typical development industry rates for housing development. We have included an allowance of £500 per unit for the costs associated with the transfer of the affordable homes to a registered provider.

5.53 **Finance**

5.54 For all of the residential viability testing we have assumed a finance rate of 7% inclusive of arrangement and monitoring fees. This reflects the cost of finance currently available in the development market for residential developments of the type contained in our viability assessments.

5.55 **Developer's Profit and Overhead**

- 5.56 In assessing the appropriate level of developer's profit, we have had regard to both the size and form of the proposed development and the likely risk associated with the development as a result. The level of profit requirement will principally reflect the risk of constructing a particular development site and as a result a developer will typically require different levels of profit as reward for risk across different sites.
- 5.57 Many factors will govern risk in relation to a development site; these include location, the local property market, the size and scale of the development, potential contamination and other abnormal costs and the type of accommodation being provided. Other considerations affecting risk could include the planning status of the site, and specifically whether a planning consent is in place for the proposed scheme.
- 5.58 In terms of residential development, a smaller residential development would be considered less risky than a large scale strategic residential development site. On a larger site it may take many years for the developer to build out and complete the sale of all of the houses. There could be significant changes (for better or worse) in the property market during the lifetime of the development. Therefore, the risk associated with having capital tied up in the development is carried for many years. As a result, a developer would require a higher profit return than on the smaller development site.
- 5.59 The industry standard measure of profit return is typically based on a percentage of either Gross Development Value (GDV) or cost. In certain instances developers may use an internal rate of return as an additional check measure. In our experience profit based on GDV is more commonly used for residential developments although not exclusively, whilst a return based on cost is more typical for commercial development.
- 5.60 From our development market experience, residential developments would tend to command a profit return of 15-20% GDV, inclusive of a developer's overhead.

- 5.61 The HCA Guidance Note '*Investment and Planning Obligations: Responding to the Downturn*<sup>2</sup> suggests that a figure of 16% of values rather than cost may be targeted for private residential sales. The HCA's User Manual<sup>3</sup> accompanying their Development Appraisal Tool suggests a typical figure at that time (July 2009) of 17.5-20% GDV, but this is given as a guide only as the manual suggests that profit will depend on the state of the market and the size and complexity of the scheme. It is notable that the manual, to accompany the new HCA Development Appraisal Tool, refrains from giving any form of guidance on the measure of any appraisal variables.
- 5.62 Looking at planning decisions, Planning Inspectors in certain instances have made reference in decisions to the level of profit adopted and what is typical, including the following examples:
- 5.63 Flambard Way, Godalming<sup>4</sup> (a mixed development of 225 flats and commercial accommodation): the inspector refers to an industry norm of 15-20% profit and although not explicitly stated this seems to be based on cost;
- 5.64 Flemingate, Beverly<sup>5</sup> (a mixed use development): Here the Inspector accepted 15% of cost;
- 5.65 Clay Farm<sup>6</sup> (2,300 dwellings and retail, health centre, education): Here the Local Planning Authority suggested a profit return based on 20% of cost or 16% of GDV. 16% GDV was considered by the Council to be consistent with the profit based on GDV in the HCA document detailed above. The Inspector appears to accept the LPA's approach albeit the key point at issue related to whether the scheme should be assessed on a residual land value basis, or based on the actual historic purchase price.
- 5.66 Former Royal Hotel, Newbury<sup>7</sup> (35 sheltered apartments): The Inspector here decided that the profit range of 17.5%-20% of GDV detailed in the HCA EAT user manual was the correct level of profit for this development.

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<sup>2</sup> HCA Guidance Note '*Investment and Planning Obligations: Responding to the Downturn*' (HCA, 2009)

<sup>3</sup> HCA Economic Appraisal Tool User Manual (HCA, 2009)

<sup>4</sup> Planning Inspectorate Decision in relation to 'Waverley Borough Council appeal by Flambard Development Limited' APP/R3650/A/08/2063055 (Planning Inspectorate 2008)

<sup>5</sup> Planning Inspectorate Decision in relation to Application by CP Group, Wykeland Group and Quintain Estates & Development PLC, LPA: East Riding of Yorkshire' APP/E2001/V/08/1203215 (Planning Inspectorate 2008)

<sup>6</sup> Planning Inspectorate Decision in relation to 'Applications by Countryside Properties PLC & Countryside Properties (UK) Ltd to Cambridge City Council' APP/Q0505/A/09/2103599 and APP/ Q0505/A/09/2103592 (Planning Inspectorate, 2009)

<sup>7</sup> Planning Inspectorate Decision in relation to 'Former Royal Hotel, Newbury, Gillingham, Dorset SP8 4QJ' APP/N1215/A/09/2117195

- 5.67 Shinfield, Reading<sup>8</sup> (residential development comprising 126 dwellings and a sports pavilion): The inspector determined that a figure of 20% profit on GDV was appropriate for this development.
- 5.68 As the above demonstrates, the profit return requirement is not at a fixed level and will vary from site to site, depending upon the risk profile which is driven by many factors.
- 5.69 On the basis of the above and having regard to the nature of the site typologies and allocated sites, a profit level based on 15% of GDV (inclusive of overheads) has been applied for the smaller housing schemes of 5 and 10 homes. For all other sites a developer's return (inclusive of overheads) of 20% of GDV has been adopted. In each case these profit returns are factored into the residual appraisal together with a fixed land value to generate a development surplus.

5.70 **Non-Residential Appraisal Assumptions**

5.71 **Development Programme**

- 5.72 The development programme for non-residential sites will vary depending on the specific characteristics of each scheme. Table 5.5 contains details of the development programmes that we have assumed.

Use	Floor Area (sq.m)	Construction Period
<b>Offices</b>	464	7 months
<b>Offices</b>	929	10 months
<b>Offices</b>	1,857	12 months
<b>Industrial B2/B8</b>	464	5 months
<b>Industrial B2/B8</b>	1,857	8 months
<b>Industrial B2/B8</b>	4,643	9 months
<b>Industrial B2/B8</b>	9,287	11 months

Table 5.5: Development Programmes – Non-Residential

<sup>8</sup> Planning Inspectorate Decision in relation to 'Land at the Manor, Shinfield, Reading RG2 9BX and bordered by Brookers Hill to the North, Hollow Lane to the East and Church Lane to the West' APP/X0360/A/12/2179141 (Planning Inspectorate 2013)

### 5.73 Sales Values

5.74 Having regard to the comparable evidence contained in contained in the market commentary at Section 4, Table 5.6 contains details of the sales values that have been adopted for the non-residential uses forming the hypothetical development scenarios. These values have also been applied to the respective parts of the employment allocations that we have tested.

Use	Rent (per sq.m)	Rent (per sq.ft)	Yield
B2/B8	£54 to £59	£5 to £5.50	9%
B1(Office)	£108	£10	8%

Table 5.6: Rents and Capital Values for Commercial Generic Testing

### 5.75 Construction Costs

5.76 The construction costs that have been adopted in the viability appraisals have been prepared by WYG Quantity Surveyors and their methodology is included in their report at Appendix 2. For ease of reference Appendix 2 of WYGs report summarises the construction costs that we have adopted within the generic testing. These costs are calculated on a cost/sq.m basis, and are inclusive of substructures, super structures, all external works, incoming services and drainage, preliminaries, fees and a contingency.

### 5.77 Sales and Marketing

5.78 We have assumed marketing and disposal fees on lettings of the units based on 20% of rental value. Sales disposal fees have been included at a rate of 1.8% (1% agent's fees and 0.8% legal fees). Such fees are considered reasonable at the present time and comprise the standard market charges. Stamp Duty Land Tax has been included as appropriate at usual HMRC rates.

### 5.79 Finance

5.80 A finance rate of 6% has been uniformly applied across all commercial development, which is inclusive of arrangement and monitoring fees. This quantum reflects the profile of commercial developers and the characteristics of the development, due to the fact that we anticipate that the majority of developments will be constructed by a larger developer.

5.81 **Developer's Profit and Overhead**

5.82 In assessing the appropriate level of developer's profit, we have had regard to both the size and form of the proposed development and the likely risk associated with the development as a result. As identified above in reference to the assumptions made in relation to developers profit in the residential appraisals, the level of profit requirement will principally reflect the risk associated with a particular development site and as a result a developer will typically require different levels of profit as reward for risk across different sites.

5.83 In the context of most forms of commercial development, the developer will typically seek a profit requirement of approximately 15% on cost. The figure is widely used, and has been applied to all forms of non-residential development that we have tested.



## 6.0 STAKEHOLDER CONSULTATION

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- 6.1 On 12 May the Council held a Housing Development Forum to engage with stakeholders in relation to various elements of the Local Plan and its evidence base. As part of this event we undertook a presentation to explain the methodology that we were proposing to adopt in preparing the viability assessments and obtain stakeholders views regarding this. In addition the event allowed us to explain the development typologies that we were intending to adopt for testing and the respective financial appraisal inputs. The format of the session included a presentation regarding these key elements and an opportunity for stakeholder questions and discussion both during and at the end of the presentation.
- 6.2 A copy of the presentation together with details of the stakeholders who attended on the day and their details are also contained at Appendix 6. Following the stakeholder event a copy of the presentation was sent to both the attendees and also the full list of stakeholders who had previously been invited to the event. Stakeholders were asked to complete a questionnaire which included a number of questions in relation to the assumptions within the viability assessment.
- 6.3 Only two completed questionnaires were returned that provided any comments regarding the viability questions. Copies of these questionnaire responses are also contained at Appendix 6. Of the two questionnaires received, one was in agreement with the appraisal assumptions that we were proposing to adopt, whilst the second suggested that they were broadly in agreement however wished to reserve their position until such time that the viability assessment was available to comment upon and they knew what costs were being proposed.
- 6.4 WYG were able to contact this particular respondent after receipt of the questionnaire to discuss with them in more detail the methodology behind their construction cost assessments. We have provided also at Appendix 6 a copy of the email received from this particular respondent following the discussion with WYG regarding the methodology behind the WYG construction cost assessment. In particular the response identified the need to address abnormal development costs on sites of 50 dwellings or more. The issue of likely abnormal development costs is a matter that has been dealt with in the WYG construction cost assessments for the allocations that have been tested. An allowance for abnormal costs has also been included in the generic cost assessments for the previously developed sites, whilst for the generic testing of greenfield sites an allowance for site opening costs has been included as identified at table 5.4.

## 7.0 VIABILITY RESULTS AND POLICY IMPACTS

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- 7.1 This section sets out the results and findings from the viability assessments undertaken for both the hypothetical and site specific testing.
- 7.2 **Residential Results**
- 7.3 In each case the results tables are presented to show the scheme reference and the number of dwellings. The 'Development Surplus' is the residual sum that is left once the gross costs (inclusive of developers profit and base input land cost) are deducted from gross revenues. The development surplus is presented on the basis of an amount per sq.m of built floor space. This column shows the viability of development having regard to the construction cost position which reflects current building regulations requirements, the National Space Standards, and the policies relating to the provision of onsite open space and Sustainable Drainage Systems, together with a S106 contribution of £1,000 per dwelling. To demonstrate relative viability we have also included a column showing the development surplus as a percentage of gross development value. Development surpluses equivalent to 5% or less of GDV would typically indicate that the development, although viable is more marginal and relatively small increases in costs or reductions in revenues could alter the viability position.
- 7.4 The tables show the results for the baseline position based on a development of entirely market housing. We have also included the respective results once requirements for onsite affordable housing are taken into account at 10% and 20% of the overall provision and starter homes also at these thresholds.
- 7.5 For ease of reference and presentation the table cells have been coloured to demonstrate development viability. Where development is not viable the cells are shaded red for ease of reference. For these developments to proceed either the land owner or the developer will need to be more flexible in relation to their required returns.
- 7.6 For schemes 1 and 2 affordable housing has not been tested as the development falls beneath the threshold of 10 homes or less. In those cases where the results are unviable for market housing schemes we have not undertaken any further viability testing to model the impact of affordable housing.

## 7.7 **Generic Residential Testing**

7.8 The results tables are presented with reference to each of the three differing value zones, so for each zone in turn we have provided the results tables for our testing at densities of 30 and 40 dwellings per hectare assuming both previously developed and greenfield sites, at 50 dwellings per hectare on previously developed sites, and also for apartments. The relevant tables relating to each zone are:

### **Low Value Zone**

Tables 7.1 – 7.4

### **Medium Value Zone**

Tables 7.5 – 7.8

### **High Value Zone**

Tables 7.9 – 7.12

Scheme	No Units	Policy	Brownfield		Greenfield	
			Surplus (per sq.m)	Surplus % GDV	Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	-£94	-5.14%	-£28	-1.54%
2	10	Baseline	-£18	-1.01%	£43	2.34%
3	20	Baseline	-£105	-5.76%	-£73	-4.01%
4	35	Baseline	-£96	-5.23%	-£61	-3.33%
5	50	Baseline	-£74	-4.04%	-£53	-2.89%

Table 7.1: Low Value Zone Results at 30 dwellings per hectare

Scheme	No Units	Policy	Brownfield		Greenfield	
			Surplus (per sq.m)	Surplus % GDV	Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	-£31	-1.67%	£27	1.47%
2	10	Baseline	£40	2.19%	£98	5.38%
3	20	Baseline	-£48	-2.60%	-£16	-0.89%
4	35	Baseline	-£31	-1.72%	-£1	-0.02%
5	50	Baseline	-£12	-0.66%	£5	0.29%

Table 7.2: Low Value Zone Results at 40 dwellings per hectare

Scheme	No Units	Policy	Brownfield	
			Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	-£363	-21.07%
2	10	Baseline	-£142	-8.23%
3	20	Baseline	-£185	-16.89%
4	35	Baseline	-£138	-8.03%
5	50	Baseline	-£90	-5.21%

Table 7.3: Low Value Zone Results at 50 dwellings per hectare

Scheme	No Units	Policy	Brownfield	
			Surplus (per sq.m)	Surplus % GDV
6	15	Baseline	-£193	-10.31%
7	50	Baseline	-£440	-23.52%

Table 7.4: Low Value Zone Results for Apartment Developments

Scheme	No Units	Policy	Brownfield		Greenfield	
			Surplus (per sq.m)	Surplus % GDV	Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	£56	2.68%	£118	5.62%
2	10	Baseline	£127	6.07%	£189	8.99%
3	20	Baseline	£20	0.94%	£55	2.62%
		10% starter homes	-£5	-0.26%	£30	1.44%
		20% starter homes	-£31	-1.52%	£4	0.22%
		10% affordable homes	-£18	-0.88%	£17	0.85%
		20% affordable homes	-£60	-3.01%	-£24	-1.23%
4	35	Baseline	£30	1.44%	£65	3.09%
		10% starter homes	£10	0.47%	£44	2.14%
		20% starter homes	-£19	-0.93%	£16	0.78%
		10% affordable homes	-£4	-0.22%	£30	1.47%
		20% affordable homes	-£49	-2.49%	-£15	-0.73%
5	50	Baseline	£51	2.41%	£72	3.41%
		10% starter homes	£26	1.26%	£47	2.28%
		20% starter homes	£0	0.01%	£21	1.04%
		10% affordable homes	£11	0.54%	£32	1.57%
		20% affordable homes	-£28	-1.40%	-£7	-0.35%

Table 7.5: Medium Value Zone Results at 30 dwellings per hectare

Scheme	No Units	Policy	Brownfield		Greenfield	
			Surplus (per sq.m)	Surplus % GDV	Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	£132	6.27%	£189	9.02%
2	10	Baseline	£203	9.66%	£261	12.44%
3	20	Baseline	£99	4.70%	£130	6.20%
		10% starter homes	£73	3.56%	£105	5.08%
		20% starter homes	£48	2.37%	£80	3.92%
		10% affordable homes	£61	2.99%	£92	4.52%
		20% affordable homes	£19	0.97%	£51	2.55%
4	35	Baseline	£111	5.31%	£142	6.78%
		10% starter homes	£91	4.39%	£122	5.88%
		20% starter homes	£62	3.07%	£93	4.59%
		10% affordable homes	£77	3.75%	£108	5.26%
		20% affordable homes	£32	1.62%	£63	3.17%
5	50	Baseline	£130	6.18%	£147	7.00%
		10% starter homes	£105	5.09%	£122	5.92%
		20% starter homes	£79	3.91%	£96	4.75%
		10% affordable homes	£90	4.42%	£105	5.14%
		20% affordable homes	£51	2.58%	£68	3.45%

Table 7.6: Medium Value Zone Results at 40 dwellings per hectare

			Brownfield	
Scheme	No Units	Policy	Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	-£118	-5.91%
2	10	Baseline	-£75	-3.76%
3	20	Baseline	-£38	-1.90%
4	35	Baseline	£5	0.23%
5	50	Baseline	£55	2.74%
		10% starter homes	£27	1.37%
		20% starter homes	-£3	-0.14%
		10% affordable homes	£10	0.50%
		20% affordable homes	-£35	-1.86%

Table 7.7: Medium Value Zone Results at 50 dwellings per hectare

			Brownfield	
Scheme	No Units	Policy	Surplus (per sq.m)	Surplus % GDV
6	15	Baseline	-£14	-0.67%
7	50	Baseline	-£271	-12.59%

Table 7.8: Medium Value Zone Results for Apartment Developments



Scheme	No Units	Policy	Brownfield		Greenfield	
			Surplus (per sq.m)	Surplus % GDV	Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	£118	5.20%	£179	7.93%
2	10	Baseline	£188	8.32%	£249	11.03%
3	20	Baseline	£69	3.05%	£104	4.62%
		10% starter homes	£42	1.89%	£77	3.47%
		20% starter homes	£15	0.68%	£50	2.29%
		10% affordable homes	£28	1.29%	£64	2.90%
		20% affordable homes	-£16	-0.77%	£19	0.89%
4	35	Baseline	£78	3.45%	£113	4.98%
		10% starter homes	£56	2.51%	£91	4.06%
		20% starter homes	£25	1.16%	£60	2.74%
		10% affordable homes	£41	1.85%	£75	3.42%
		20% affordable homes	-£7	-0.35%	£27	1.28%
5	50	Baseline	£97	4.30%	£118	5.23%
		10% starter homes	£71	3.19%	£92	4.13%
		20% starter homes	£43	1.97%	£64	2.93%
		10% affordable homes	£55	2.49%	£76	3.44%
		20% affordable homes	£13	0.61%	£34	1.59%

Table 7.9: High Value Zone Results at 30 dwellings per hectare

Scheme	No Units	Policy	Brownfield		Greenfield	
			Surplus (per sq.m)	Surplus % GDV	Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	£209	9.25%	£267	11.81%
2	10	Baseline	£280	12.39%	£338	14.97%
3	20	Baseline	£165	7.31%	£196	8.69%
		10% starter homes	£138	6.20%	£169	7.61%
		20% starter homes	£111	5.07%	£142	6.50%
		10% affordable homes	£125	5.66%	£156	7.08%
		20% affordable homes	£80	3.73%	£111	5.20%
4	35	Baseline	£176	7.80%	£207	9.16%
		10% starter homes	£154	6.92%	£185	8.30%
		20% starter homes	£124	5.65%	£154	7.06%
		10% affordable homes	£139	6.01%	£170	7.70%
		20% affordable homes	£91	4.26%	£122	5.70%
5	50	Baseline	£194	8.56%	£211	9.32%
		10% starter homes	£167	7.52%	£184	8.29%
		20% starter homes	£139	6.38%	£156	7.16%
		10% affordable homes	£151	6.87%	£168	7.65%
		20% affordable homes	£109	5.12%	£126	5.92%

Table 7.10: High Value Zone Results at 40 dwellings per hectare

Scheme	No Units	Policy	Brownfield	
			Surplus (per sq.m)	Surplus % GDV
1	5	Baseline	-£40	-1.85%
2	10	Baseline	£99	4.62%
3	20	Baseline	£31	1.46%
		10% starter homes	£0	0.00%
		10% affordable homes	-£23	-1.10%
4	35	Baseline	£71	3.31%
		10% starter homes	£46	2.16%
		20% starter homes	£10	0.49%
		10% affordable homes	£28	1.34%
		20% affordable homes	-£28	-1.39%
5	50	Baseline	£121	5.64%
		10% starter homes	£91	4.33%
		20% starter homes	£60	2.89%
		10% affordable homes	£73	3.51%
		20% affordable homes	£25	1.26%

Table 7.11: High Value Zone Results at 50 dwellings per hectare

			Brownfield	
Scheme	No Units	Policy	Surplus (per sq.m)	Surplus % GDV
6	15	Baseline	£86	3.69%
		10% starter homes	£44	1.96%
		20% starter homes	£20	0.91%
		10% affordable homes	£3	0.13%
		20% affordable homes	-£52	-2.46%
7	50	Baseline	-£179	-7.71%

Table 7.12: High Value Zone Results for Apartment Developments

## 7.9 **Low Value Zone Conclusions**

### 7.10 Baseline Position

7.11 The results relating to the housing schemes tested in this zone show that at 30 dwellings per hectare, each development makes a loss and hence is unviable except for the scheme of 10 dwellings on a greenfield site. This makes a surplus of £43 per sq.m. The losses are greatest on the previously developed sites and range from -£18 to -£105 per sq.m, whilst on greenfield sites they are -£28 to -£73 per sq.m. In relative terms the losses equate to 5.76% for the least viable scheme up to 1.01%.

7.12 At 40 dwellings per hectare the results show an improvement in viability, with 4 of the schemes tested now viable (3 greenfield and 1 brownfield site). The surpluses per sq.m range from £98 down to a fairly limited £5. The remaining 6 schemes tested are unviable with losses ranging from -£1 to -£48 per sq.m. As with development at 30 dwellings per hectare the level of losses are fairly marginal and it is possible that with relatively small adjustments to developer's profit or land value these sites could come forward for development.

7.13 We have only tested at 50 dwellings per hectare on previously developed sites, which are likely to be situated in the older urban areas. The viability position worsens significantly based on this form of development with losses per sq.m ranging from -£90 to -£185 per sq.m. In each case the level of loss is greater than 5% of GDV and based on this we consider that these forms of very high density development are unlikely to be taken forward in Barrow in these low value locations.

7.14 The results relating to the two apartment schemes tested are similar with losses of -£193 and -£440 per sq.m, equivalent to over 10% of GDV in each case. Based on these results it is unlikely that apartment development in these locations would be viable.

### 7.15 Affordable Homes and Starter Homes

7.16 The results for development comprising entirely market housing in these locations were generally unviable. As a result no further testing was undertaken to model the impact of either affordable or starter homes. The inclusion of these tenures would only serve to increase the viability gap. The results suggest that new housing development in these low value areas is unlikely to be sufficiently financially viable to support either affordable housing or starter homes.

7.17 **Medium Value Zone Conclusions**

7.18 Baseline Position

7.19 The results relating to the housing schemes tested in the medium value areas at 30 dwellings per hectare indicate a significant improvement in viability. All of the schemes tested both on greenfield and previously developed sites are viable on the basis of a development of market housing. For brownfield sites the surpluses per sq.m range from £20 up to £127, whilst those for the greenfield sites are from £55 up to £189 per sq.m.

7.20 In most cases except for the smallest schemes the level of surplus is equivalent to less than 5% of GDV so this indicates a more marginal form of development, where relatively small changes in costs or revenues could impact on the viability position.

7.21 At 40 dwelling per hectare all of the baseline results are viable, and the level of surplus suggests that there is an increase in viability in comparison with the developments at 30 dwellings per hectare. This is largely a result of the reduction in land take and cost of external works. The level of surplus per sq.m ranges from £99 to £203 on brownfield sites and £130 to £261 per sq.m on greenfield sites. In all cases, except one, at the baseline position the surplus is equivalent to greater than 5% of GDV.

7.22 In common with the results in the low value zone, the viability of development at 50 dwellings per hectare is relatively poor, with only 2 of the schemes tested are viable at the baseline position. Similarly apartment developments perform poorly in viability terms with both of the schemes tested in the mid-value zone unviable.

7.23 Affordable Homes

7.24 The results at 30 dwellings per hectare show that in all of the scenarios tested the developments are not sufficiently viable to support 20% affordable housing provision. The levels of loss per sq.m range from -£28 to -£60 on previously developed sites, and are between -£7 and -£24 per sq.m on greenfield sites.

7.25 At 10% affordable housing all of the results from the greenfield sites are viable with surpluses per sq.m from £17 up to £32. For the brownfield sites only 1 of the 3 schemes tested was viable at 10% affordable provision.

- 7.26 Assuming development at 40 dwellings per hectare, the results show that all developments both greenfield and brownfield are able to support 20% affordable housing provision. For the greenfield sites the level of surplus per sq.m ranges from £51 to £68, whilst for the brownfield sites the level of surplus is more limited with a range of £19 up to £51 per sq.m.
- 7.27 Based on the results of our viability testing for market housing schemes at 50 dwellings per hectare this form of development would not be sufficiently viable to support affordable housing in most cases. The results at table 7.7 do however show that the largest scheme (5) could support 10% affordable provision albeit with a surplus of 0.5% viability is fairly marginal.
- 7.28 The apartment schemes tested are not sufficiently viable to support on-site affordable housing provision in the mid-value area.
- 7.29 Starter Homes
- 7.30 The results of the testing for starter homes at 30 dwellings per hectare show that for greenfield sites all of the schemes tested at both 20% and 10% provision are viable. For previously developed sites provision of starter homes at 20% is unviable. At 10% the two largest schemes tested are viable, whilst the smallest 20 unit scheme is unviable.
- 7.31 At 40 dwellings per hectare the results for both previously developed and greenfield sites show that development in this area is sufficiently viable to support starter homes provision at 20%.
- 7.32 Based on the results of our viability testing for market housing schemes at 50 dwellings per hectare this form of development would not be sufficiently viable to support starter in most cases. The results at table 7.7 do however show that the largest scheme (5) could support 10% starter home provision.
- 7.33 The apartment schemes tested are not sufficiently viable to support starter homes provision in the mid-value area.

7.34 **High Value Zone Conclusions**

7.35 Baseline Position

7.36 The results relating to the housing schemes tested in the high value areas at 30 dwellings per hectare indicate a further improvement in viability in comparison with those in the medium value zone. All of the schemes tested both on greenfield and previously developed sites are viable on the basis of a development of market housing. For brownfield sites the surpluses per sq.m range from £69 up to £188, whilst those for the greenfield sites are from £104 up to £249 per sq.m.

7.37 In all cases the level of surplus is equivalent to more than 3.45% of GDV and in 5 of the schemes tested in in excess of 5% of GDV, indicating relatively good viability.

7.38 Similarly at 40 dwelling per hectare all of the baseline results are viable, and the level of surplus suggests that there is an increase in viability in comparison with the developments at 30 dwellings per hectare. The level of surplus per sq.m ranges from £165 to £280 on brownfield sites and £196 to £338 per sq.m on greenfield sites. In all cases at the baseline position the surplus is equivalent to greater than 5% of GDV.

7.39 In common with the results in the other value zones, the viability of development at 50 dwellings per hectare is comparatively poor although only 1 of the schemes tested is now unviable at the baseline position. The level of surplus ranges from £31 to £121 per sq.m.

7.40 Similarly apartment developments perform poorly in viability terms however although the larger of the two schemes tested remains unviable even in the high value area, the smaller scheme of 15 units is viable at the baseline position with a surplus of £86 per sq.m.

7.41 Affordable Homes

7.42 The results at 30 dwellings per hectare show that in all of the greenfield scenarios tested the developments are sufficiently viable to support 20% affordable housing provision. The levels of surplus however which range from £19 to £34 per sq.m, suggest that viability is quite finely balanced.

7.43 On the previously developed sites tested at 30 dwellings per hectare, only one of the 3 schemes was viable at 20% affordable provision. Again the surplus in this case at £13 per sq.m suggests that the level of viability is quite limited.



- 7.44 At 10% affordable housing all of the results from the greenfield sites are viable with surpluses per sq.m from £64 up to £76. Similarly all of the brownfield sites were viable with surpluses of £28 up to £55 per sq.m.
- 7.45 Assuming development at 40 dwellings per hectare, the results show that all developments both greenfield and brownfield are able to support 20% affordable housing provision. For the greenfield sites the level of surplus per sq.m ranges from £111 to £126, whilst for the brownfield sites the level of surplus is £80 up to £109 per sq.m.
- 7.46 Based on the results of our viability testing for market housing schemes at 50 dwellings per hectare this form of development would not be sufficiently viable to support 20% affordable housing in most cases. The results at table 7.11 do however show that the largest scheme (5) could support 20% affordable provision albeit with a surplus of 1.26% viability is fairly marginal. At 10% affordable provision this scheme is also viable along with scheme 4 however in the case of the later the result shows limited viability.
- 7.47 The apartment schemes tested are not sufficiently viable to support 20% on-site affordable housing provision in the high-value area. At 10% provision the smallest scheme of 15 units is viable with a small surplus of £3 per sq.m.
- 7.48 Starter Homes  
The results of the testing for starter homes at 30 dwellings per hectare show that all of the schemes tested at both 20% and 10% provision are viable. On previously developed sites the surplus for the 20 and 35 unit schemes at £15 and £25 per sq.m respectively are relatively limited.
- 7.49 At 40 dwellings per hectare the results for both previously developed and greenfield sites show that development in this area is sufficiently viable to support starter homes provision at 20% with a greater level of viability.
- 7.50 The results of our viability testing at 50 dwellings per hectare show that 20% provision is viable in schemes 4 and 5, although in the case of the former the level of surplus at £10 per sq.m. is relatively low.
- 7.51 Only the smaller of the two apartment schemes tested is sufficiently viable to support starter homes provision in the high-value area although the level of surplus at £20 per sq.m is relatively limited on the basis of 20% provision.

## 7.52 **Residential Allocations Tested**

7.53 As outlined in table 3.5 we have also undertaken site specific viability testing in relation to a number of the proposed allocations. The appraisal assumptions adopted in relation to this site specific testing are summarised at Appendix 5. Table 7.13 contains the results of this site specific testing.

7.54 As with the generic testing the results are presented to show the development surplus or loss per sq.m and the amount of development surplus or loss as a percentage of GDV. The unviable results are shaded red. Development surpluses equivalent to 5% or less of GDV would typically indicate that the development, although viable is more marginal and relatively small increases in costs or reductions in revenues could alter the viability position.

Site Ref	Address	Policy	Surplus (per sq.m)	Surplus % GDV
SHL037	Land South of Ashley & Rock, Park Road, Barrow	Baseline	£33	1.73%
		10% starter homes	£10	0.55%
		20% starter homes	-£10	-0.54%
		10% affordable homes	-£6	-0.35%
		20% affordable homes	-£39	-2.18%
REC26	Land East of Holbeck, Barrow	Baseline	£146	6.47%
		10% starter homes	£120	5.42%
		20% starter homes	£95	4.35%
		10% affordable homes	£102	4.67%
		20% affordable homes	£59	2.77%
SHL010	Park Vale, Walney	Baseline	£14	0.72%
		10% starter homes	-£11	-0.54%
		10% affordable homes	-£32	-1.67%
SHL001	Marina Village, Barrow	Baseline	£50	2.22%
		10% starter homes	£26	1.20%
		20% starter homes	£3	0.13%
		10% affordable homes	£10	0.48%
		20% affordable homes	-£30	-1.43%
SHL082	Land East of Rakesmoor Lane, Barrow	Baseline	£132	5.86%
		10% starter homes	£106	4.77%
		20% starter homes	£82	3.76%
		10% affordable homes	£87	3.96%
		20% affordable homes	£45	2.11%
REC10	Land West of Crooklands Brow, Dalton	Baseline	£106	5.06%
		10% starter homes	£79	3.85%
		20% starter homes	£57	2.80%
		10% affordable homes	£59	2.92%
		20% affordable homes	£22	1.12%
REC25	Land at Greenhills Farm, Dalton	Baseline	£141	6.25%
		10% starter homes	£114	5.13%
		20% starter homes	£88	4.02%
		10% affordable homes	£94	4.28%
		20% affordable homes	£47	2.21%
REC47	Elliscales Quarry, Dalton	Baseline	£43	2.04%
		10% starter homes	£18	0.88%
		20% starter homes	-£5	-0.27%
		10% affordable homes	£0	-0.01%
		20% affordable homes	-£42	-2.15%
SHL017	Urofoam Factory, Duddon Road, Askam	Baseline	£13	0.68%
		10% starter homes	-£11	-0.59%
		10% affordable homes	-£29	-1.53%

Table 7.13: Viability Results for Allocated Sites Tested

- 7.55 With reference to the results at table 7.13 we have considered the results of the allocated sites with reference to the broad areas of Barrow/Walney and then Dalton and Askam.
- 7.56 **Barrow/Walney**
- 7.57 The proposed allocations that we have tested fall into a number of different types of site in differing market areas. Firstly the sites at Holbeck (REC 26) and Rakemoor Lane (SHL082) are greenfield sites located in some of the most high value areas in Barrow. As a result the viability of these sites is generally good. At the baseline position, assuming a scheme of entirely market housing, the development surpluses are £146 and £132 per sq.m respectively, and equate to over 5% of GDV.
- 7.58 On the basis of 20% affordable housing provision each scheme is viable with surpluses of £59 and £45 per sq.m respectively, which equate to over 2% of GDV.
- 7.59 On the assumption of 20% starter homes the sites remain viable with surpluses of £95 and £82 per sq.m which equate to over 3.75% of GDV.
- 7.60 The results of our viability testing indicate that these two sites are viable and would be able to support some affordable or starter homes.
- 7.61 The sites at Ashley and Rock, Park Road (SHL037) and Park Vale (SHL010), are a mix of previously developed and urban greenfield land in the mid to low value areas. As a result the viability of these sites is poorer than those at Holbeck and Rakesmoor Lane. On the assumption of a development of entirely market housing ie. the baseline position each site is viable, however once affordable housing provision is introduced even at 10% the sites become unviable. On the assumption of starter homes provision the site at Ashley and Rock is marginally viable at 10% provision and unviable at 20% provision. The Park Vale site is unviable with any element of starter homes or affordable provision.
- 7.62 The results of our viability testing for these two sites indicate that they are both viable on the basis of a scheme of market housing however the level of viability is such that they are unlikely to be able to support any affordable housing or starter homes.

- 7.63 The final allocation tested in Barrow is Marina Village (SHL001). This is a dockside, former industrial site that has been assembled over a period of time. The dockside location of the site and its size mean that it has the ability to create its own new housing market in a high quality setting adjacent to the water. There are however likely to be significant abnormal costs associated with its development, and initially at least the marketability of new dwellings on this site may be a factor until it becomes established as a recognised housing market location.
- 7.64 Due to these factors we have taken a relatively conservative approach to the likely sales prices on this site and have adopted a net selling price of £1,937 per sq.m (£180 per sq.ft) however there are good prospects for an increase in the overall levels of sale price later in the programme as the development becomes established.
- 7.65 The results of our testing show that at the baseline position assuming a development of market housing the development is viable with a surplus of £50 per sq.m which is equivalent to 2.22% of GDV. On the assumption of 10% affordable housing provision the scheme remains viable but the surplus is only £10 per sq.m and 0.48% of GDV. This suggests that although the development could support 10% affordable provision the result is very marginal.
- 7.66 The results for testing assuming starter homes show that at both 10% and 20% provision the development is viable, although at 20% provision the surplus is only £3 per sq.m which suggests that viability is very finely balanced.
- 7.67 Overall the results of our viability testing indicate that this site is viable and would be able to support some affordable or starter homes during the development period.
- 7.68 **Dalton**
- 7.69 The sites at Crooklands Brow (REC10) and Greenhills Farm (REC25) are greenfield sites on the edge of the settlement of Dalton, in some of the mid to high value locations. In each case the appraisal results show that the sites are viable based on a development of market housing. The respective surpluses are £106 and £141 per sq.m and in each case they equate to over 5% of GDV.
- 7.70 On the basis of 20% affordable housing provision each scheme is viable with surpluses of £22 and £47 per sq.m respectively, which equate to 1.12% and 2.21% of GDV.

- 7.71 On the assumption of 20% starter homes the sites remain viable with surpluses of £57 and £88 per sq.m which equate to over 2.8% and 4.02% of GDV.
- 7.72 The results of our viability testing indicate that both of these sites are viable and would be able to support some affordable or starter homes.
- 7.73 The site at Elliscales Quarry (REC47) is in a similar market location however the cost of developing this site is relatively more expensive, due to the costs associated with restoring the former quarry, levels and likely highway requirements. As a result these additional costs mean that this site is likely to be less viable. Our results indicate that based on a scheme of market housing the site is viable with a surplus of £43 per sq. m. The results suggest that with the inclusion of affordable housing the site becomes unviable, whilst on the basis of starter homes the site could support 10% provision albeit at £18 per sq.m the level of surplus is fairly limited.
- 7.74 Subject to clarification as to the likely future requirements in relation to the quarry and extent of highway works it is likely that this site will be viable based on a development of market housing, but is unlikely to be able to support any significant provision of affordable housing.
- 7.75 **Askam**
- 7.76 The development of the former Urofoam Factory site in Askam will require the demolition of buildings that cover much of the site and the breaking up of significant areas of hard standing together with the removal of asbestos. As a result this site is likely to be relatively expensive to development and this is combined with the fact that it is located in a mid value market location. This is reflected in the results of our viability testing which show that although the site is viable based on a development of market housing; it is unlikely to be sufficiently viable to support any starter or affordable homes.

### 7.77 Commercial Generic Testing

7.78 The results of the testing that we have undertaken in respect of the commercial development scenarios are listed in table 7.14.

Development Type	GIA Area (sq.m)	GIA Area (sq.ft)	Brownfield Surplus (per sq.m)	Greenfield Surplus (per sq.m)
Offices	464	5,000	-£718	-£673
Offices	929	10,000	-£661	-£557
Offices	1857	20,000	-£613	-£569
Industrial B2-B8	464	5,000	-£623	-£577
Industrial B2-B8	1857	20,000	-£235	-£188
Industrial B2-B8	4643	50,000	-£185	-£140
Industrial B2-B8	9287	100,000	-£155	-£109

Table 7.14: Generic Commercial Development Typologies

7.79 The results indicate that at present, standalone speculative office and industrial development is unviable across the borough even though in undertaking the study we have applied an optimistic position in relation to revenues. It is likely that such forms of development may require support from enabling development in the form of more viable forms of development such as residential or certain types of retail accommodation. Alternatively with the aid of public sector funding support such forms of development may come forward in the Borough.

7.80 Development may however come forward in specific instances such as individual occupier requirements or certain developer arrangements responding to individual occupier needs.

### 7.81 Commercial Allocations Tested

7.82 Table 7.15 contains the results of our viability testing in relation to the employment allocations that we have tested. In relation to these sites there is likely to be a range of different types of employment development including offices, industrial and warehousing. Alternatively the landowners may simply service the sites and seek to sell plots for owner occupation or design and build.

7.83 Our viability testing assumes that development is carried out on a speculative basis inclusive of a developer's profit. We have also assumed a mix of different types of employment accommodation as outlined in the site specific cost assessments within WYG's report.

<b>Address</b>	<b>GIA Area (sq.m)</b>	<b>GIA Area (sq.ft)</b>	<b>Surplus (per sq.m)</b>
Sandscale Park	33,435	360,000	-£386
South Kimberley Clark, Park Road	23,590	254,000	-£397
West Robert McBride, Park Road	14,306	154,000	-£463
Sowerby Woods Business Park	37,614	405,000	-£361
Waterfront Business Park	28,794	310,000	-£540

Table 7.15: Employment Allocations Tested

7.84 In common with the generic employment typologies tested, the results for the individual employment allocations tested also show that this form of speculative employment development is not viable.

7.85 Despite the fact that such forms of speculative development are not considered to be financially viable at this point in time it is likely that office and industrial development will come forward in the future in Barrow. Such development is likely to be motivated by specific circumstances such as an existing owner occupier wishing to expand or other business requirements necessitating development of that type in that location, for example for supply chain requirements to be close to a specific business such as BAE, to be near a specific piece of existing infrastructure, or for business agglomeration reasons. This type of development is not typical of the market and does not accord to normal development viability criteria. Effectively, the business operation requiring the accommodation supplements the financial shortfall from other means. Accordingly, it is not appropriate to take such prospects of development into account in this instance.

7.86 When applying normal development viability criteria, office and industrial development are unviable and as such substantive speculative market development is unlikely to take place in on this basis. We do however expect new employment development to come forward in Barrow particularly following the recent announcement regarding the renewal of Trident however such development is more likely to be in the form of expansion space for existing companies associated with BAE systems or the energy coast initiatives. In addition new employment development is also likely to come forward with the benefit of public sector funding support



## 8.0 ECONOMIC PROFILING AND SENSITIVITY ANALYSIS

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- 8.1 It is intended that emerging planning policy will remain in place beyond the current economic cycle and indeed it is anticipated that the Local Plan will remain in place for up to 15 years after implementation, although this will be subject to regular monitoring and review. Notwithstanding this consideration needs to be given to the robustness of current viability testing, and the decisions which are based upon it, in the context of the potential period that the planning policies may remain in place and the likely, but as yet unknown, economic variations that will take place during this time. Clearly, the timing and nature of such future economic cycles cannot be predicted particularly given the lengthy plan periods involved. We have therefore given consideration to various possible economic cycles that may take place over this period to assess the impact that these may have on the viability of development.
- 8.2 With this in mind, the aim is to seek as far as possible to ensure that the decisions made at the time of preparation of this report are not anomalous in the context of changing circumstances in the future. In order to undertake this assessment it is considered that the most effective approach is to look back over past economic cycles and, with that data, model development viability based on the characteristics of similar cycles going forward. It is not to say however, that this approach is a substitute to further real time viability testing during the life of the plan, which would be essential in order to accurately assess the viability of development in the future.
- 8.3 Some assistance in relation to this approach is contained within the advice published by the Local Housing Delivery Group which states that:-

*"Forecasting things like house prices or costs is notoriously difficult over the shorter term and subject to wider inaccuracies over the medium and longer term. The best a Council can realistically seek to do is to make some very cautious and transparent assumptions with sensitivity testing on the robustness of those assumptions. In doing so, it is important that variations against baseline costs, as well as values, are tested, and based, where appropriate, on construction costs and other indices."*

- 8.4 The purpose of this section is to provide a high level overview as to the likely impact of property market cycles over the time-frame of the Plan. Using the best evidence available upon which to base a model; historical data; we have sought to measure the effect on viability of changes to the key variables which underpin an economic viability study (with regards to residential development), namely house prices, land values, build costs and interest rates. This data will be used to profile the changes in economic circumstances which are likely to be observed throughout the duration of a property market cycle. This is likely to reflect feature peaks and troughs in respect of each of the key variables.
- 8.5 By assessing market change over a 24 year period we will seek to model changes which may take place over the plan period. However, it should be noted that the modelling is intended to represent a degree of change and not timing of that change. We will instead be representing a base position; which is the position at the present date demonstrated by our baseline testing; along with low, medium and high points that we would expect to encounter along the course of a typical economic cycle. These are based on three specific 8 year intervals within a 24 year cycle.
- 8.6 Table 8.1 tracks house price changes through the Nationwide House Price Index for the North West of England; build cost changes via the Building Cost Information Service Tender Price Index; and land prices through a Valuation Office Agency (VOA) Index. For the purposes of this exercise and having regard to development land pricing being based on a derived demand, we have chosen not to use a land price index based on residential development land which would necessarily reflect policy requirements and as such undermine the objectives of the modelling exercise. Instead we have used a base land price position relating to the VOA Industrial Land Index. This index was only published until 2009 and to bring it up to date we have extended the dataset to the present day by using the reported land price changes on a quarterly basis reported by the VOA and our own opinions so as to enable comparison between the data series.

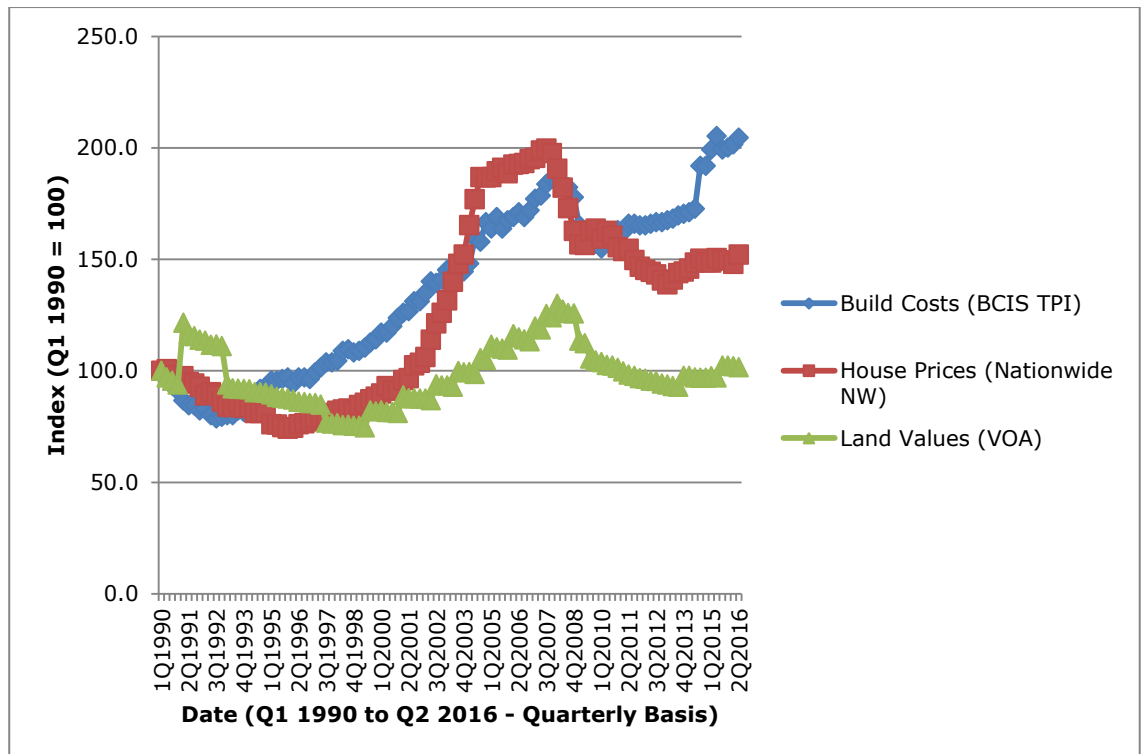


Figure 8.1: Comparison of Residential Sales Values, Land Values and Build Costs 1990-2014 in Real Terms

- 8.7 Whilst the BCIS tender price accounts for changes in inflation, the changes in House Prices and Land Values do not account for the changes in the value of money. Both of the above figures have therefore been weighted using the Consumer Price Index (CPI) and brought back down to 1990 values so as to enable comparison.
- 8.8 From the costs provided by WYG and the revenues adopted within the baseline appraisals, we have benchmarked the variations in costs to 1990 levels. In addition to the above, we have included a likely borrowing rate, reflecting the Bank of England Base Rate, the London Inter-Bank Offer Rate (LIBOR) and the perceived premium over and above these headline rates likely to have been offered to developers at each of the above intervals.

- 8.9 The Summary Table (8.1) below tracks the changes in costs and values adopted based on low, medium and high positions in the cycle at intervals based on 1990 values.

Position in Cycle	Variance in Build Cost	Variance in Land Value	Variance in House Prices
<b>Base</b>	100	100	100
<b>Low</b>	104	76	82
<b>High</b>	168	116	193
<b>Medium</b>	171	98	145

Table 8.1: Changes in Inputs

- 8.10 The graphs below track the impact of the changes in viability over the tested base, medium and also the high and low positions, adopting the results from the development of 50 dwellings at a density of 40 dwellings per hectare as the basis of modelling. The results show that the economic viability of development during the more normal medium period is good and clearly improves further to the tested high point as the rise in house prices exceed that of build costs. As would be expected, viability decreases at the tested low point as house prices fall in real terms relative to build costs.
- 8.11 The trend line for each location reflects a position of long term average viability that we would expect to be relevant for the majority of a typical economic cycle. The high and low points only serve to reflect extreme positions that may occur briefly along the cycle, and are not indicative of the overall position. A trend line above the £0 position for development surplus indicates that development is viable. The trend lines indicate that schemes within medium and higher value areas are currently viable at the base position, and that viability will generally increase over the course of a typical economic cycle.
- 8.12 The viability of development is reduced within lower value areas, and remains unviable within the baseline, low and medium scenarios that we have tested (based on the intervals highlighted above). In these circumstances we consider that development in lower value locations is likely to remain unviable at certain points throughout the economic cycle. Development within these locations may however be viable at the high points during the economic cycle.

**Changes to Viability on Brownfield Land**

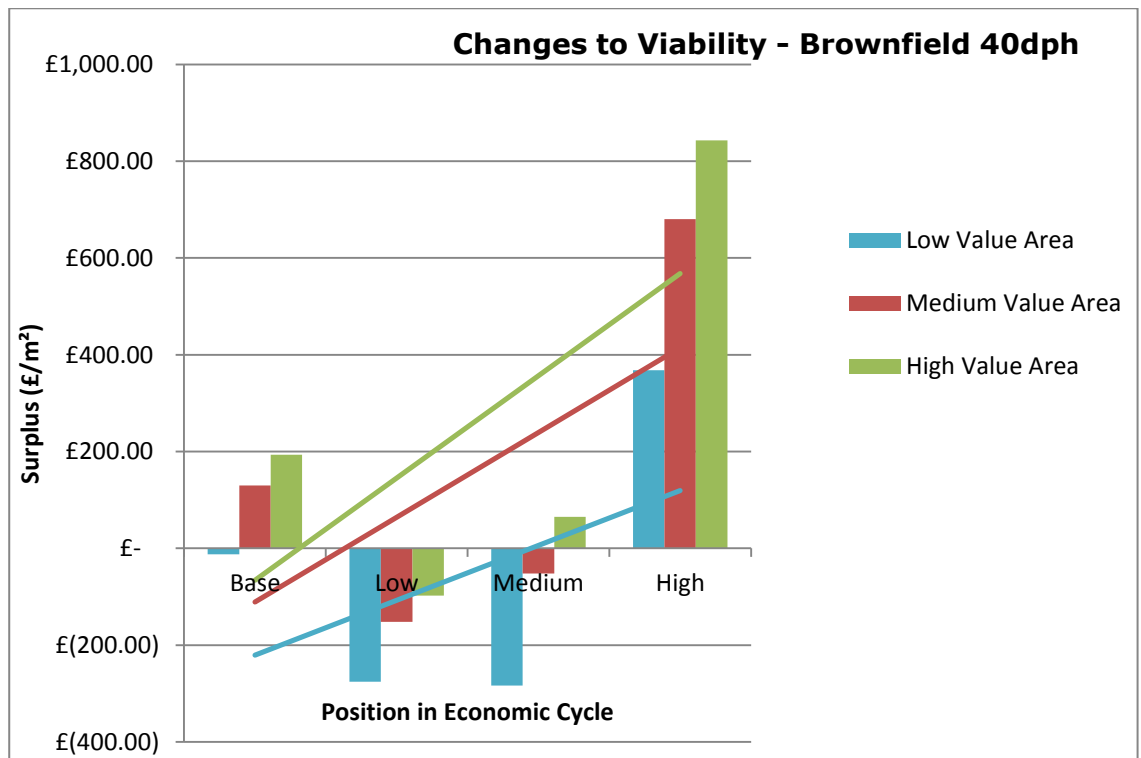


Table 8.2: Changes to Viability (50 units - 40dph)

**Changes to Viability on Greenfield Land**

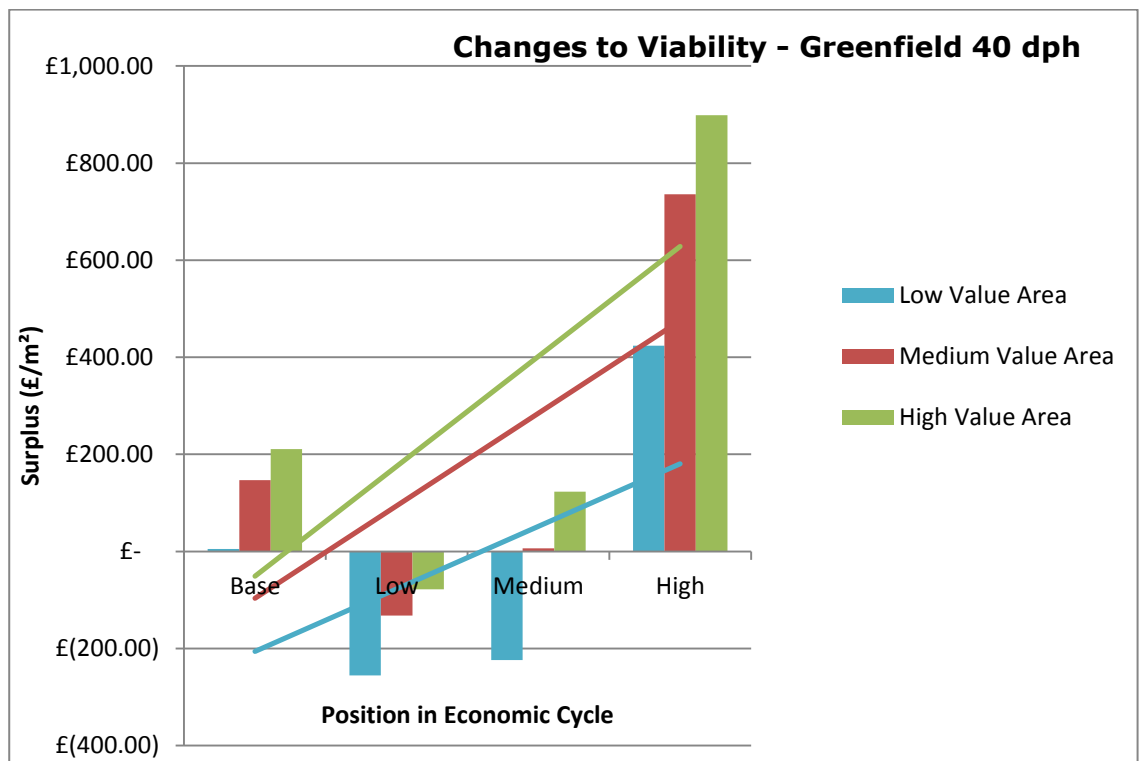


Table 8.3: Changes to Viability (50 units - 40dph)

- 8.13 The results show that development viability will change depending on economic cycles. Generally, the current assessment levels (base position) used as the basis for the policy consideration represent a reasonable moderate to low position over the series of modelled economic cycles. Accordingly, it is considered that this assessment represents a robust basis for policy consideration which may not have been the case if the current assessments had been at the extremes of the economic variations. Indeed the modelling suggests that whilst the viability of development can change significantly over the course of an economic cycle, throughout a significant portion of the periods examined there was an increase in the viability of development.
- 8.14 The modelling does not seek to predict when economic cycles will take place. It may be the case that in the event of a significantly improved set of economic conditions, the viability of development could increase from its present position to levels which result in increased scope for the Council to implement for example increases to the level of a CIL charge. Clearly that would be a matter for additional real time viability testing at that point, which emphasises the value of ensuring that viability evidence is as up to date as possible.
- 8.15 As described earlier, there are limitations to this form of analysis and this impact assessment has been undertaken for illustrative purposes in order to assess the robustness of the current viability modelling over various hypothetical economic cycles. It is unlikely that the market will react in exactly the same way in the future as it has behaved in the past. Property prices, land values, build costs and interest rates are all complex variables and are each linked to a number of macro-economic factors and locally specific circumstances. In order then to gauge viability in the future, further viability studies would need to be undertaken at regular intervals. Though this section has attempted to look at the impact of viability by scenario-testing each of the main variables, the results should be taken in the context of the limitations of this type of analysis.

## 9.0 PLAN VIABILITY AND DELIVERY

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### 9.1 **Conclusions**

9.2 As outlined in Section 3, the NPPF requires that the Local Plan should be deliverable and the sites and scale of development identified in the Plan should not be subject to such a scale of obligations and Policy burdens that their ability to be viably developed is threatened.

9.3 In preparing this study we have considered the spatial and strategic policies of the emerging Local Plan, the proposed housing and employment allocations on which new development will be based, the development management policies that will guide the form, design, quality of development and the associated planning obligations.

### 9.4 **Housing**

9.5 After a period of recovery the residential property market is now experiencing a degree of uncertainty due to the recent vote to leave the European Union. At this point in time it is too early to say how the housing market will react although commentators report a slowdown in activity and forecasters are suggesting more limited house price growth than had hitherto been forecast.

9.6 At Section 8 we have considered viability based on the differing economic cycles that have been experienced in this Country over the last 3 decades. The modelling shows that the viability testing based on current market circumstances represents a reasonable moderate to low position over the series of modelled economic cycles. Hence we considered that it was a robust basis for policy consideration.

9.7 Based on the proposed Local Plan allocations, we have prepared site specific viability appraisals for a number of the largest housing allocations on which the plan relies together with a representative sample of other smaller potential housing typologies. These range in size from 5 dwellings to 50 dwellings and are based on both greenfield and previously developed land development scenarios. A summary of the development scenarios and sites tested is contained at Tables 3.5 and 3.6.

- 9.8 The Development Management Policies contained within the emerging Local Plan vary in terms of their impact on development. Not all will have direct implications for development viability. A summary of the key policies and their effect on development is contained at Section 2 of this report.
- 9.9 Of these policies assessed a number will impact on the form and design of development such as those which require compliance with the national space standards or requirements for open space. Others such as Affordable Housing will place an obligation on the developer which will have a cost implication. Requirements for local infrastructure provision may require a monetary payment either through a S.106/S278 contribution or CIL.
- 9.10 In preparing our viability assessments we have firstly considered those policies which guide form and design. The construction cost assessments that have been prepared to meet current building regulation requirements and are fully reflective of Policy requirements in relation to design standards, and on-site open space provision (where required) and drainage management. In addition we have also considered the requirements for new infrastructure provision on the respective sites, and any site specific S106/S278 contributions/works required.
- 9.11 Full details of our assumptions in relation policy requirements are contained at table 3.16 whilst WYG's report on the Build Cost assumptions is included at Appendix 2. Tables 7.1-7.13 contain the results of our viability testing of the Local Plan policies in relation to new residential development. The tables show the results of our testing firstly based on a development of entirely market housing adopting a construction cost position which reflects current building regulations requirements, the National Space Standards, and the policies relating to the provision of onsite open space and Sustainable Drainage Systems, together with a S106 contribution of £1,000 per dwelling. We have then considered the impact of the emerging local plan policy in relation to affordable housing and for completeness the viability position assuming the inclusion of starter homes.



- 9.12 The results of our testing indicate that market housing development in the lower value areas is generally not viable (except in a small number of cases) and hence the prospects for new housing development are finely balanced in these locations. For development to come forward in these locations either the land owner or developer or both will need to accept a reduction in the level of return that they may be seeking. The extent of the deficit for housing development at 30 and 40 dwellings per hectare, in these locations is however around 5% of GDV or less which suggests that these developments are only marginally unviable. A relatively small adjustment to the level of developers profit or land price or both would enable this form of development to be taken forward in these low value areas.
- 9.13 In relation to the generic residential testing undertaken in the mid and high value areas at 30 and 40 dwellings per hectare, the development of market housing is viable. Similarly each of the proposed allocations is viable based on a development of market housing.
- 9.14 The higher density schemes at 50 dwellings per hectare give more mixed results in the mid and high value locations. In the mid value zone only the two largest schemes were viable based on a development of market housing, whilst in the high value zone all market schemes tested were viable with the exception of the smallest schemes.
- 9.15 Apartment developments are unviable except for the smallest scheme in the higher value zone.
- 9.16 Policy H14: Affordable Housing of the emerging local plan deals with the requirements for the provision of affordable housing in the Borough. The policy as drafted is very flexible and simply states that the Council will encourage the development of a percentage of affordable dwellings on allocated or windfall sites. In addition where appropriate and in discussion with the planning authority developers may provide mixed tenure developments with affordable dwellings on the whole or part of a site.
- 9.17 The policy acknowledges that this will allow a number of affordable dwellings to come forward when appropriate sites are available and conditions dictate that the development would be viable.
- 9.18 The justification to the policy states that at this time the Council feels requiring a fixed percentage or number of affordable dwellings on every site would be unviable given market conditions and local needs information.

- 9.19 In preparing our viability testing for housing development we have modelled the impact of affordable housing provision across the different market areas in the Borough. This enables informed decisions to be made about the extent of affordable housing that can be supported across the Borough and in which locations.
- 9.20 The results suggest that in the lower value locations development including affordable housing provision would not be viable. In the mid value areas the results vary dependent on the density of development however they suggest that some affordable housing provision can be supported. In most cases this is at 10% although for developments at 40 dwelling per hectare 20% provision is viable.
- 9.21 In the highest value areas the majority of developments can support 20% affordable housing provision except for schemes of 20 and 35 dwellings at 30 dwellings per hectare on brownfield sites.
- 9.22 The proposed site allocations that we have tested demonstrate a similar pattern. Four of the nine allocations tested can support 20% affordable housing provision, and another one could support 10% provision. The remaining sites, which are either situated in lower value areas or have site specific factors that impact on viability, would not be able to support any substantive affordable housing provision.
- 9.23 Our viability testing assumes a no grant position. It is possible that Registered Providers may be able to secure funding through the HCA to assist in the delivery of higher numbers of affordable homes on sites where viability is at issue.
- 9.24 Policy H14 as drafted does not currently place any specific obligation to deliver affordable housing and as such is unlikely to prejudice the delivery of new housing development in the Borough. In relation to new housing development in Barrow the Council may need to balance any requirements for Affordable Housing and S106/CIL contributions so as not to undermine delivery. CIL once implemented is fixed and this will need to be considered in any future decisions that are made regarding the introduction of CIL.
- 9.25 **Non-Residential Developments**
- 9.26 The results from the viability testing for the offices and industrial suggest that employment development is not currently viable on a speculative basis. In certain cases for industrial development the results indicate that in the absence of a developers profit requirement development may come close to 'breaking even'.

- 9.27 In our view the Local Plan Policy obligations, as drafted, do not place such a burden on new employment development so as to prejudice its future delivery. Issues in relation to viability arise because rents and capital values for employment uses are still currently at a relatively low level and in comparison there is a 'gap' with build costs. Traditionally in recent years this gap has been met by public sector funding support or in the case of mixed use schemes cross-subsidised by other more viable forms of development.
- 9.28 Notwithstanding the results of our viability testing it is likely that office and industrial development will come forward in Barrow in the future motivated by specific circumstances such as an owner occupier wishing to expand or alternatively with the benefit of public sector funding support.
- 9.29 **Overall Conclusions**
- 9.30 Subject to the comments made above, the overall scale of obligations, standards and policy burdens contained in the emerging Local Plan are not of such a scale that cumulatively they threaten the ability of the sites and scale of development identified in the Plan to be developed viably. In certain circumstances there will need to be a balance achieved between any requirements for affordable housing and S106 contributions/CIL (if introduced), however there is sufficient flexibility in the Plan policies as currently drafted to allow a relaxation of policy requirements if appropriate.

**APPENDIX 1**

**RESIDENTIAL PLANNING APPLICATIONS ANALYSIS  
AND LAND AND SALES PRICES SUMMARY**



**APPENDIX 2**

**WYG CONSTRUCTION COST REPORT**



Keppie Massie

## **Barrow Council Local Plan**

### Construction Cost Assessment

8 August 2016



# Barrow Council – Local Plan Construction Cost Assessment

## Document Control

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# Barrow Council – Local Plan Construction Cost Assessment

## Contents

1	Introduction .....	4
2	Residential developments.....	4
3	Non-residential developments.....	15

APPENDIX A – Cost summaries for Houses

APPENDIX B – Cost summaries for Flats

APPENDIX C - Cost summaries for Housing Allocations

APPENDIX D – Cost summaries for Non-Residential Developments

APPENDIX E – Cost summaries for Employment Allocations



# Barrow Council – Local Plan Construction Cost Assessment

## 1 Introduction

WYG have supported Keppie Massie with their work for Barrow Council in respect of development viability assessments for a number of types of development in order to test Local Plan viability.

WYG’s work has been in respect of the construction costs of the different types of development anticipated and tested and this report details the methodology adopted and gives summaries of the construction cost data prepared.

The developments have been divided into two basic categories: residential and non-residential. These are considered separately.

## 2 Generic residential developments

### 2.1 Range of developments

Residential developments have been divided into three categories based on development density and within each several different sizes of development have been used, based on the requirements of Barrow Council and for each of these a typical level of specification has been costed. The densities used are 30, 40 and 50 dwellings per hectare. All developments have been costed for both Greenfield and Brownfield sites; these are defined below.

Scheme	No of dwellings
1	5 No
2	10 No
3	20 No
4	35 No
5	50 No

**Table 1 – Development typologies**

Net site areas have been derived for each development typology based on the densities as follows:

Scheme	Dwelling Nos	30 dph	40 dph	50 dph
1	5 No	1667 m2	1250 m2	1000 m2
2	10 No	3333 m2	2500 m2	2000 m2
3	20 No	6667 m2	5000 m2	4000 m2
4	35 No	11667 m2	8750 m2	7000 m2
5	50 No	16667 m2	12500 m2	10000 m2

**Table 2 – Net site areas**

Gross site areas have been assessed using the SHLAA data published by Barrow Council. The difference between gross and net areas has been costed as Public Open Space.



# Barrow Council – Local Plan Construction Cost Assessment

A mix of accommodation for each development scenario has been based on the following percentages as follows; the floor areas for each dwelling type are also shown:

Dwelling type	Floor area		% of type for 30 and 40 dph	% of type for 50 dph
1 bed terraced house	58 m2	625 ft2	0%	10%
1 bed bungalow	58 m2	625 ft2	5%	0%
2 bed semi-detached house	70 m2	754 ft2	16%	35%
2 bed bungalow	70 m2	754 ft2	4%	0%
3 bed semi-detached house	90 m2	969 ft2	35%	55%
4 bed detached house	116 m2	1249 ft2	35%	0%
5 bed detached house	158 m2	1701 ft2	5%	0%

**Table 3 – Floor areas**

The construction cost assessments for each development scenario are shown in tabulated form in Appendix A.

Also costed are two different developments of new build flats; one is of 15 units on two floors without a lift and one is of 50 units on three floors including a lift. The table below summarises the apartment development typologies that we have assessed.

15 Nr New flats on 2 floors (without a lift)		
1B Flats	5 No	60 m2 (inc common area)
2B Flats	10 No	80 m2 (inc common area)
Totals	15 No	1,100 m2
50 Nr new flats on 3 floors (including lift)		
1B Flats	18 No	60.00 m2 (inc common area)
2B Flats	32 No	82.00 m2 (inc common area)
Totals	50 No	3,704 m2

**Table 4 – Accommodation in flats**

The cost details for flats are shown in tabulated form in Appendix B.

## 2.2 Costing methodology - Houses

Costs for the buildings:

- The dwellings themselves are costed based on their floor area. All dwellings are assumed to have two floors of the same area, except for bungalows. The substructure costs that have been adopted are based on a rate per m2 that has been applied to the footprint area and are for normal substructures comprising simple strip footings founded at a nominal depth of 1m. Rates per m2 are derived from the database held by WYG based on a large range of housing projects carried out in recent years.



# Barrow Council – Local Plan Construction Cost Assessment

- Superstructure costs have been calculated on a rate per m<sup>2</sup> basis and applied to the gross internal floor area for each dwelling. These too are derived from database held by WYG. Each different floor area has a specific rate/m<sup>2</sup> to reflect the differing costs per m<sup>2</sup> as the dwelling size varies.

Costs for the external works etc.:

- These are density based following an assessment of plot size from density
- Estate roads and footpaths; area and costs assessed from plot size; including kerbs, street lighting and road drainage. Rates and prices are from our cost data and published data
- Work within curtilage is assessed based on areas derived from the plot size and include boundaries, parking area, paving, grassed and planting areas. Rates and prices are from our cost data and published data
- Drainage and incoming service supplies costs are assessed on a cost / dwelling basis and include plot drainage and an allowance for mains drainage, using typical costs. Allowance has been made for costs of surface water attenuation.
- Public Open space: costs are based on areas defined by Barrow Council SHLAA requirements. Works include allowances for grass, trees with an allowance for simple future maintenance. Larger schemes also include allowance for play areas.
- Garages have been included on the following basis:  
  
4 bedroom houses – single integral garage  
5 bedroom houses – single detached garage

Costs for other matters:

- Preliminaries are costed on a cost per week for a construction period based on the sales rate
- Fees for design, planning etc are based on % of the construction costs
- Adjustment for costs to reflect the size of the development; large developments are more economic than small ones.
- Costs for abnormal works on brownfield sites are included on the basis of cost/dwelling and cost/m<sup>2</sup> of the site. These include allowance for poor ground conditions or similar works and more costly site clearance.
- Contingencies are included at 5%
- As profit will be included elsewhere within the viability appraisal, construction profit is not included within construction costs



# Barrow Council – Local Plan Construction Cost Assessment

A number of items are excluded from the overall rate per sq m assessment and are included as separate items in the appraisals. These include

- Site opening up costs and Section 106/278 works or similar, off-site works and incoming infrastructure/service reinforcement.

## 2.3 Costing methodology – Flats

- Generally the principles are as for houses.
- Floor areas include common areas.
- External areas are assumed based on the areas regarded as necessary per flat.
- Exclusions are as houses. In addition the cost assessment for flats does not include estate roads as this form of development is costed on the basis of a 'stand alone' development served by existing roads, or roads developed separately.
- The cost details shown in Appendix B indicate the external works and similar costs.

## 2.4 Outline Specification assumed

We have assumed the following outline specification for the purposes of assessing the construction costs of the dwellings of standard specification.

<b>Generally</b>	
National Housing Standards	The dwellings are sized to comply with the National Housing Standards
Building regulations	All works will comply with the current Building Regulations in force.
NHBC	All works will comply with the current NHBC requirements (or similar) in force.
<b>Substructures</b>	
Foundations (normal)	Standard strip footings at nominally 1m deep have been assumed to the external walls and party walls.
Ground floors	In situ concrete with insulation and screed over.
<b>Superstructures</b>	
Staircases	Standard timber stairs with timber balustrades. Concrete stairs to flats with timber or simple metal balustrades.
Upper floors	Chipboard floor boarding on timber joists. Concrete floors to flats complying with acoustic and fire requirements of the Building Regulations.
External walls	Facing brick, with some detailing, externally; cavity fully filled with insulation, and insulating blockwork inner skin.
Roof	Pitched roof with concrete tiles and trussed timber structure.
Roof insulation	400mm fibreglass quilt at ceiling level.

# Barrow Council – Local Plan Construction Cost Assessment



Rainwater installation	uPVC gutters and downpipes.
Windows	uPVC framed windows with double glazing.
External doors	uPVC or similar front and rear doors.
Internal walls and partitions	Generally of studwork within dwellings, with insulation and plasterboard. Party walls in concrete blockwork to meet the acoustic and fire requirements of the Building Regulations
Internal doors	Hollow core doors with timber veneer appearance and ironmongery, frames in softwood, gloss painted. Doors to and within flats will be fire rated in accordance with the Building Regulations.
Floor finishes	No applied floor finishes; painted softwood skirtings. Plain contract carpet finish to common areas of flats.

Wall finishes	Plasterboard dry lining with skim and emulsion paint finishes. Ceramic tiling included as splashbacks in bathrooms and in shower areas to 1.8m high.
Ceiling finishes	Plasterboard with skim and emulsion paint finish.
Fittings	Kitchen fittings of medium to basic quality; no white goods or appliances.
Sanitary fittings	Bath in white acrylic, WCs and wash basins in white ceramic with taps, wastes etc.
Plumbing installation	Soil and waste pipework in uPVC generally boxed in. Hot and cold water pipework in plastic pipework with insulation.
Heating installation	Gas fired high efficiency combination condensing boiler with radiators, controls etc.
Electrical installation	Wiring for power and lighting. Switches and socket outlets in white plastic. All fittings with Low energy lamps. No decorative fittings included. Smoke detectors included.
TV aerial installation	Cable points in Living Room and Main bedroom; containment to roof space or aerial point. No aerial included.
Telephone installation	Conduit installation to points in Living Room and Main Bedroom to all units.
Lift installation	Not included except within the larger flat development in which a single lift is assumed.
<b>Externally</b>	
House drives	Black tarmacadam on suitable base and sub-base.
Paving	Pre-cast concrete flags on compacted granular fill generally.
Grassed areas	Topsoil with grass seed generally (turf to front gardens). Topsoil thickness 150mm
Fencing – rear	In treated softwood
Fencing – front	None; open plan assumed

# Barrow Council – Local Plan Construction Cost Assessment



Roads and footpaths	Adopted roads to adoption standards in black tarmacadam with street lighting, concrete kerbs and road drainage. Footpaths in precast concrete flags to adoptable standards. Roads to courts and parking areas and access to flats assumed to be non-adopted but to similar specification to adopted roads.
Drainage	Drainage in UPVC pipework with inspection chambers and manholes. Collector drains and drains beyond curtilage are to be adopted. Allowance for surface water attenuation has been made. General further SUDS requirements will be met using the Public Open Space.
Incoming services	Service supplies for <ul style="list-style-type: none"> <li>• Gas</li> <li>• Electricity</li> <li>• Water</li> <li>• Telephone – duct only from road</li> </ul>

**Table 5 – Specification details**

## 2.5 Opening-up costs

Opening up costs for greenfield sites have not been included within the basic construction costs but have been added elsewhere with the EVA on the following basis:

- Allowance for opening- up costs, in the form of increased access costs and service reinforcement can be added as follows

No Dwellings	Cost per dwelling
0-14	£0
15-49	£2,750
50-99	£4,000

**Table 5 – Opening up costs**

## 2.6 Site Specific Residential Testing

We have also prepared site specific assessments for a number of proposed allocations as detailed in table 6.

# Barrow Council – Local Plan Construction Cost Assessment



Site Ref	Address	No Dwellings
SHL037	E5 Land South of Ashley & Rock, Park Road	77
REC26	Land East of Holbeck	90
SHL082	Land East of Rakesmoor Lane	107
SHL010	Park Vale, Walney	178
SHL001	Marina Village	650
REC10	Land to West of Crooklands Brow	65
REC25	Land at Greenhills Farm	69
REC47	Elliscales Quarry Dalton & Land to West	70
SHL017	Urofoam Factory, Duddon Road	48

Table 6 – Site Specific Construction Cost Assessments

The assessments for these sites are based on the following assumptions.

- 1 The area of the site has been based upon data provided by Barrow Council and adjustment made for Public Open Space. The number of dwellings to be accommodated has also been provided by the Council.
- 2 Each of the identified sites has then been costed on the basis of the generic sites. That is that the same mix proportions have been used and applied to the total number of dwellings. The costs for the substructures and superstructure are as the generic sites with costs for external works etc based on the gross and net plot areas as described above, but applied to the actual site area and number of dwellings. Preliminaries have been assessed based on the period assessed for the site at an appropriate sales rate. External works and public open space costs have also been assessed based on the actual site area.
- 3 Allowance has been made for abnormal works, based on the likely needs of the site.
- 4 As appropriate off site and Section 278 or similar highway costs have been included
- 5 The summaries for each site detail the abnormal costs that have been assumed.
- 6 Details of the costs summaries for each site are given in Appendix C.





# Barrow Council – Local Plan Construction Cost Assessment

## 3 Non-residential developments

### 3.1 Range of developments

A number of different non-residential development types have been costed, as shown in the table below:

Type	Floor area (ft2)	Floor area (m2)	Site areas (m2)
Offices	5,000 ft2	464 m2	569 m2
Offices	10,000 ft2	929 m2	1,164 m2
Offices	20,000 ft2	1,857 m2	2,313 m2
Industrial B2	5,000 ft2	464 m2	695 m2
Industrial B2	20,000 ft2	1,857 m2	2,728 m2
Industrial B2/B8	50,000 ft2	4,643 m2	6,669 m2
Industrial B2/B8	100,000 ft2	9,287 m2	13,095 m2

**Table 7 – Non - residential developments – areas of buildings and sites**

The costs for each of these developments are given in tabulated form in Appendix D.

### 3.2 Costing methodology

Costs for the buildings:

- Normal substructures and superstructures based on costs per m2 from BCIS for buildings of the same type and comparable size. BCIS data have been adjusted for location and brought up to date.

Costs for the external works etc.:

- Areas based on parking requirements with allowances for circulation and landscaped areas, footpaths etc.

Costs for other matters

- Preliminaries are costed within the costs per m2 derived from BCIS published cost data for the buildings.
- Fees for design, planning etc are based on a percentage of the construction costs
- Contingencies will be included at 5%
- Construction profit is included within the costs
- Abnormal works will be included on the basis of cost/m2 of the building or cost/m2 of the site. These would include allowance for poor ground conditions or similar.



# Barrow Council – Local Plan Construction Cost Assessment

## 3.3 Site Specific Assessments

Adopting the same methodology we have prepared specific construction cost assessments for a number of the proposed employment allocations. The detailed site specific assessments are contained at Appendix E.

## 4 Contingencies

We have included within the costs for all schemes, whether residential or non-residential, an allowance for unknowns and risk in the amount of 5% which we consider is reasonable.

# Barrow Council – Local Plan Construction Cost Assessment



## APPENDIX A – Cost Summaries for Houses

# Barrow Council – Local Plan Construction Cost Assessment



## BARROW BOROUGH COUNCIL LOCAL PLAN EVA - TYPICAL COSTS FOR RESIDENTIAL - HOUSES

Summary for density 30 dwellings per hectare

7 June 2016

	GREEN FIELD SITE			Sales rate and Construction period
	Total Cost	Av Cost per dwelling	Av cost per m2	
Scheme 1 5 dwellings	£ 653,617	£ 130,723	£ 1,356	n/a /m 7 months
Scheme 2 10 dwellings	£ 1,243,267	£ 124,327	£ 1,290	n/a /m 9 months
Scheme 3 20 dwellings	£ 2,502,390	£ 125,119	£ 1,291	2 /m 14 months
Scheme 4 35 dwellings	£ 4,334,363	£ 123,839	£ 1,277	2 /m 22 months
Scheme 5 50 dwellings	£ 6,057,424	£ 121,148	£ 1,252	3 /m 21 months

	BROWN FIELD SITE			Sales rate and Construction
	Total Cost	Av Cost per	Av cost per m2	
Scheme 1 5 dwellings	£ 684,164	£ 136,833	£ 1,419	n/a /m 7 months
Scheme 2 10 dwellings	£ 1,304,360	£ 130,436	£ 1,353	n/a /m 9 months
Scheme 3 20 dwellings	£ 2,628,375	£ 131,419	£ 1,356	2 /m 14 months
Scheme 4 35 dwellings	£ 4,554,955	£ 130,142	£ 1,342	2 /m 22 months
Scheme 5 50 dwellings	£ 6,367,761	£ 127,355	£ 1,316	3 /m 21 months

# Barrow Council – Local Plan Construction Cost Assessment



## BARROW BOROUGH COUNCIL LOCAL PLAN EVA - TYPICAL COSTS FOR RESIDENTIAL - HOUSES

Summary for density 40 dwellings per hectare

07 June 2016

	GREEN FIELD SITE			Sales rate and Construction period
	Total Cost	Av Cost per dwelling	Av cost per m2	
Scheme 1 5 dwellings	£ 642,416	£ 128,483	£ 1,333	n/a /m 7 months
Scheme 2 10 dwellings	£ 1,220,864	£ 122,086	£ 1,266	n/a /m 9 months
Scheme 3 20 dwellings	£ 2,454,244	£ 122,712	£ 1,266	2 /m 14 months
Scheme 4 35 dwellings	£ 4,238,893	£ 121,111	£ 1,249	2 /m 22 months
Scheme 5 50 dwellings	£ 5,938,704	£ 118,774	£ 1,227	3 /m 21 months

	BROWN FIELD SITE			Construction period
	Total Cost	Av Cost per	Av cost per m2	
Scheme 1 5 dwellings	£ 671,091	£ 134,218	£ 1,392	n/a /m 7 months
Scheme 2 10 dwellings	£ 1,278,213	£ 127,821	£ 1,326	n/a /m 9 months
Scheme 3 20 dwellings	£ 2,571,909	£ 128,595	£ 1,327	2 /m 14 months
Scheme 4 35 dwellings	£ 4,444,925	£ 126,998	£ 1,310	2 /m 22 months
Scheme 5 50 dwellings	£ 6,228,530	£ 124,571	£ 1,287	3 /m 21 months

# Barrow Council – Local Plan Construction Cost Assessment



**BARROW BOROUGH COUNCIL  
LOCAL PLAN EVA - TYPICAL COSTS FOR RESIDENTIAL - HOUSES**

**Summary for density 50 dwellings per hectare**

**07 June 2016**

	<b>BROWN FIELD SITE</b>			Sales rate and Construction period
	Total Cost	Av Cost per dwelling	Av cost per m2	
Scheme 1 5 dwellings	£ 589,707	£ 117,941	£ 1,560	n/a /m 7 months
Scheme 2 10 dwellings	£ 1,123,491	£ 112,349	£ 1,426	n/a /m 9 months
Scheme 3 20 dwellings	£ 2,218,154	£ 110,908	£ 1,390	2 /m 14 months
Scheme 4 35 dwellings	£ 3,735,641	£ 106,733	£ 1,343	2 /m 22 months
Scheme 5 50 dwellings	£ 5,158,489	£ 103,170	£ 1,290	3 /m 21 months

# Barrow Council – Local Plan Construction Cost Assessment



## **BARROW BOROUGH COUNCIL LOCAL PLAN EVA - TYPICAL COSTS FOR RESIDENTIAL - HOUSES**

### **Notes regarding works included in costs and assumptions made**

The following works are included in all schemes unless otherwise stated

- 1 Site clearance - at a basic cost for simple removal of top surface, excluding slabs roads etc. Applicable to site areas calculated on the basis of the applicable density
- 2 Normal foundations - assumed to be strip footings at nominal depth
- 3 Substructures and superstructures - specification typical of normal developments
- 4 External works within curtilage including paving; car parking, grassed areas and fenced boundaries (front assumed open plan). The areas and lengths are assessed based on site area available and assume a typical plot aspect ratio of 1.25.
- 5 Drainage; an allowance per plot including attenuation
- 6 Incoming service supplies; an allowance per plot.
- 7 Roads, footpaths, kerbs and street lighting; areas and lengths based on the applicable densities, plot areas and an 'inefficiency' of 20% reducing to 16% for 50 dph schemes
- 8 Public open space
- 9 Code for Sustainable Homes and Rainwater Harvesting: excluded
- 10 Abnormal costs; these vary with site type, as follows:
  - 11 Greenfield - no costs
  - 12 Brownfield - additional £3.00/m<sup>2</sup> for additional clearance and some demolitions with £54.28/m<sup>2</sup> for floor area of houses to allow for further abnormal substructure costs (eg piling)
- 13 Preliminaries; allowances based on assessed Construction Periods and sales rates of 2 and 3 per month; Schemes 1 and 2 being smaller are assessed at 9 and 12 months respectively.
- 14 Fees include the following;
  - Design
  - Planning and building control
  - Section 38 and 104 fees
  - NHBC or equivalent
  - General Health and Safety feesThese are included as a declining percentage from 7.5%
- 15 Contingencies; included at 5% throughout
- 16 Scale factors: a percentage multiplier is used to allow assessment of economies of scale
- 17 Maintenance of public open space is based on grass cutting (8 cuts pa) leaving arisings on site and capitalised over 15 years giving £3.00/m<sup>2</sup>.

# Barrow Council – Local Plan Construction Cost Assessment



## APPENDIX B – Cost Summaries for Flats



# Barrow Council – Local Plan Construction Cost Assessment



## LOCAL PLAN ECONOMIC VIABILITY APPRAISAL

### TYPICAL COSTS FOR RESIDENTIAL - FLATS

07 June 2016

#### Scheme of 15 units on two floors; infill site off existing roads off; no lift

1b flat	5 Nr	50.00 m2	250.00 m2
2b flat	10 Nr	70.00 m2	700.00 m2
Average GFA/ unit =			63.33 m2
Addition for common areas			10.00 m2
Total GFA Average			73.33 m2

#### Costs for single flat

Substructures	73.33 m2	£ 90.47 /m2	£6,635
Superstructures	73.33 m2	£ 820.72 /m2	£60,186
Total		£ 911 /m2	£66,821

#### External works

Entrance roads	0 m2		
Footpath to entrance road	0 m2		
Road crossing	1 Nr	£3,231	£3,231
Car parking; tarmacadam; 1 space / flat + 60% circulation	21 m2	£ 64.62 /m2	£1,344
Kerbs, lighting and drainage to above	21 m2	£ 24.56 /m2	£511
Paving, paths etc; assumed at 12 m2 / flat	12 m2	£ 41.36 /m2	£496
Grassed area	10 m2	£ 10.34 /m2	£103
Bin stores	1 Nr	£323	£323
Allowance for fences, railings and gates	1 Nr	£646	£646
Site clearance	80 m2	£ 4.52 /m2	£362
Drainage including attenuation	1 Nr	£3,102	£3,102
Incoming services	1 Nr	£4,847	£4,847
Preliminaries (cost per unit per week)	36 weeks	£283	£10,178

#### Total Costs of single flat

			£91,965
Fees	7.50%		£6,897
Contingencies	5.00%		£4,943
<b>TOTAL FOR SINGLE FLAT</b>			<b>£103,806</b>
Less Contractor's profit and overheads included	-7.00%		-£7,266

#### TOTAL COSTS FOR SINGLE FLAT

£96,540

#### SCHEME COST FOR 16 No FLATS

£1,448,093

#### Cost/ m2

£1,316.45

Site area	1332 m2
Average site area per flat	133 m2



# Barrow Council – Local Plan Estimated construction costs

**BARROW BOROUGH COUNCIL  
LOCAL PLAN ECONOMIC VIABILITY APPRAISAL**

**TYPICAL COSTS FOR RESIDENTIAL - FLATS**

07 June 2016

**Scheme of 50 units on three floors including lift; off existing road (no access road included)**

GFA/ unit =  
Addition for common areas (inc lift)  
**Total GFA for each type**

Costs for single flat

Substructures  
Superstructures  
Lift  
Total  
External works  
Entrance road  
Footpath to entrance road  
Road crossing  
Car parking; tarmacadam; 1 space / flat + 60% circulation  
Kerbs, lighting and drainage to above  
Paving, paths etc; assumed at 12 m2 / flat  
Grassed area  
Bin stores  
Allowance for fences, railings and gates  
Site clearance  
Drainage including attenuation  
Incoming services

Preliminaries (cost per unit per week)

**Total Costs of single flat**

Fees

Contingencies

**TOTAL FOR SINGLE FLAT**

Less Contractor's profit and overheads included

**TOTAL COSTS FOR SINGLE FLAT**

**SCHEME COST FOR 50 No FLATS**

**Cost / m2**

**Site area**

	<b>1B</b> 50.00 m2	<b>18 Nr</b>		<b>2B</b> 70.00 m2	<b>32 Nr</b>		<b>TOTALS</b>
	10.00 m2			12.00 m2			3704 m2
<b>Total GFA for each type</b>	<b>60.00 m2</b>			<b>82.00 m2</b>			
Substructures	60.00 m2	£ 66.78 /m2	£4,007	82.00 m2	£ 66.78 /m2	£5,476	£247,346
Superstructures	60.00 m2	£ 801.34 /m2	£48,080	82.00 m2	£ 801.34 /m2	£65,710	£2,968,147
Lift	60.00 m2	£ 10.34 /m2	£620	82.00 m2	£ 10.34 /m2	£848	£38,299
<b>Total</b>		<b>£ 878.45 /m2</b>	<b>£52,707</b>		<b>£ 878.45 /m2</b>	<b>£72,033</b>	<b>£3,253,791</b>
Entrance road	15 m2	£ 71.09 /m2	£1,066	15 m2	£ 71.09 /m2	£1,066	£53,315
Footpath to entrance road	12 m2	£ 45.24 /m2	£543	12 m2	£ 45.24 /m2	£543	£27,142
Road crossing		£3,231.19	£0		£3,231.19	£0	£0
Car parking; tarmacadam; 1 space / flat + 60% circulation	21 m2	£ 64.62 /m2	£1,344	21 m2	£ 64.62 /m2	£1,344	£67,209
Kerbs, lighting and drainage to above	21 m2	£ 24.56 /m2	£511	21 m2	£ 24.56 /m2	£511	£25,539
Paving, paths etc; assumed at 12 m2 / flat	12 m2	£ 41.36 /m2	£496	12 m2	£ 41.36 /m2	£496	£24,816
Grassed area	10 m2	£ 10.34 /m2	£103	10 m2	£ 10.34 /m2	£103	£5,170
Bin stores	1 Nr	£323.12	£323	1 Nr	£323.12	£323	£16,156
Allowance for fences, railings and gates	1 Nr	£646.24	£646	1 Nr	£646.24	£646	£32,312
Site clearance	116 m2	£ 4.52 /m2	£524	116 m2	£ 4.52 /m2	£524	£26,221
Drainage including attenuation	1 Nr	£3,101.94	£3,102	1 Nr	£3,101.94	£3,102	£155,097
Incoming services	1 Nr	£4,846.79	£4,847	1 Nr	£4,846.79	£4,847	£242,339
Preliminaries (cost per unit per week)	60 weeks	£193.87	£11,632	60 weeks	£193.87	£11,632	£581,615
<b>Total Costs of single flat</b>			<b>£77,846</b>			<b>£97,172</b>	<b>£4,510,721</b>
Fees		7.00%	£5,449		7.00%	£6,802	£315,751
Contingencies		5.00%	£4,165		5.00%	£5,199	£241,324
<b>TOTAL FOR SINGLE FLAT</b>			<b>£87,460</b>			<b>£109,172</b>	<b>£5,067,796</b>
Less Contractor's profit and overheads included		7.00%	£6,122		7.00%	£7,642	£354,746
<b>TOTAL COSTS FOR SINGLE FLAT</b>			<b>£93,582</b>			<b>£116,815</b>	
<b>SCHEME COST FOR 50 No FLATS</b>			<b>£1,684,475</b>			<b>£3,738,066</b>	<b>£5,422,540</b>
<b>Cost / m2</b>			<b>£ 1,560 /m2</b>			<b>£ 1,425 /m2</b>	<b>£ 1,464 /m2</b>
<b>Site area</b>			<b>4805 m2</b>				

# **Barrow Council – Local Plan Estimated construction costs**



## **APPENDIX C – Cost Summaries for Housing Allocations**



**SHL037 ES Land South of Ashley & Rock, Park Road**

Site area **2.75 ha**  
 PoS % **0.0%**  
 Net Dev area **27500 m2**  
 PoS Area **0 m2**  
 Sales rate **3 per month**  
 Code  
 Rainwater Harvesting  
 No of dwellings **77 Nr 28 DPH**

**22 June 2016**

Mix Data			GFA/unit	Total GFA	
1 bed	5.00%	4 Nr	58 m2	223 m2	2.99%
2 bed	20.00%	15 Nr	70 m2	1078 m2	14.45%
3 bed	35.00%	27 Nr	90 m2	2426 m2	32.51%
4 bed	35.00%	27 Nr	116 m2	3126 m2	41.90%
5 bed	5.00%	4 Nr	158 m2	608 m2	8.15%
			77 Nr	7461 m2	100.00%

Substructures		£521,834	£6,777.07	£ 69.94 /m2
Superstructures		£5,301,073	£68,845.11	£ 710.48 /m2
External Works within curtilage costs		£488,202	£6,340.29	£ 65.43 /m2
External works beyond curtilage		£453,900	£5,894.80	£ 60.83 /m2
Drainage costs		£392,189	£5,093.37	£ 52.56 /m2
Inc Services costs		£311,969	£4,051.54	£ 41.81 /m2
Public Open Space		£0	£0.00	£ 0.00 /m2
Play area		£37,400	£485.71	£ 5.01 /m2
Code for Sustainable Homes level 3		£0	£0.00	£ 0.00 /m2
Rainwater Harvesting		£0	£0.00	£ 0.00 /m2
Preliminaries for 32 months		£538,560	£6,994.29	£ 72.18 /m2
<b>SUBTOTAL</b>		<b>£8,045,128</b>	<b>£104,482</b>	<b>£ 1,078.25 /m2</b>
Abnormals		£274,423	£3,563.94	£ 36.78 /m2
Fees	5.75%	£478,374	£6,212.65	£ 64.11 /m2
Contingencies	5.00%	£439,896	£5,712.94	£ 58.96 /m2
<b>Total</b>		<b>£9,237,821</b>	<b>£119,972</b>	<b>£ 1,238.10 /m2</b>

**Abnormals**

Allowance for vibrocompaction due to past use	3731 m2	£ 55.00 /m2	£205,186
Visibility splay from Bank Lane/Middlefield	203 m2	£ 95.00 /m2	£19,238
Additional allowance for restoration of water bodies	Item		£50,000

**Total of abnormals**

**£274,423**



**REC26 Land East of Holbeck Rev 1**

Site area **6.60 ha**  
 PoS % **33.3%**  
 Net Dev area **30000 m2**  
 PoS Area **10000 m2** (see abnormals below)  
 Sales rate **3 per month**

Code **21 July 2016**  
 Rainwater Harvesting  
 No of dwellings **90 Nr 30 DPH**

Mix Data			GFA/unit	Total GFA	
1 bed	5.00%	5 Nr	58 m2	290 m2	3.32%
2 bed	20.00%	18 Nr	70 m2	1260 m2	14.44%
3 bed	35.00%	31 Nr	90 m2	2790 m2	31.97%
4 bed	35.00%	31 Nr	116 m2	3596 m2	41.21%
5 bed	5.00%	5 Nr	158 m2	790 m2	9.05%
			90 Nr	8726 m2	100.00%

	Cost	Cost £/unit	Cost £/m2
Substructures	£610,195	£6,779.94	£ 69.93 /m2
Superstructures	£6,196,128	£68,845.86	£ 710.08 /m2
External Works within curtilage costs	£551,116	£6,123.51	£ 63.16 /m2
External works beyond curtilage	£505,127	£5,612.52	£ 57.89 /m2
Drainage costs	£458,419	£5,093.54	£ 52.53 /m2
Inc Services costs	£364,651	£4,051.68	£ 41.79 /m2
Public Open Space	£153,385	£1,704.28	£ 17.58 /m2
Play area	£37,400	£415.56	£ 4.29 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 36 months	£605,880	£6,732.00	£ 69.43 /m2
<b>SUBTOTAL</b>	<b>£9,482,301</b>	<b>£105,359</b>	<b>£ 1,086.67 /m2</b>
Abnormals	£255,113	£2,834.58	£ 29.24 /m2
Fees	5.75% £559,901	£6,221.13	£ 64.16 /m2
Contingencies	5.00% £514,866	£5,720.73	£ 59.00 /m2
<b>Total</b>	<b>£10,812,181</b>	<b>£120,135</b>	<b>£ 1,239.08 /m2</b>

**Abnormals**

	Item	
Section 278 works		£30,000
Pedestrian/cycle links	2 Nr	£15,000.00 £30,000
Visibility splay from Leece Lane	968 m2	£ 95.00 /m2 £91,913
Allowance for retainment due to slopes	90 Nr	£250.00 £22,500
Additional land area; minimal intervention	26900 m2	£ 3.00 /m2 £80,700

**Total of abnormals £255,113**



**SHL082 Land E Rakesmoor Lane Rev 1**

Site area **19.90 ha**  
 PoS % **33.3%**  
 Net Dev area **35500 m2**  
 PoS Area **11833 m2** (see abnormals below)  
 Sales rate **3 per month**

**21 July 2016**

Rainwater Harvesting  
 No of dwellings **107 Nr 30 DPH**

Mix Data			GFA/unit	Total GFA	
1 bed	5.00%	5 Nr	58 m2	290 m2	2.79%
2 bed	20.00%	21 Nr	70 m2	1470 m2	14.16%
3 bed	35.00%	38 Nr	90 m2	3420 m2	32.95%
4 bed	35.00%	38 Nr	116 m2	4408 m2	42.47%
5 bed	5.00%	5 Nr	158 m2	790 m2	7.61%
			107 Nr	10378 m2	100.00%

	Cost	Cost £/unit	Cost £/m2
Substructures	£718,652	£6,716.37	£ 69.25 /m2
Superstructures	£7,301,777	£68,240.90	£ 703.58 /m2
External Works within curtilage costs	£647,507	£6,051.47	£ 62.39 /m2
External works beyond curtilage	£593,101	£5,543.00	£ 57.15 /m2
Drainage costs	£539,559	£5,042.61	£ 51.99 /m2
Inc Services costs	£429,195	£4,011.17	£ 41.36 /m2
Public Open Space	£179,691	£1,679.35	£ 17.31 /m2
Play area	£37,026	£346.04	£ 3.57 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 42 months	£738,669	£6,903.45	£ 71.18 /m2
<b>SUBTOTAL</b>	<b>£11,185,176</b>	<b>£104,534</b>	<b>£ 1,077.78 /m2</b>
Abnormals	£659,413	£6,162.73	£ 63.54 /m2
Fees	5.00% £592,229	£5,534.85	£ 57.07 /m2
Contingencies	5.00% £621,841	£5,811.60	£ 59.92 /m2
<b>Total</b>	<b>£13,058,659</b>	<b>£122,044</b>	<b>£ 1,258.30 /m2</b>

**Abnormals**

Demolitions of farm and buildings ( buildings to remain)	0 m2	£ 40.00 /m2	£0
SUDS allowance	included in POS costs above		
Visibility splay to Rakesmoor Lane	968 m2	£ 95.00 /m2	£91,913
Additional site area; minimal intervention	151667 m2	£ 3.00 /m2	£455,000
Allowance for Section 278 works; footpath and widening to Rakesmoor Lane	150 m	£ 750 /m	£112,500

**Total of abnormals**

**£659,413**



**SHL0101**

**Park Vale, Walney**

Rev 1

Site area **5.91 ha**  
 PoS % **33.3%**  
 Net Dev area **15500 m2**  
 PoS Area **5167 m2** (see abnormal cost below)  
 Sales rate **3 per month**

Code

**21 July 2016**

Rainwater Harvesting

No of dwellings **46 Nr 30 DPH**

**Mix Data**

**GFA/unit**

**Total GFA**

1 bed	5.00%	2 Nr	58 m2	116 m2		2.61%
2 bed	20.00%	9 Nr	70 m2	630 m2		14.16%
3 bed	35.00%	17 Nr	90 m2	1530 m2		34.40%
4 bed	35.00%	16 Nr	116 m2	1856 m2		41.73%
5 bed	5.00%	2 Nr	158 m2	316 m2		7.10%
		46 Nr		4448 m2		100.00%

	<b>Cost</b>	<b>Cost £/unit</b>	<b>Cost £/m2</b>
Substructures	£314,195	£6,830.32	£ 70.64 /m2
Superstructures	£3,194,398	£69,443.43	£ 718.16 /m2
External Works within curtilage costs	£286,144	£6,220.53	£ 64.33 /m2
External works beyond curtilage	£262,897	£5,715.15	£ 59.10 /m2
Drainage costs	£236,546	£5,142.30	£ 53.18 /m2
Inc Services costs	£188,161	£4,090.47	£ 42.30 /m2
Public Open Space	£80,008	£1,739.29	£ 17.99 /m2
Play area	£28,319	£615.62	£ 6.37 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 21 months	£317,167	£6,894.94	£ 71.31 /m2
<b>SUBTOTAL</b>	<b>£4,907,834</b>	<b>£106,692</b>	<b>£ 1,103.38 /m2</b>
Abnormals	£205,225	£4,461.41	£ 46.14 /m2
Fees	6.50% £332,349	£7,224.97	£ 74.72 /m2
Contingencies	5.00% £272,270	£5,918.92	£ 61.21 /m2
<b>Total</b>	<b>£5,717,678</b>	<b>£124,297</b>	<b>£ 1,285.45 /m2</b>

**Abnormals**

	Item	
Section 278 works		£30,000
Pedestrian/cycle links	2 Nr	£15,000.00
Visibility splay from Mil Lane	315 m2	£ 95.00 /m2
Move changing facilities (assumed) 100m2)	Not required	£0
SUDS allowance	included in POS costs above	£0
Additional land area; minimal intervention	38433 m2	£ 3.00 /m2

**Total of abnormals**

**£205,225**



**SHL001 Marina Village Rev 3**

Site area **26.48 ha**  
 PoS % **70.8%**  
 Net Dev area **155000 m2**  
 PoS Area **109800 m2**  
 Sales rate **6 per month**

**09 August 2016**

Code  
 Rainwater Harvesting  
 No of dwellings **650 Nr 42 DPH**

	Mix Data			GFA/unit	Total GFA	
1 bed	4.23%	28 Nr	58 m2	1595 m2	2.63%	
2 bed	16.92%	110 Nr	70 m2	7700 m2	12.70%	
3 bed	29.62%	193 Nr	90 m2	17325 m2	28.58%	
4 bed	29.62%	193 Nr	116 m2	22330 m2	36.84%	
5 bed	4.23%	28 Nr	158 m2	4345 m2	7.17%	
1b Flat	5.23%	34 Nr	60 m2	2040 m2	3.37%	
2b Flat	10.15%	66 Nr	80 m2	5280 m2	8.71%	
	<b>100.00%</b>	650 Nr		<b>60615 m2</b>	<b>100.00%</b>	

	Cost	Cost £/unit	Cost £/m2
Substructures	£4,043,197	£6,220.30	£ 66.70 /m2
Superstructures	£40,405,548	£62,162.38	£ 666.59 /m2
External Works within curtilage costs	£3,052,373	£4,695.96	£ 50.36 /m2
External works beyond curtilage	£2,591,410	£3,986.78	£ 42.75 /m2
Drainage costs	£3,186,869	£4,902.88	£ 52.58 /m2
Inc Services costs	£2,535,010	£3,900.02	£ 41.82 /m2
Public Open Space	£1,621,125	£2,494.04	£ 26.74 /m2
Play area	£144,000	£221.54	£ 2.38 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 114 months	£2,462,400	£3,788.31	£ 40.62 /m2
<b>SUBTOTAL</b>	<b>£60,041,932</b>	<b>£92,372</b>	<b>£ 990.55 /m2</b>
Abnormals	£12,564,047	£19,329.30	£ 207.28 /m2
Fees	3.00% £2,176,019	£3,347.72	£ 35.90 /m2
Contingencies	5.00% £3,735,500	£5,746.92	£ 61.63 /m2
<b>Total</b>	<b>£78,517,498</b>	<b>£120,796</b>	<b>£ 1,295.35 /m2</b>

**Abnormals**

Pedestrian Cycle links	2 Nr	£20,000.00	£40,000
Visibility splay	405 m2	£ 95.00 /m2	£38,475
SUDS allowance	included in POS costs above		
Allowance for removal of Japanese Knotweed (extent not known)			£25,000
Allowance for piled foundations due to past use	29094 m2	£ 135.00 /m2	£3,927,623
Allowance for demolitions/clearance of site (30% area assur	79440 m2	£ 20.00 /m2	£1,588,800
Allowance for remediation (some contamination assumed)	650 Nr	£1,500.00	£975,000
Addition to POS costs for improved Public Realm works; area assumed	35000 m2	£ 60.00 /m2	£2,100,000
Main entrance to site	1 Nr	£600,000.00	£600,000
2 no additional entrances to site	2 Nr	£500,000.00	£1,000,000
Ground gas membranes to (assumed) 75% of dwellings	21820 m2	£ 12.00 /m2	£261,842
Contingency for UXO surveys to 5% of site area		Item	£100,000
Allowance for removal of hazardous material (volume not calculated)	2000 m3	£ 235.00 /m3	£470,000
600mm clean capping to garden areas	77692 m2	£ 18.50 /m2	£1,437,308
<b>Total of abnormals</b>			<b>£12,564,047</b>





**REC10 Land W of Crooklands Brow, Dalton**

Site area **2.74 ha**  
 PoS % **27.4%**  
 Net Dev area **21500 m2**  
 PoS Area **5900 m2**  
 Sales rate **3 per month**

**22 June 2016**

Code  
 Rainwater Harvesting  
 No of dwellings

**65 Nr 30 DPH**

**Mix Data**

**GFA/unit**

**Total GFA**

1 bed	5.00%	3 Nr	58 m2	174 m2	2.76%
2 bed	20.00%	13 Nr	70 m2	910 m2	14.45%
3 bed	35.00%	23 Nr	90 m2	2070 m2	32.88%
4 bed	35.00%	23 Nr	116 m2	2668 m2	42.38%
5 bed	5.00%	3 Nr	158 m2	474 m2	7.53%
		<b>65 Nr</b>		<b>6296 m2</b>	<b>100.00%</b>

Substructures		£440,391	£6,775.24	£ 69.95 /m2
Superstructures		£4,475,006	£68,846.25	£ 710.77 /m2
External Works within curtilage costs		£396,700	£6,103.08	£ 63.01 /m2
External works beyond curtilage		£363,138	£5,586.74	£ 57.68 /m2
Drainage costs		£331,069	£5,093.37	£ 52.58 /m2
Inc Services costs		£263,350	£4,051.54	£ 41.83 /m2
Public Open Space		£90,494	£1,392.22	£ 14.37 /m2
Play area		£37,400	£575.38	£ 5.94 /m2
Code for Sustainable Homes level 3		£0	£0.00	£ 0.00 /m2
Rainwater Harvesting		£0	£0.00	£ 0.00 /m2
Preliminaries for 28 months		£471,240	£7,249.85	£ 74.85 /m2
<b>SUBTOTAL</b>		<b>£6,868,788</b>	<b>£105,674</b>	<b>£ 1,090.98 /m2</b>
Abnormals		£210,975	£3,245.77	£ 33.51 /m2
Fees	5.75%	£407,086	£6,262.87	£ 64.66 /m2
Contingencies	5.00%	£374,342	£5,759.12	£ 59.46 /m2
<b>Total</b>		<b>£7,861,192</b>	<b>£120,941</b>	<b>£ 1,248.60 /m2</b>

**Abnormals**

Pedstrian linkage to Mouzell Bank		Item	£15,000
Visibility splay to Crooklands Brow	405 m2	£ 95.00 /m2	£38,475
Allowance for stone elevations to key dwellings		£3,500	£87,500
SUDS allowance (extra to above costs)		Item	£50,000
Allowance for ecological works		Item	£20,000

**Total of abnormals**

**£210,975**



**REC25 Land at Greenhills Farm, Dalton**

Site area **5.09 ha**  
 PoS % **33.0%**  
 Net Dev area **23000 m2**  
 PoS Area **7590 m2** (see abnormal cost below)  
 Sales rate **3 per month**

**22 June 2016**

Rainwater Harvesting  
 No of dwellings

**69 Nr 30 DPH**

Mix Data			GFA/unit	Total GFA	
1 bed	5.00%	3 Nr	58 m2	174 m2	2.61%
2 bed	20.00%	14 Nr	70 m2	980 m2	14.71%
3 bed	35.00%	25 Nr	90 m2	2250 m2	33.77%
4 bed	35.00%	24 Nr	116 m2	2784 m2	41.79%
5 bed	5.00%	3 Nr	158 m2	474 m2	7.11%
			69 Nr	6662 m2	100.00%

	Cost	Cost £/unit	Cost £/m2
Substructures	£466,117	£6,755.32	£ 69.97 /m2
Superstructures	£4,738,904	£68,679.77	£ 711.33 /m2
External Works within curtilage costs	£422,821	£6,127.83	£ 63.47 /m2
External works beyond curtilage	£387,614	£5,617.60	£ 58.18 /m2
Drainage costs	£351,454	£5,093.54	£ 52.76 /m2
Inc Services costs	£279,566	£4,051.68	£ 41.96 /m2
Public Open Space	£116,419	£1,687.24	£ 17.48 /m2
Play area	£37,400	£542.03	£ 5.61 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 29 months	£488,070	£7,073.48	£ 73.26 /m2
<b>SUBTOTAL</b>	<b>£7,288,366</b>	<b>£105,628</b>	<b>£ 1,094.02 /m2</b>
Abnormals	£247,843	£3,591.92	£ 37.20 /m2
Fees	5.75% £433,332	£6,280.17	£ 65.05 /m2
Contingencies	5.00% £398,477	£5,775.03	£ 59.81 /m2
<b>Total</b>	<b>£8,368,017</b>	<b>£121,276</b>	<b>£ 1,256.08 /m2</b>

**Abnormals**

Demolitions of farm and buildings	Item	£60,000
Pedestrian linkage to Long Lane	3 Nr Item	£15,000
Visibility splay to Long Lane	968 m2 £ 95.00 /m2	£91,913
SUDS allowance		
Allowance for ecological works	Item	£20,000
Additional site area; minimal intervention	20310 m2 £ 3.00 /m2	£60,930

**Total of abnormals**

**£247,843**



**REC47**      **Elliscales Quarry, Dalton**    Rev 3

Site area                      **4.71 ha**  
 PoS %                        **51.1%**  
 Net Dev area                **23500 m2**  
 PoS Area                    **12000 m2**  
 Sales rate                    **3 per month**  
 Code  
 Rainwater Harvesting  
 No of dwellings            **70 Nr    30 DPH**

**05 August 2016**

Mix Data			GFA/unit	Total GFA		
1 bed	5.00%	4 Nr	58 m2	232 m2		3.42%
2 bed	20.00%	14 Nr	70 m2	980 m2		14.44%
3 bed	35.00%	24 Nr	90 m2	2160 m2		31.82%
4 bed	35.00%	24 Nr	116 m2	2784 m2		41.01%
5 bed	5.00%	4 Nr	158 m2	632 m2		9.31%
			70 Nr	6788 m2		100.00%

	Cost	Cost £/unit	Cost £/m2
Substructures	£474,649	£6,780.70	£ 69.92 /m2
Superstructures	£4,819,177	£68,845.39	£ 709.96 /m2
External Works within curtilage costs	£430,134	£6,144.77	£ 63.37 /m2
External works beyond curtilage	£394,784	£5,639.77	£ 58.16 /m2
Drainage costs	£356,548	£5,093.54	£ 52.53 /m2
Inc Services costs	£283,618	£4,051.68	£ 41.78 /m2
Public Open Space	£184,062	£2,629.46	£ 27.12 /m2
Play area	£37,400	£534.29	£ 5.51 /m2
Code for Sustainable Homes level 3	£0	£0.00	£ 0.00 /m2
Rainwater Harvesting	£0	£0.00	£ 0.00 /m2
Preliminaries for 29 months	£488,070	£6,972.43	£ 71.90 /m2
<b>SUBTOTAL</b>	<b>£7,468,442</b>	<b>£106,692</b>	<b>£ 1,100.24 /m2</b>
Abnormals	£483,655	£6,909.36	£ 71.25 /m2
Fees	5.75%    £457,246	£6,532.08	£ 67.36 /m2
Contingencies	5.00%    £420,467	£6,006.67	£ 61.94 /m2
<b>Total</b>	<b>£8,829,809</b>	<b>£126,140</b>	<b>£ 1,300.80 /m2</b>

**Abnormals**

Demolitions of minor buildings and clearance	Item	£25,000
Footway to St Helens	527 m    £ 115.00 /m	£60,605
Visibility splay to Askam Road	968 m2    £ 95.00 /m2	£91,913
SUDS allowance	included in POS costs above	
Allowance for removal of fill material in quarry (assumed inert); 5000m2 at assumed depth of 1.5m	1500 m2    £ 35.00 /m3	£52,500
Additional allowance for levels differences and difficulties in access to field area.	Item	£100,000
Short piled foundations to units in quarry base (assumed 15%)	509 m2    £ 125.00 /m2	£63,638
Clean capping to gardens of units in quarry base	3000 m2    £ 30.00 /m2	£90,000
Additional site area; minimal intervention	11600 m2    £ 3.00 /m2	£34,800
<b>Total of abnormals</b>		<b>£483,655</b>



**SHL017 Urofoam Factory, Duddon Road**

Site area **1.58 ha**  
 PoS % **31.7%**  
 Net Dev area **12000 m2**  
 PoS Area **3800 m2**  
 Sales rate **3 per month**

**22 June 2016**

Rainwater Harvesting  
 No of dwellings

**48 Nr 40 DPH**

**Mix Data**

**GFA/unit**

**Total GFA**

1 bed	5.00%	2 Nr	58 m2	116 m2	2.50%
2 bed	20.00%	10 Nr	70 m2	700 m2	15.11%
3 bed	35.00%	17 Nr	90 m2	1530 m2	33.02%
4 bed	35.00%	17 Nr	116 m2	1972 m2	42.56%
5 bed	5.00%	2 Nr	158 m2	316 m2	6.82%
		48 Nr		4634 m2	100.00%

Substructures		£327,308	£6,818.91	£ 70.63 /m2
Superstructures		£3,327,490	£69,322.71	£ 718.06 /m2
External Works within curtilage costs		£257,167	£5,357.64	£ 55.50 /m2
External works beyond curtilage		£224,309	£4,673.10	£ 48.40 /m2
Drainage costs		£246,822	£5,142.12	£ 53.26 /m2
Inc Services costs		£196,335	£4,090.32	£ 42.37 /m2
Public Open Space		£58,842	£1,225.88	£ 12.70 /m2
Play area		£28,319	£589.97	£ 6.11 /m2
Code for Sustainable Homes level 3		£0	£0.00	£ 0.00 /m2
Rainwater Harvesting		£0	£0.00	£ 0.00 /m2
Preliminaries for 22 months		£332,270	£6,922.30	£ 71.70 /m2
<b>SUBTOTAL</b>		<b>£4,998,862</b>	<b>£104,143</b>	<b>£ 1,078.74 /m2</b>
Abnormals		£532,463	£11,092.97	£ 114.90 /m2
Fees	6.50%	£359,536	£7,490.33	£ 77.59 /m2
Contingencies	5.00%	£294,543	£6,136.31	£ 63.56 /m2
<b>Total</b>		<b>£6,185,403</b>	<b>£128,863</b>	<b>£ 1,334.79 /m2</b>

**Abnormals**

Demolitions of existing factory	7500 m2	£ 40.00 /m2	£300,000
Allowance for remoavl of asbestos roof sheeting	4500 m2	£ 10.00 /m2	£45,000
Clerance of hard surfaces	8300 m2	£ 8.50 /m2	£70,550
Visibility splay to Askam Road		£ 95.00 /m2	£91,913
SUDS allowance (extra to above costs)		Item	£25,000

**Total of abnormals**

**£532,463**

# **Barrow Council – Local Plan Estimated construction costs**



## **APPENDIX D – Cost Summaries for Non-Residential Sites**



**BARROW BOROUGH COUNCIL LOCAL PLAN - SUMMARY OF CONSTRUCTION COSTS FOR NON-RESIDENTIAL DEVELOPMENTS**

Issue

Type	Location	TOTAL COST	No flrs	Floor area (ft2)	Floor area (m2)	Site area (ft2)	Site areas (m2)	Base cost	Extra cost for Brownfield site	Total for Brownfield site	TOTAL COST	Const period	Fee %
Offices	Generally	<b>£805,830</b>	2 Nr	5,000 ft2	464 m2	6,125 ft2	569 m2	£ 1,690 /m2	£ 46 /m2	£ 1,735 /m2	<b>£805,830</b>	7 months	12%
Offices	Generally	<b>£1,552,573</b>	2 Nr	10,000 ft2	929 m2	12,535 ft2	1,164 m2	£ 1,626 /m2	£ 46 /m2	£ 1,672 /m2	<b>£1,552,573</b>	10 months	12%
Offices	Generally	<b>£3,011,676</b>	2 Nr	20,000 ft2	1,857 m2	24,904 ft2	2,313 m2	£ 1,576 /m2	£ 46 /m2	£ 1,621 /m2	<b>£3,011,676</b>	12 months	12%
Industrial B2	All areas	<b>£520,622</b>	1 Nr	5,000 ft2	464 m2	7,483 ft2	695 m2	£ 1,075 /m2	£ 47 /m2	£ 1,121 /m2	<b>£520,622</b>	5 months	9%
Industrial B2	All areas	<b>£1,305,597</b>	1 Nr	20,000 ft2	1,857 m2	29,375 ft2	2,728 m2	£ 656 /m2	£ 47 /m2	£ 703 /m2	<b>£1,305,597</b>	8 months	7%
Industrial B2/B8	All areas	<b>£3,033,418</b>	1 Nr	50,000 ft2	4,643 m2	71,813 ft2	6,669 m2	£ 607 /m2	£ 46 /m2	£ 653 /m2	<b>£3,033,418</b>	9 months	7%
Industrial B2/B8	All areas	<b>£5,764,662</b>	1 Nr	100,000 ft2	9,287 m2	141,006 ft2	13,095 m2	£ 574 /m2	£ 46 /m2	£ 621 /m2	<b>£5,764,662</b>	11 months	7%

# **Barrow Council – Local Plan Estimated construction costs**



## **APPENDIX E – Cost Summaries for Employment Allocations**

**LAND USAGE**

Use	No	Floor area		Total floor area		Ext footprint area	Total site area
		m2	ft2	m2	ft2		
Offices ( 2 floor )	3 No	929 m2	10,000 ft2	2,786 m2	30,000 ft2	1,463 m2	1,463 m2
Industrial B8	6 No	4,643 m2	50,000 ft2	27,860 m2	300,000 ft2	29,253 m2	29,253 m2
Starter units	10 No	279 m2	3,000 ft2	2,786 m2	30,000 ft2	2,925 m2	2,925 m2
Circulation area to all units							30,277 m2
Landscaped area							11,000 m2
Main infrastructure road area (corridor width 15m)							3,750 m2
<b>TOTAL LAND AREA</b>							<b>78,669 m2</b>

**COSTS**

Use	No	Area	Cost/m2	Cost/unit	Total cost
Offices ( 2 floor )	3 No	929 m2	£ 1,576 /m2	£1,463,291	£4,389,873
Industrial B8	6 No	4,643 m2	£ 715 /m2	£3,320,339	£19,922,034
Starter units	10 No	279 m2	£ 1,075 /m2	£299,389	£2,993,888
Circulation area to all units		30,277 m2	£ 89 /m2		£2,694,672
Landscaped area		11,000 m2	£ 17 /m2		£187,000
Main infrastructure road area		3,750 m2	£ 124 /m2		£465,000
Off-site highway improvements		Item			£100,000
Abnormal foundations (Piling)		Excluded - greenfield			£0
Abnormal remediation		Excluded - greenfield			£0
<b>Total</b>					<b>£30,752,467</b>
Reduction in construction costs due to overlapping preliminaries and				-4.5%	-£1,379,361
<b>OVERALL TOTAL CONSTRUCTION COST</b>					<b>£29,373,106</b>

**NOTES**



## BARROW COUNCIL



### Employment allocation site - Site at Sandscale Park, Barrow

- 1 Accommodation is assumed.
- 2 The circulation area is an allowance for the parking, roads and footpaths, to each element of the development.
- 3 The infrastructure road area includes roads and footpaths to the development as a whole.
- 4 Landscape area is an arbitrary area and is the area allocated to grass and/or planting or trees. The cost assumes that on site-topsoil can be used.
- 5 Rates per m2 for the buildings are from the Local Plan Cost Summary (copy attached) using the most appropriate rates per m2 including fees and contingencies
- 6 The reduction shown reflects the fact that the Local Plan Cost Summary considers each element in isolation and preliminaries will 'overlap' and also that there will be economies of scale arising from all elements being in a single construction operation for a single development.
- 7 Costs are current at July 2016 and reflect a location of Barrow
- 8 Costs exclude ground abnormals, off-site works other than highway improvements and any planning cost requirements or payments
- 9 Highway improvements are included as an allowance without detailed knowledge of what may be required
- 10 Entrance assumed adjacent to existing factory using existing access way



**Employment allocation site - Land South of Kimberley Clark, Park Rd, Barrow**

**LAND USAGE**

Use	No	Floor area		Total floor area		Ext footprint area	Total site area
		m2	ft2	m2	ft2		
Offices ( 2 floor )	2 No	1,114 m2	12,000 ft2	2,229 m2	24,000 ft2	1,170 m2	1,170 m2
Industrial B8	4 No	4,643 m2	50,000 ft2	18,574 m2	200,000 ft2	19,502 m2	19,502 m2
Starter units	10 No	279 m2	3,000 ft2	2,786 m2	30,000 ft2	2,925 m2	2,925 m2
Circulation area to all units							19,000 m2
Landscaped area							8,850 m2
Main infrastructure road area (corridor width 15m)							3,000 m2
<b>TOTAL LAND AREA</b>							<b>54,448 m2</b>

**COSTS**

Use	No	Area	Cost/m2	Cost/unit	Total cost
Offices ( 2 floor )	2 No	1,114 m2	£ 1,576 /m2	£1,755,949	£3,511,898
Industrial B8	4 No	4,643 m2	£ 715 /m2	£3,320,339	£13,281,356
Starter units	10 No	279 m2	£ 1,075 /m2	£299,389	£2,993,888
Circulation area to all units		19,000 m2	£ 89 /m2		£1,691,000
Landscaped area		8,850 m2	£ 24 /m2		£212,400
Main infrastructure road area		3,000 m2	£ 124 /m2		£372,000
Off-site highway improvements		Item			£100,000
Abnormal foundations (Piling)		Excluded - greenfield			£0
Abnormal remediation		Excluded - greenfield			£0
Total					£22,162,543
Reduction in construction costs due to overlapping preliminaries and				-4.5%	-£992,814
<b>OVERALL TOTAL CONSTRUCTION COST</b>					<b>£21,169,728</b>

**NOTES**

## BARROW COUNCIL



### Employment allocation site - Land South of Kimberley Clark, Park Rd, Barrow

- 1 Accommodation is assumed.
- 2 The circulation area is an allowance for the parking, roads and footpaths, to each element of the development.
- 3 The infrastructure road area includes roads and footpaths to the development as a whole.
- 4 Landscape area is an arbitrary area and is the area allocated to grass and/or planting or trees. The cost assumes that on site-topsoil cannot be used.
- 5 Rates per m2 for the buildings are from the Local Plan Cost Summary (copy attached) using the most appropriate rates per m2 including fees and contingencies
- 6 The reduction shown reflects the fact that the Local Plan Cost Summary considers each element in isolation and preliminaries will 'overlap' and also that there will be economies of scale arising from all elements being in a single construction operation for a single development.
- 7 Costs are current at July 2016 and reflect a location of Barrow
- 8 Costs exclude ground abnormalities, off-site works other than highway improvements and any planning cost requirements or payments
- 9 Highway improvements are included as an allowance without detailed knowledge of what may be required
- 10 Entrance assumed directly from Park Road



**Employment allocation site - Land West of Robert McBride Park Road, Barrow**

**LAND USAGE**

Use	No	Floor area		Total floor area		Ext footprint area	Total site area
Offices ( 2 floor )	1 No	1,393 m2	15,000 ft2	1,393 m2	15,000 ft2	731 m2	731 m2
Industrial B8	2 No	4,643 m2	50,000 ft2	9,287 m2	100,000 ft2	9,751 m2	9,751 m2
Starter units	13 No	279 m2	3,000 ft2	3,622 m2	39,000 ft2	3,803 m2	3,803 m2
Circulation area to all units							12,857 m2
Landscaped area							7,300 m2
Main infrastructure road area (corridor width 15m)							2,250 m2
<b>TOTAL LAND AREA</b>							<b>36,692 m2</b>

**COSTS**

Use	No	Area	Cost/m2	Cost/unit	Total cost
Offices ( 2 floor )	1 No	1,393 m2	£ 1,576 /m2	£2,194,937	£2,194,937
Industrial B8	2 No	4,643 m2	£ 715 /m2	£3,320,339	£6,640,678
Starter units	13 No	279 m2	£ 1,075 /m2	£299,389	£3,892,055
Circulation area to all units		12,857 m2	£ 89 /m2		£1,144,259
Landscaped area		7,300 m2	£ 24 /m2		£175,200
Main infrastructure road area		2,250 m2	£ 124 /m2		£279,000
Off-site highway improvements		Item			£150,000
Abnormal foundations (Piling)		Excluded - greenfield			£0
Abnormal remediation		Excluded - greenfield			£0
Total					£14,476,129
Reduction in construction costs due to overlapping preliminaries and				-4.5%	-£644,676
<b>OVERALL TOTAL CONSTRUCTION COST</b>					<b>£13,831,453</b>

**NOTES**

- 1 Accommodation is assumed.

## BARROW COUNCIL



### Employment allocation site - Land West of Robert McBride Park Road, Barrow

- 2 The circulation area is an allowance for the parking, roads and footpaths, to each element of the development.
- 3 The infrastructure road area includes roads and footpaths to the development as a whole.
- 4 Landscape area is an arbitrary area and is the area allocated to grass and/or planting or trees. The cost assumes that on site-topsoil cannot be used.
- 5 Rates per m2 for the buildings are from the Local Plan Cost Summary (copy attached) using the most appropriate rates per m2 including fees and contingencies
- 6 The reduction shown reflects the fact that the Local Plan Cost Summary considers each element in isolation and preliminaries will 'overlap' and also that there will be economies of scale arising from all elements being in a single construction operation for a single development.
- 7 Costs are current at July 2016 and reflect a location of Barrow
- 8 Costs exclude ground abnormals, off-site works other than highway improvements and any planning cost requirements or payments
- 9 Highway improvements are included as an allowance without detailed knowledge of what may be required.
- 10 Entrance assumed through existing Business Park



**Employment allocation site - Land South of Sowerby Woods Business Park, Barrow**

**LAND USAGE**

Use	No	Floor area		Total floor area		Ext footprint area	Total site area
		m2	ft2	m2	ft2		
Offices ( 2 floor )	3 No	1,857 m2	20,000 ft2	5,572 m2	60,000 ft2	2,925 m2	2,925 m2
Industrial B8	6 No	4,643 m2	50,000 ft2	27,860 m2	300,000 ft2	29,253 m2	29,253 m2
Starter units	15 No	279 m2	3,000 ft2	4,179 m2	45,000 ft2	4,388 m2	4,388 m2
Circulation area to all units							32,910 m2
Landscaped area							8,000 m2
Main infrastructure road area (corridor width 15m)							3,750 m2
<b>TOTAL LAND AREA</b>							<b>81,227 m2</b>

**COSTS**

Use	No	Area	Cost/m2	Cost/unit	Total cost
Offices ( 2 floor )	3 No	1,857 m2	£ 1,576 /m2	£2,926,582	£8,779,746
Industrial B8	6 No	4,643 m2	£ 715 /m2	£3,320,339	£19,922,034
Starter units	15 No	279 m2	£ 1,075 /m2	£299,389	£4,490,832
Circulation area to all units		32,910 m2	£ 89 /m2		£2,928,991
Landscaped area		8,000 m2	£ 17 /m2		£136,000
Main infrastructure road area		3,750 m2	£ 124 /m2		£465,000
Off-site highway improvements		Item			£150,000
Abnormal foundations (Piling)		Excluded - greenfield			£0
Abnormal remediation		Excluded - greenfield			£0
Total					£36,872,604
Reduction in construction costs due to overlapping preliminaries and				-4.5%	-£3,318,534
<b>OVERALL TOTAL CONSTRUCTION COST</b>					<b>£33,554,069</b>

**NOTES**

## BARROW COUNCIL



### Employment allocation site - Land South of Sowerby Woods Business Park, Barrow

- 1 Accommodation is assumed.
- 2 The circulation area is an allowance for the parking, roads and footpaths, to each element of the development.
- 3 The infrastructure road area includes roads and footpaths to the development as a whole.
- 4 Landscape area is an arbitrary area and is the area allocated to grass and/or planting or trees. The cost assumes that on site-topsoil cannot be used.
- 5 Rates per m2 for the buildings are from the Local Plan Cost Summary (copy attached) using the most appropriate rates per m2 including fees and contingencies
- 6 The reduction shown reflects the fact that the Local Plan Cost Summary considers each element in isolation and preliminaries will 'overlap' and also that there will be economies of scale arising from all elements being in a single construction operation for a single development.
- 7 Costs are current at July 2016 and reflect a location of Barrow
- 8 Costs exclude ground abnormals, off-site works other than highway improvements and any planning cost requirements or payments
- 9 Highway improvements are included as an allowance without detailed knowledge of what may be required.
- 10 Entrance assumed through existing Business Park



**Employment allocation site - Waterfront Business Park, Barrow**

**LAND USAGE**

Use	No	Floor area		Total floor area		Ext footprint area	Total site area
		m2	ft2	m2	ft2		
Offices (2 floor)	3 No	929 m2	10,000 ft2	2,786 m2	30,000 ft2	1,463 m2	1,463 m2
Warehouse B8	1 No	18,574 m2	200,000 ft2	18,574 m2	200,000 ft2	19,502 m2	19,502 m2
Starter units	10 No	279 m2	3,000 ft2	2,786 m2	30,000 ft2	2,925 m2	2,925 m2
Industrial B8	1 No	4,643 m2	50,000 ft2	4,643 m2	50,000 ft2	4,876 m2	4,876 m2
Circulation area to all units							25,889 m2
Landscaped area							40,000 m2
Main infrastructure road area (corridor width 15m)							11,250 m2
<b>TOTAL LAND AREA</b>							<b>105,905 m2</b>

**COSTS**

Use	No	Area	Cost/m2	Cost/unit	Total cost	
Offices (2 floor)	3 No	929 m2	£ 1,626 /m2	£1,510,002	£4,530,005	
Warehouse B8	1 No	18,574 m2	£ 602 /m2	£11,188,972	£11,188,972	
Starter units	10 No	279 m2	£ 1,075 /m2	£299,389	£2,993,888	
Industrial B8	1 No	4,643 m2	£ 715 /m2	£3,320,339	£3,320,339	
Circulation area to all units		25,889 m2	£ 89 /m2		£2,304,140	
Landscaped area		40,000 m2	£ 17 /m2		£680,000	
Main infrastructure road area (corridor width)		11,250 m2	£ 124 /m2		£1,395,000	
Off-site highway improvements		Item			£100,000	
Abnormal foundations (Piling)		28,766 m2	£ 110 /m2		£3,164,237	
Abnormal remediation		105,905 m2	£ 5 /m2		£529,525	
Total					£30,206,105	
Reduction in construction costs due to overlapping preliminaries and greater scale (excludes highway improvements and abnormals))				-4.5%		-£1,188,555
<b>OVERALL TOTAL CONSTRUCTION COST</b>						<b>£29,017,550</b>



## BARROW COUNCIL

### Employment allocation site - Waterfront Business Park, Barrow



#### NOTES

- 1 Accommodation is assumed but based on a total of 30,000m<sup>2</sup> as planning application
- 2 The circulation area is an allowance for the parking, roads and footpaths, to each element of the development.
- 3 The infrastructure road area includes roads and footpaths to the development as a whole.
- 4 Landscape area is an arbitrary area and is the area allocated to grass and/or planting or trees. The cost assumes that on site-topsoil can be used.
- 5 Rates per m<sup>2</sup> for the buildings are from the Local Plan Cost Summary (copy attached) using the most appropriate rates per m<sup>2</sup> including fees and contingencies
- 6 The reduction shown reflects the fact that the Local Plan Cost Summary considers each element in isolation and preliminaries will 'overlap' and also that there will be economies of scale arising from all elements being in a single construction operation for a single development.
- 7 Costs are current at July 2016 and reflect a location of Barrow
- 8 Costs exclude off-site works other than highway improvements and any planning cost requirements or payments
- 9 Highway improvements are included as an allowance without detailed knowledge of what may be required
- 10 The total site area of 24.5 ha has not been covered by the above development
- 11 Piling and remediation are assumed abnormal; no current evidence as to need or extent other than past use of site

**APPENDIX 3**

**HOUSE PRICES BY WARD DATA**

### **Appendix 3 - House Prices By Ward Data**

	<b>Overall</b>	<b>D</b>	<b>S</b>	<b>T</b>	<b>F</b>
Hawcoat Ward	£187,293	£201,170	£184,236	£164,167	
	<b>88</b>	23	59	6	
Roosecote Ward	£183,294	£210,998	£184,774	£152,747	£123,000
	<b>98</b>	25	49	19	5
Newbarns Ward	£182,308	£242,928	£167,307	£129,246	£123,875
	<b>109</b>	36	45	24	4
Dalton North Ward	£144,286	£247,762	£158,556	£103,480	£60,000
	<b>97</b>	21	17	56	3
Parkside Ward	£133,373	£245,889	£170,876	£109,643	£92,875
	<b>134</b>	9	33	88	4
Dalton South Ward	£126,884	£200,138	£149,045	£98,514	£92,000
	<b>148</b>	20	43	84	1
Walney North Ward	£121,761	£194,000	£136,722	£98,315	£105,500
	<b>113</b>	9	46	55	3
Walney South Ward	£113,514	£174,333	£147,961	£96,052	£58,000
	<b>128</b>	3	40	83	2
Ormsgill Ward	£90,247	£193,667	£112,031	£81,059	£59,611
	<b>127</b>	3	33	82	9
Risedale Ward	£86,638		£127,452	£76,469	£52,500
	<b>133</b>		27	105	1
Hindpool Ward	£75,398	£163,700	£140,279	£65,888	£58,500
	<b>152</b>	2	17	131	2
Central Ward	£60,839		£107,742	£58,220	£33,500
	<b>104</b>		6	97	1
Barrow Island Ward	£53,793		£80,000	£59,886	£33,532
	<b>56</b>		4	36	16

1,487

151  
10.15%

419  
28.18%

866  
58.24%

51  
3.43%

**APPENDIX 4**

**PRICES PAID FOR NEW HOUSES**

**Appendix 4 - New Build Sales**

**Wensum Lea - Walney**

Flat	No	Street	Settlement	Town	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (PSF)	Type
	13	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£124,995	26/09/2014		833	£150	S
	9	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£124,995	21/10/2014		833	£150	S
	15	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£124,995	22/10/2014		833	£150	S
	17	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£155,000	09/12/2014		827	£187	D
	11	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£124,995	19/01/2015		833	£150	S
	12	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£134,995	19/06/2015		833	£162	S
	4	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£134,995	24/07/2015		833	£162	S
	8	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£134,995	24/07/2015		833	£162	S
	10	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£134,995	24/07/2015		833	£162	S
	21	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£135,000	24/07/2015		614	£220	S
	2	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£134,995	19/08/2015		833	£162	S
	6	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£135,000	18/09/2015		833	£162	S
	19	WENSUM LEA	WALNEY	BARROW-IN-FURNESS	LA14 3XR	£135,000	20/11/2015		614	£220	S

**£169**

Appendix 4 - New Build Sales

St Georges - Lonsdale Street

Flat	No	Street	Settlement	Town	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (PSF)	Type
	11	LONSDALE STREET		BARROW-IN-FURNESS	LA14 2FH	£125,000	23/04/2015		780	£160	S
	5	LONSDALE STREET		BARROW-IN-FURNESS	LA14 2FH	£125,000	02/04/2015		780	£160	S
	7	LONSDALE STREET		BARROW-IN-FURNESS	LA14 2FH	£125,000	04/12/2015		780	£160	S
	9	LONSDALE STREET		BARROW-IN-FURNESS	LA14 2FH	£127,000	25/11/2015		780	£163	S
	3	LONSDALE STREET		BARROW-IN-FURNESS	LA14 2FH	£87,500	31/10/2013		671	£130	T
	6	CHURCH STREET		BARROW-IN-FURNESS	LA14 2JG	£125,000	31/03/2014		780	£160	T
	10	CHURCH STREET		BARROW-IN-FURNESS	LA14 2JG	£119,950	27/02/2014		810	£148	T
										<b>£155</b>	

**Appendix 4 - New Build Sales**

**Roose Garden Centre - Flass Lane**

Flat	No	Street	Settlement	Town	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (PSF)	Type
	169	FLASS LANE		BARROW-IN-FURNESS	LA13 0FB	£185,000	30/10/2015	92	990	£187	T - 2.5s
	173	FLASS LANE		BARROW-IN-FURNESS	LA13 0FB	£190,000	08/05/2015	92	990	£192	S - 2.5s

**£189**

Current Asking price £179,940

£182

**Appendix 4 - New Build Sales**

**Plover Gardens - Walney**

Flat	No	Street	Settlement	Town	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (PSF)	Type
	2	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£229,500	30/01/2015	128	1,378	£167	T
	6	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£241,500	01/05/2015	128	1,378	£175	T
	8	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£229,500	06/03/2015	128	1,378	£167	T
	4	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£232,000	24/11/2015	128	1,378	£168	T
	10	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£227,000	14/11/2014	128	1,378	£165	T
	14	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£229,500	06/10/2014	128	1,378	£167	T
	16	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£220,000	03/07/2014	128	1,378	£160	
	18	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£229,500	24/07/2014	128	1,378	£167	T
	20	PLOVER GARDENS	WALNEY	BARROW-IN-FURNESS	LA14 3AY	£245,000	12/06/2014	128	1,378	£178	T
										<b>£168</b>	



**Appendix 4 - New Build Sales**

**St James's Gardens**

Flat	No	Street	Town	Postcode	Price Paid	Date	Size (sq.ft)	Price (PSF)	Type	Ref	No Beds
	148	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£157,500	09/10/2015	838	£188	S	Chaffinch	3
	154	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£124,900	29/05/2015	674	£185	S	Goldcrest 1	2
	158	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£124,995	31/07/2015	674	£185	S	Goldcrest 1	2
	170	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£160,000	01/07/2015	689	£232	S	Teal 2	2 bungalow
	162	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£165,000	21/11/2014	800	£206	D	Nightingale	3
	164	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£149,995	28/05/2014	800	£187	S	Nightingale	3
	168	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£150,000	19/09/2014	689	£218	S	Teal 2	2 bungalow
	172	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£156,450	29/08/2014	689	£227	S	Teal 2	2 bungalow
	174	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£144,160	01/08/2014	689	£209	S	Teal 2	2 bungalow
	176	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£154,450	12/09/2014	689	£224	S	Teal 2	2 bungalow
	178	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£154,950	26/09/2014	689	£225	T	Teal 2	2 bungalow
	180	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£125,000	24/01/2014	674	£185	S	Goldcrest 1	2
	182	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£125,000	24/12/2013	674	£185	S	Goldcrest 1	2
	184	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£150,000	06/06/2014	800	£188	D	Nightingale	3
	186	HOLKER STREET	BARROW-IN-FURNESS	LA14 5RU	£157,450	12/02/2014	838	£188	S	Chaffinch	3
	1	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£137,000	19/12/2013	800	£171	S	Nightingale	3
	2	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£160,000	29/10/2013	838	£191	S	Chaffinch	3
	3	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£164,950	07/06/2013	838	£197	S	Chaffinch	3
	4	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£135,000	20/12/2013	560	£241	D	Teal	2 bungalow
	5	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£145,000	29/08/2013	800	£181	S	Nightingale	3
	7	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£149,950	13/12/2013	838	£179	S	Chaffinch	3
	18	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£135,000	14/01/2016	711	£190	S	Wren	3
	26	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£124,950	21/12/2015	674	£185	S	Goldcrest 1	2
	32	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£140,000	26/06/2015	711	£197	S	Wren	3
	34	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£135,000	26/06/2015	711	£190	S	Wren	3
	36	ST JAMES GARDENS	BARROW-IN-FURNESS	LA14 5SP	£159,950	26/06/2015	800	£200	D	Nightingale	3
	27	COWPER CLOSE	BARROW-IN-FURNESS	LA14 5SQ	£154,950	04/12/2015	838	£185	S	Chaffinch	3
	8	COWPER CLOSE	BARROW-IN-FURNESS	LA14 5SQ	£155,000	16/10/2015	800	£194	S	Nightingale	3
	2	COWPER CLOSE	BARROW-IN-FURNESS	LA14 5SQ	£141,000	11/10/2013	800	£176	S	Nightingale	3
	25	COWPER CLOSE	BARROW-IN-FURNESS	LA14 5SQ	£154,950	26/02/2016	838	£185	S	Chaffinch	3

**£197**

**Appendix 4 - New Build Sales**

**Holbeck Park Phase 3**

Flat	No	Street	Town	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (PSF)	Type
	17	KEMPAS AVENUE	BARROW-IN-FURNESS	LA13 0UE	£225,000	07/07/2015	140	1,507	£149	S
	13	KEMPAS AVENUE	BARROW-IN-FURNESS	LA13 0UE	£225,000	30/09/2014	140	1,507	£149	S
	15	KEMPAS AVENUE	BARROW-IN-FURNESS	LA13 0UE	£225,000	23/05/2014	140	1,507	£149	S
	25	KEMPAS AVENUE	BARROW-IN-FURNESS	LA13 0UE	£245,000	20/06/2014	162	1,744	£141	S
	27	KEMPAS AVENUE	BARROW-IN-FURNESS	LA13 0UE	£249,950	06/10/2014	161	1,733	£144	S
	1	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£234,000	08/04/2015	119	1,281	£183	T
	11	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£237,500	16/09/2015	119	1,281	£185	S
	13	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£237,500	02/10/2015	119	1,281	£185	S
	15	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£249,950	24/04/2015	158	1,701	£147	S
	19	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£260,500	23/10/2015	114	1,227	£212	S
	21	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£269,184	23/06/2015	114	1,227	£219	S
	23	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£300,000	29/07/2015	144	1,550	£194	D
	3	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£229,950	27/08/2015	119	1,281	£180	T
	5	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£235,000	26/02/2015	115	1,238	£190	T
	10	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£249,950	30/04/2014	178	1,916	£130	S
	14	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£245,000	31/07/2014	167	1,798	£136	S
	16	ROSEWOOD GROVE	BARROW-IN-FURNESS	LA13 0UF	£245,000	31/07/2014	148	1,593	£154	S

**£168**

Appendix 4 - New Build Sales

FLASS LANE NORTH

Flat	No	Street	Settlement	Town	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (PSF)	Type
	20	FARNHAM CLOSE		BARROW-IN-FURNESS	LA13 0GP	£190,000	27/03/2015	92	990	£192	S
	16	FARNHAM CLOSE			LA13 0GP	£190,000	28/02/2014	92	990	£192	T
	42	FARNHAM CLOSE			LA13 0GP	£209,995	30/01/2014		-	#DIV/0!	S
	18	TAMWORTH DRIVE		BARROW-IN-FURNESS	LA13 0GQ	£183,000	03/07/2015	92	990	£185	T
	20	TAMWORTH DRIVE		BARROW-IN-FURNESS	LA13 0GQ	£185,000	31/07/2015	92	990	£187	T
	27	TAMWORTH DRIVE			LA13 0GQ	£190,000	17/10/2014	92	990	£192	T
	13	SHERBORNE AVENUE			LA13 0GU	£199,995	01/08/2014	92	990	£202	S
	15	SHERBORNE AVENUE		BARROW-IN-FURNESS	LA13 0GU	£199,995	15/05/2015	92	990	£202	S
	143	FLASS LANE		BARROW-IN-FURNESS	LA13 0GW	£250,000	21/07/2015	123	1,324	£189	D
FLAT 1	14	SHERBORNE AVENUE			LA13 0GU	£175,000	28/04/2014	77	829	£211	F
FLAT 2	14	SHERBORNE AVENUE			LA13 0GU	£135,000	25/04/2014	54	581	£232	F
FLAT 3	14	SHERBORNE AVENUE			LA13 0GU	£164,995	11/04/2014	77	829	£199	F
FLAT 4	14	SHERBORNE AVENUE		BARROW-IN-FURNESS	LA13 0GU	£135,000	07/04/2015	54	581	£232	F
FLAT 5	14	SHERBORNE AVENUE		BARROW-IN-FURNESS	LA13 0GU	£185,000	24/03/2015	77	829	£223	F
FLAT 1	16	SHERBORNE AVENUE			LA13 0GU	£135,000	07/03/2014	53	570	£237	F
FLAT 2	16	SHERBORNE AVENUE			LA13 0GU	£135,000	07/03/2014	63	678	£199	F
FLAT 4	16	SHERBORNE AVENUE			LA13 0GU	£156,500	29/08/2014	63	678	£231	F
FLAT 5	16	SHERBORNE AVENUE		BARROW-IN-FURNESS	LA13 0GU	£145,000	01/05/2015	53	570	£254	F
FLAT 6	16	SHERBORNE AVENUE			LA13 0GU	£135,000	28/03/2014	63	678	£199	F
						£3,089,485			15,080	<b>£205</b>	

Apartments £222  
Houses £193

**APPENDIX 4 - NEW BUILD SALES****Others**

Flat	No	Street	Settlement	Town	Postcode	Price Paid	Date	Size (sq.m)	Size (sq.ft)	Price (PSF)	Type
1	PARKHOUSE COURT	PARKHOUSE ROAD	YARLSIDE	BARROW-IN-FURNESS	LA13 0PL	£220,000	27/05/2015	92	990	£222	T
3	PARKHOUSE COURT	PARKHOUSE ROAD	YARLSIDE	BARROW-IN-FURNESS	LA13 0PL	£210,000	15/05/2014	96	1033	£203	T
	37	SOUTHAMPTON STREET	WALNEY	BARROW-IN-FURNESS	LA14 3LQ	£209,995	04/12/2015	87	936	£224	S
	39	SOUTHAMPTON STREET	WALNEY	BARROW-IN-FURNESS	LA14 3LQ	£199,995	12/06/2015	97	1044	£192	S
	41	SOUTHAMPTON STREET	WALNEY	BARROW-IN-FURNESS	LA14 3LQ	£209,995	25/09/2015	87	936	£224	S
FLAT 1	DAWSON COURT	WARREN STREET	WALNEY	BARROW-IN-FURNESS	LA14 3QY	£145,000	30/06/2014	99	1066	£136	F
FLAT 2	DAWSON COURT	WARREN STREET	WALNEY	BARROW-IN-FURNESS	LA14 3QY	£135,000	29/05/2014	89	958	£141	F
FLAT 6	DAWSON COURT	WARREN STREET	WALNEY	BARROW-IN-FURNESS	LA14 3QY	£120,000	15/07/2015	70	753	£159	F
	34	CROMPTON DRIVE		DALTON-IN-FURNESS	LA15 8ND	£145,000	06/03/2015	64	689	£210	D (BUN)
	38	CROMPTON DRIVE		DALTON-IN-FURNESS	LA15 8ND	£145,000	09/01/2015	64	689	£210	D (BUN)
	36	CROMPTON DRIVE		DALTON-IN-FURNESS	LA15 8ND	£140,000	30/03/2015	64	689	£203	D (BUN)

**APPENDIX 5**

**RESIDENTIAL ALLOCATIONS ASSUMPTIONS**

Appendix 5 Barrow Large Sites for Testing Residential - Assumptions (10 August 2016)

Location	Site Ref	Site Address	Status	Site Area/Capacity				Values						Construction Costs											Other Appraisal Variables			Miscellaneous						
				Gross Site Area (ha)	Capacity	Net Site Area (ha)	Density (net site area)	Land Value (£/per acre)	Land Value (£/per hect)	Site Value	Stamp Duty	Ave. Sale Price (£/psf)	Ave. Sale Price (£/psm)	Base Construction	Professional Fees	Contingency	Demolitions	Remediation	Piling/add foundations	Vibro Compaction	Ecology	Slopes/retaining walls	Extra SUDs Allowance	Flood Resilience/precautions	Sales Rate (per month)	Overall Programme (months)	Finance Cost	Marketing /Sales (% Market GDV)	Profit (%GDV)	CLL (£/m)	S278	Other		
Barrow	SHL037	ES Land South of Ashley & Rock, Park Road, Barrow	Mix	2.75	77	2.48	31	£150,000	£370,500	£916,988	£35,349	175	1,884	£1,078.25	5.75%	5.00%					£205,186					£50,000	3	32	7%	3.50%	20%		£19,238	
	REC26	Land East of Holbeck	Greenfield	6.6	90	3.00	30	£300,000	£741,000	£2,223,000	£100,650	210	2,260	£1,086.67	5.75%	5.00%											3	36	7%	3.50%	20%		£151,913	Tidying up open land - £80,700
	SHL010	Park Vale, Walney	Brownfield	5.91	46	1.55	30	£200,000	£494,000	£765,700	£27,785	185	1,991	£1,103.38	6.50%	5.00%											3	21	7%	3.50%	20%		£89,925	Tidying up adj land - £115,300
	SHL001	Marina Village	Brownfield	26.48	650	15.50	42	£100,000	£247,000	£3,828,500	£180,925	180	1,938	£990.55	3.00%	5.00%	£1,588,800	£1,445,000	£3,927,623							6	114	7%	3.50%	20%		£1,678,475	Knotweed - £25,000 Gas Membranes - £261,842 Further Surveys - £100,000 Clean Capping to gardens - £1,437,308	
	SHL082	Land East of Rakesmoor Lane	Greenfield	19.9	107	3.57	30	£300,000	£741,000	£2,642,900	£121,645	210	2,260	£1,124.31	5.00%	5%	£0										3	42	7%	3.50%	20%		£166,913	Allowance for treatment to adj land - £383,000
Dalton	REC10	Land West of Crooklands Brow	Greenfield	2.74	65	2.15	30	£225,000	£555,750	£1,194,863	£49,243	195	2,099	£1,090.98	5.75%	5.00%											3	28	7%	3.50%	20%		£53,475	Allowance for stone elevations - £87,500
	REC25	Land at Greenhills Farm	Greenfield	10.48	69	2.30	30	£300,000	£741,000	£1,704,300	£74,715	210	2,260	£1,094.02	5.75%	5.00%	£60,000										3	29	7%	3.50%	20%		£106,913	Allowance for treatment to adj land - £60,930
	REC47	Elliscales Quarry	Mixed	4.71	70	2.35	30	£225,000	£555,750	£1,306,013	£54,801	195	2,099	£1,100.24	5.75%	5%	£25,000	£52,500	£63,638								3	29	7%	3.50%	20%		£152,518	Allowance for treatment to adj land - £34,800 Clean capping to certain gardens - £90,000
Askam	SHL017	Urofoam Factory, Duddon Road	Brownfield	1.58	48	1.2	40	£150,000	£370,500	£444,600	£11,730	180	1,938	£1,078.74	6.50%	5%	£415,550										3	22	7%	3.50%	20%		£91,913	

Affordable/Starter Homes Mix

Location	Site Ref	Site Address	Capacity	Starter Homes				Affordable					
				10%		20%		10%			20%		
				2b	3b	2b	3b	1b	2b	3b	1b	2b	3b
Barrow	SHL037	ES Land South of Ashley & Rock, Park Road, Barrow	77	4	4	7	8	2	3	3	4	6	5
	REC26	Land East of Holbeck	90	4	5	9	9	3	3	3	5	7	6
	SHL010	Park Vale, Walney	46	3	2			1	2	2			
	SHL001	Marina Village	650	33	32	65	65	22	22	21	43	43	44
	SHL082	Land East of Rakesmoor Lane	107	5	6	10	11	3	4	4	5	8	8
Dalton	REC10	Land West of Crooklands Brow	65	3	4	6	7	2	2	3	3	5	5
	REC25	Land at Greenhills Farm	69	3	4	7	7	2	2	3	3	5	6
	REC47	Elliscales Quarry	70	3	4	7	7	2	2	3	3	5	6
Askam	SHL017	Urofoam Factory, Duddon Road	48	2	3	4	6	2	1	2	2	4	4

**APPENDIX 6**

**STAKEHOLDER CONSULTATION**

# **Housing Development Forum**

Thursday 12<sup>th</sup> May 2016

The Forum , Duke Street, Barrow in Furness

## **Attendees:**

Phil Huck, Barrow Borough Council

Robin Gawlik, Barrow Borough Council

Helen Houston, Barrow Borough Council

Leanne Parr, Barrow Borough Council

Sally Jackson, Barrow Borough Council

Andrew Murphy, Leck Construction

Jenna Wearing, Oakmere Homes

Chris Gowlett, Persimmon Homes

Ian Quayle, Furness Building Society

Shaun Dixon, PC Lettings

Steve Squires, PC Lettings

Elsa Brailey, Home Group

Duncan Peake, Holker Group





# BARROW LOCAL PLAN VIABILITY STAKEHOLDER MEETING

12 MAY 2016



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## OVERVIEW

- Introduction
- Methodology
- Local Plan Policies
- Evidence Base
- Analysis and Assumptions
- Next Stages





## Introduction



## The Team

Ged Massie, Partner

Jenny Adie, Associate

Simon Layland, Senior Surveyor

Roger Prescott, Associate – White Young Green (WYG)





## Purpose of the Economic Viability Assessment ('EVA')

The new Barrow Borough Local Plan will shape the future of the Borough, containing the plans and policies that will guide development for the next 15 years to 2031.

The EVA will:

- Establish the economic viability and deliverability implications of Barrow's emerging Local Plan and it's policies
- Ensure the emerging Local Plan policies are realistic and can deliver sustainable development without putting the delivery of the Plan at risk
- Consider the prospects for the introduction of CIL in the Borough



## Purpose of the EVA

National Planning Policy Framework

- The NPPF emphasises the importance of delivering 'sustainable development'

*"Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision making. Plans should be deliverable. Therefore the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened."*

Paragraph 174 goes on to say:

*".... the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle..."*





### Purpose of the EVA

- Study assesses the economic viability of new development in Barrow
- Consider emerging Local Plan Policies
- Impact on the Cost of Development
- Future viability over Plan Period
- Part of evidence base to inform the Local Plan



### Methodology



## Guidance



### 'Viability Testing Local Plans' – Local Housing Delivery Group

*"The approach to assessing plan viability should recognise that it can only provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability. It cannot guarantee that every development in the plan period will be viable, only that the plan policies will be viable for the sufficient number of sites upon which the plan relies in order to fulfil its objectively assessed needs."*



## Guidance




- **RICS Guidance Note 'Financial Viability in Planning'**
- What is viability?

*"an objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, whilst ensuring an appropriate site value for the land owner and a market risk adjusted return to the developer in delivering that project."*








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### Approach to Testing

- Residual Approach
- Calculate the development surplus or 'headroom'
- Establish a baseline position
- Test the effect of plan policies on 'headroom'

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### Approach to Testing


<b>Gross Development Value (value of the completed development scheme)</b>
<i>Less</i>
<i>Cost of Development (inclusive of build costs, fees, finance, base input land cost)</i>
<i>Less</i>
<i>Cost of plan policies</i>
<i>Less</i>
<i>Developers Target Profit</i>
<b>= Development Surplus or "Headroom"</b>











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## Local Plan Polices




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## Local Plan Policies

Local Plan contains Polices to inform Spatial Strategy both for promoting the Economy and delivering new Housing

- **Policy S3: Development Strategy**
  - ❑ The Council should pursue an overarching strategy of sustainable balanced growth, redistributing development across the Borough to improve the residential environment of the central Barrow area
  - ❑ Also allow an increased amount of development in Dalton and/or Askam and other sustainable settlements






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## Local Plan Policies


### Employment

- **Policy EM1: Waterfront Business Park Strategic Employment Opportunity Area**
  - ❑ The Waterfront Business Park, identified as part of the wider Barrow Waterfront regeneration area, is an employment site of regional significance suitable for large scale business development
  - ❑ Proposals seeking to expand the port and its role in supporting the development of the 'Energy Coast' will be supported subject to proposals meeting the criteria set out in the Barrow Port Action Area Plan Document (2010) as periodically reviewed

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## Local Plan Policies




### Employment



- **Policy EM2: Local Employment Sites**

Two options for consultation:

**Option 1:** Proposals for new employment uses (classes B1, B2 and B8), or the extension of existing premises used for employment uses, will be approved subject to meeting a range of criteria identified


**Option 2:** Allocate specific sites in Barrow and Dalton for employment uses. Include a separate criteria based policy, similar to that in option 1 above, for use when determining applications for employment uses on windfall sites



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## Local Plan Policies




### Employment



- Policy EM2: Local Employment Sites**

**Option 2:**  
 Allocations contain a range of employment sites ranging in size from 0.4 to 24.5 hectares  
 Greenfield and brownfield sites


### Testing Approach

Site specific viability testing will be undertaken in relation to the 5 largest proposed allocations together with range of generic testing relating to B1, B2 and B8 uses.




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## Local Plan Policies


### Housing

- Policy H1: Annual Housing Target**
  - The Council proposes a housing requirement of 1,630 dwelling over the Plan period
  - An annual requirement of 126 in years 1 to 5
  - 100 in years 6 to 15
  - Minimum number of dwellings

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## Local Plan Policies

### Housing


- **Policy H2: Distribution of Housing**

To encourage sustainable growth, the following hierarchy and distribution will be used:

- Barrow – 74% or 1,206 dwellings
- Dalton – 18% or 293 dwellings
- Askam & Ireleth – 6% or 98 dwellings
- Newton and Lindal – 2% or 33 dwellings

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## Local Plan Policies


### Housing

- **Policy H3: Allocation of Sites for Housing Development**

- To meet the housing requirement over the Plan period, a number of specific sites are allocated
- A Broad Location has also been identified to meet the housing requirement in the later plan period (years 6 plus)
- Barrow – 19 sites, capacities 6 – 650 dwellings
- Dalton – 8 sites, capacities 11 – 70 dwellings
- Askam and Ireleth – 6 sites, capacities 9 - 48 dwellings
- Lindal and Newton – 2 sites, capacities 6 – 36 dwellings
- Greenfield and Brownfield sites

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## Local Plan Policies




### Housing



- **Policy H3: Allocation of Sites for Housing Development**

#### Testing Approach


Site specific viability testing will be undertaken in relation to 10 of the largest allocations, reflecting the differing market locations and greenfield and brownfield site type.

Generic viability testing will be undertaken to assess viability of the smaller sites across the different market areas.

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## Local Plan Policies




### Housing



- **Policy H9: Housing Density**
  - Range of densities to be developed and applied to best suit the character and requirements of different parts of the Borough
  - Council keen to provide flexibility in order to provide a mix of housing

#### Testing Approach

The allocations being tested have capacities based on a range of differing densities.

The generic testing undertaken will reflect densities at 30, 40 and 50 dph.

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## Local Plan Policies

### Housing

- **Policy H11: Housing Mix**

Development proposals expected to provide a mix of different types and sizes of housing to address local need, developers will be required to demonstrate how this need has been met as evidenced by:


- a) any relevant and up to date SHMA or Housing Need Assessment;
- b) any other relevant housing needs information;
- c) the location and characteristics of the site;
- d) the mix of dwelling type and size in the surrounding area;
- e) housing market conditions at the time of the application.








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## Local Plan Policies




### Housing



- **Policy H11: Housing Mix**

- Policy will be applied on a site by site basis
- Intended a mix of types and sizes will be achieved so that allocations will be viable and contribute to delivering and improved housing offer
- Larger sites a broad mix of types and sizes of dwellings will be provided to meet a range of needs and demands as outlined in the Councils SHMA and Housing Needs Assessment
- Lack of variety in the Borough's housing offer, with terraced housing being particularly dominant
- SHMA shows that there is a need to continue to satisfy household aspirations and expectations, with a particular emphasis on delivering market housing at a range of prices. The development of semi detached houses and properties with two and three bedrooms is a particular priority

### Approach to Testing

Differing dwelling mixes will be applied dependent on location and density tested.

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## Local Plan Policies

- **Policy H12: Lifetime Homes**
  - ❑ The Council will encourage the provision of specialist housing for older people across all tenures in sustainable locations
  - ❑ Actively encourage developers to build new homes to the current space standards, as defined by Building Regulations, so that they can be readily adapted to meet the needs of those with disabilities and the elderly as well as assisting independent living at home


**Testing Approach**

Viability assessments assume dwelling sizes to meet national space standards.


Consideration given to incorporating Bungalows in viability assessments.





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## Local Plan Policies



- **Policy H14: Affordable Housing**
  - ❑ The Council will encourage the development of a percentage of affordable dwellings on allocated or windfall sites
  - ❑ Where appropriate and in discussion with the planning authority developers may provide mixed tenure developments with affordable dwellings on the whole or part of a site
  - ❑ This will allow a number of affordable dwellings to come forward when appropriate sites are available and conditions dictate that the development would be viable

**Testing Approach**


Testing will consider thresholds of affordable housing provision at 10% and 20%.

Affordable rent and intermediate tenures will be considered.

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**Local Plan Policies**

- **Policy C3: Water Management**

Includes:

- New development will achieve the minimum standards for water efficiency, as defined by Building Regulations (Approved Document G taking effect from October 2015)
- Submission of a Drainage Strategy that shows how foul and surface water will be effectively managed
- External use of SuDS will be integrated into the new development where appropriate




- **Policy GI1: Green Infrastructure**



- Contains requirements for new developments to include adaptive measures to offset climate change including sustainable urban drainage (SUDs) management

**Testing Approach**


Water efficiency standards will be incorporated into build cost.

Provision for attenuation in build costs and further SuDs requirements met using POS.

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**Local Plan Policies**




- **Policy I1: Developer Contributions**



- Where developments will create additional need for improvements/provision of infrastructure, services or facilities or exacerbate an existing deficiency, contributions will be sought to ensure that the appropriate enhancements/improvements are made, and appropriate management arrangements are in place
- Such contributions may take the form of a Planning Obligation by means of a Section 106 agreement
- The development of a CIL could take place after the Local Plan is adopted in 2016, subject to resources and viability

**Testing Approach**


Testing to incorporate a range of S106 contributions per dwelling.

Consider whether development is sufficiently viable to support CIL.

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## Local Plan Policies

- **Policy HC10: Play Areas**
  - ❑ Proposals for residential development will be assessed on a site by site basis
  - ❑ Where deemed appropriate, required to provide well designed and located children's play space
  - ❑ Developers will be expected to provide a commuted sum for a minimum of 5 years maintenance, or contributions for off site provision within walking distance


### Testing Approach

Testing typologies incorporate provision of open space and construction cost assessments include for the provision, laying out and future maintenance of open space.

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## Residential Appraisal Assumptions

- **Policy I4: Sustainable Travel Choices**
  - ❑ Secure cycle parking provision, in accordance with the Council's adopted guidelines, will be required in all new car parks
- **Policy I6: Parking**
  - ❑ Adequate parking provision has been provided in consultation with the Local Highways Authority and in accordance with the parking standards in the "Parking Guidelines in Cumbria" SPG or any update to it


### Testing Approach

Form of development tested will incorporate the costs associated with these requirements.









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## Evidence Base



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## Planning

Barrow Borough Local Plan Preferred Options Consultation Draft – June 2015

Local Plan Evidence Base:

- Strategic Housing Market Assessment (2014)
- Strategic Housing Land Availability Assessment Review and Interim Housing Land Statement (2014)
- Preferred Sites for Housing – Site Assessments

Previous Planning Consents





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## Borough Characterisation

- Economic
- Social
- Spatial
- Environmental








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## Property Market Evidence Base

### Information Sources

- Stakeholders
- Internal database, knowledge and experience
- Land Registry
- EGI/Co-star/EIG Transaction Databases
- Rightmove, Net House Prices etc
- Agents Reports
- Interviews with Stakeholders
- Valuation Office Agency Market Reports






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## Analysis and Assumptions

### Development Typologies



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## Development Profiling

- Potentially different economic profiles and site characteristics
- Study doesn't seek to test every site

*"A more proportionate and practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies."*  
(Ref: Viability Testing Local Plans Guidance)

- Recognising this and testing different locations and uses





## Development Profiling

Planning and Property Market evidence to inform hypothetical schemes for testing:

- Accord with Planning Policy – form, location and density
- Relevant and typical for Barrow
- Form of development in terms of size, location and use likely to be taken forward over the next 15+ years
- Regard to spatial strategies
- Brownfield and Greenfield Sites




## Generic Residential Development Scenarios

Development types and areas to be tested:

Scheme Ref	No of Dwellings	Areas to be Tested	Land Type
1	5	All	Greenfield and brownfield
2	10	All	Greenfield and brownfield
3	20	All	Greenfield and brownfield
4	35	All	Greenfield and brownfield
5	50	All	Greenfield and brownfield



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## Residential Development Scenarios

### Housing Mix

- Analysis of available information in relation to 16 recent residential applications providing 750 dwellings
- 80% - 3 and 4 bed dwellings

No Beds	1	2	3	4	5	2 bed apartment
% Mix	0.3%	5.2%	48.5%	31.7%	8.7%	5.6%


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## Residential Development Scenarios

### Housing Mix 30-40 dph

- Mix for testing allocations and generic schemes
- adjusted to reflect a mix of types and size including greater number of smaller dwellings in accordance with plan policy.

No Beds	1	2	3	4	5
% Mix	5%	20%	35%	35%	5%








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## Residential Development Scenarios

### Housing Mix 50 dph

No Beds	1	2	3	4	5
% Mix	10%	35%	55%	0%	0%








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## Residential Development Scenarios

### Apartment Development Typologies

Apartment development types and areas to be tested:

Scheme Ref	No of Dwellings	Areas to be Tested	Land Type
6	15	All	Greenfield and brownfield
7	50	All	Greenfield and brownfield








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## Residential Development Scenarios

### Apartment Mix

Scheme Ref	1 Bed	2 Bed
6	5 units	10 units
5	18 units	32 units








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## Residential Development Scenarios

### Dwelling Sizes

- Analysis of available dwelling sizes from recent applications

No of Beds	Average Size	
	Size (sq.m)	Size (sq.ft)
<b>1</b>	62	671
<b>2</b>	67	723
<b>3</b>	89	959
<b>4</b>	132	1,420
<b>5</b>	156	1,680
<b>2 bed apartment</b>	57	612








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## Residential Development Scenarios

### Dwelling Sizes

- Housing Technical Standards – Space Standard


No of Beds	2 storey dwellings		3 storey dwellings	
	Min (sq.m)	Max (sq.m)	Min (sq.m)	Max (sq.m)
<b>1</b>	58	58		
<b>2</b>	70	79		
<b>3</b>	84	102	90	108
<b>4</b>	97	124	103	130
<b>5</b>	110	128	116	134
<b>2 bed apartment</b>	61	70		








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## Residential Development Scenarios



### Dwelling Sizes

- Assumed dwelling sizes reflect analysis of recent schemes
- Housing Technical Standards – Space Requirements
- Assumed house sizes:

No of Beds	Size (sq.m)	Size (sq.ft)
<b>1</b>	58	624
<b>2</b>	70	755
<b>3</b>	90	970
<b>4</b>	116	1,250
<b>5</b>	158	1,700






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## Residential Development Scenarios

### Apartment Sizes

No Beds	Size (sq.m)	Size (sq.ft)
<b>1</b>	50	540
<b>2</b>	70	750








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## Residential Development Scenarios

### Site Areas

- Densities of 30, 40 and 50 dwellings per hectare depending on the area
- Gross/Net Developable Area based on SHLAA

Total Site Area	Net Developable Area
<b>Less than 0.4 ha</b>	100% of developable area
<b>0.4 ha to 4 ha</b>	90% of developable area
<b>Over 4 ha</b>	75% of the developable area












## Non-Residential Development Scenarios

- Number of development types
- Various sizes
  - Industrial
  - Office
  - Warehouse
- Differing locations dependent on use
- Site area reflects car parking space requirements, circulation space and landscaping




## Non-Residential Development Scenarios

### Industrial, Office and Warehouse Typologies

Type	Floor Area (sq.m)	Floor Area (sq.ft)
Industrial B2/B8	464	5,000
Industrial B2/B8	1,857	20,000
Industrial B2/B8	4,643	50,000
Industrial B2/B8	9,287	100,000
Offices	464	5,000
Offices	929	10,000
Offices	1,857	20,000








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## Analysis and Assumptions

### Appraisal Assumptions




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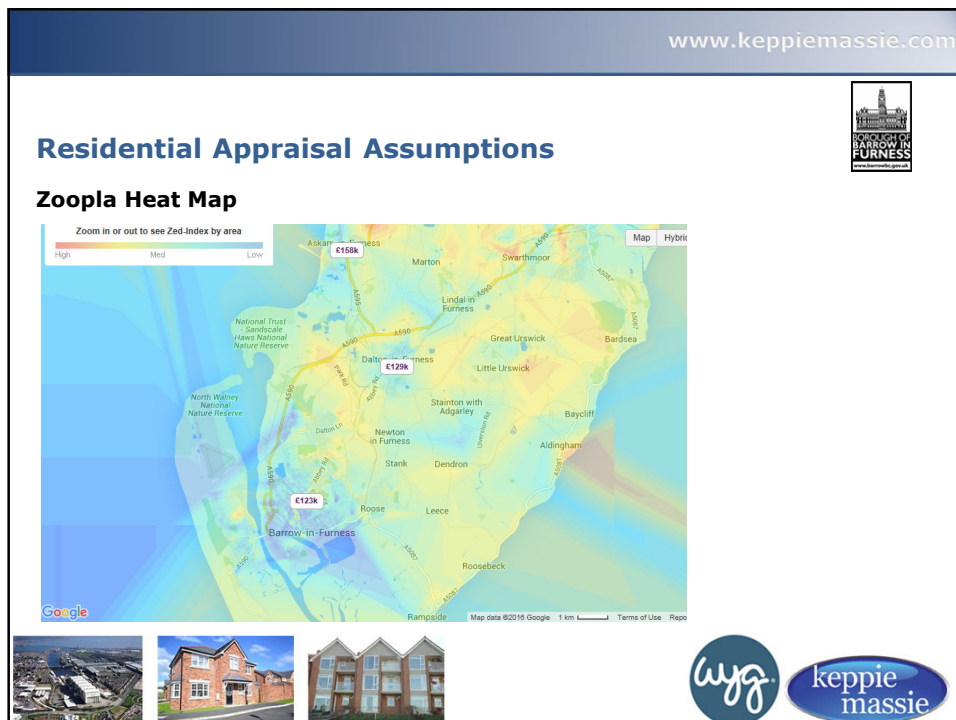
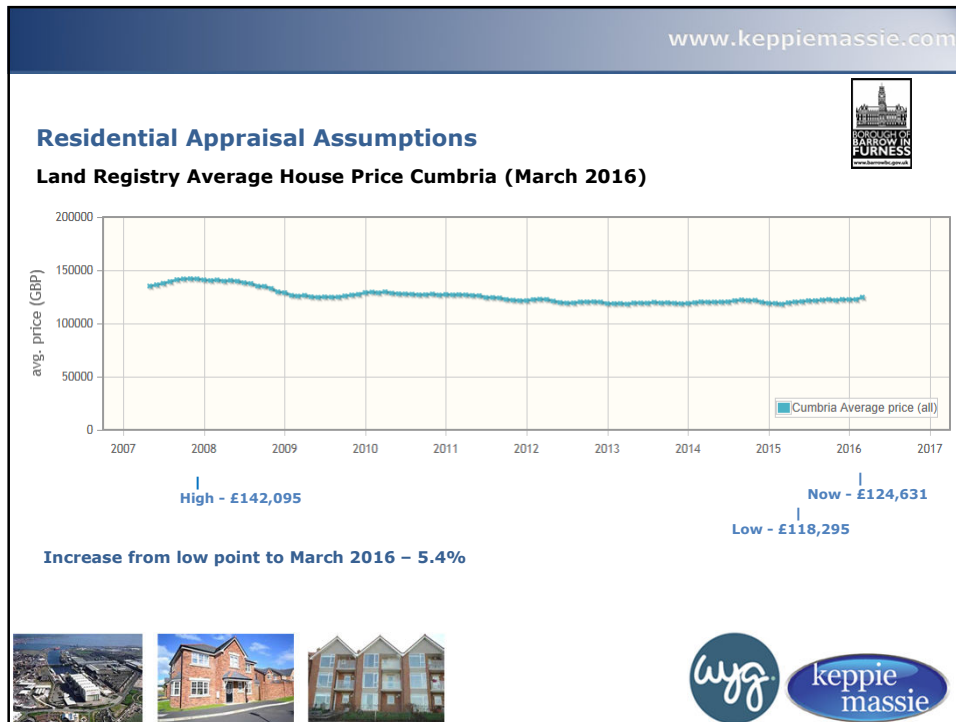
## Residential Appraisal Assumptions

### Land Registry Average House Price (March 2016)

Area	Detached (£)	Semi - Detached (£)	Terraced (£)	Flat (£)	All (£)
Cumbria	£240,333	£126,757	£84,241	£106,812	£124,631
North West	£225,423	£118,355	£69,861	£116,018	£116,018



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### Residential Appraisal Assumptions

**Summary of new developments (Price Information from Land Registry)**

Scheme	Developer	Location	Ave Price per sq.ft No Adjustment for Incentives	Current Asking Price Range
St Georges	Neil Price	Barrow	£155	£127,000
Plover Gardens	Leck Construction	Walney	£168	
Holbeck Park Phase 3	Neil Price	Barrow	£168	
Wensum Lea	Moorsolve	Walney	£169	
Roose Garden Centre, Flass Lane	Roose Homes	Barrow	£189	£179,950
St James Gardens	Brookside Homes	Barrow	£197	£124,950 to £159,950
Flass Lane, North	Mulberry Homes	Barrow	Houses - £193 Apartments - £222	
Crompton Drive		Dalton	£208	
Southampton Street	Mulberry Homes	Walney	£213	
Parkhouse Court		Barrow	£222	








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### Residential Appraisal Assumptions

**Summary of new developments (Asking Prices)**

Scheme	Developer	Location	Current Asking Price Range
Arlington House	Leck Construction	Barrow	£239,950 to £269,500
Lakesfell	Barker Developments	Askam	£179,950 to £210,000
Thornclyffe Road	Mulberry Homes	Barrow	£299,995 to £499,950
Redrose Estate	Neil Martin Group	Barrow	£220,000 to £245,000
Park Lane	Neil Price	Walney	No Details yet








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## Residential Appraisal Assumptions

### Suggested Net House Prices for Testing

Location	Provisional Value Range (£/sq.ft)
Low	£170
Medium	£195
High	£210








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## Residential Appraisal Assumptions




### Base Input Land Cost



'Threshold land value' - Viability Testing in Local Plans

- Recommends based on a premium over current use and credible alternative use values
- Account for fact that future plan policy requirements will have an impact on land values and landowner expectations


Residential Land Transactions

Price Paid (£/acre)	No Transactions
<£150,000	4
£151 - £250,000	4
£251 - £400,000	4
£401,000 - £600,000	1
>£600,000	2

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## Residential Appraisal Assumptions

### Base Input Land Cost


Testing Assumptions

- Assumed entire price paid on day 1 of development
- Base Input Land Costs (per acre)
  - High Value: £300,000
  - Medium Value: £225,000
  - Low Value: £150,000

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## Residential Appraisal Assumptions

### Costing Methodology

#### Costs for the Buildings:

- Substructures (normal) - Based on costs per sq.m; costs vary for size and archetype; rates per sq.m are derived from data held by WYG based on a large range of housing projects carried out in recent years
- Superstructures - Based on costs per sq.m; costs vary for size and archetype; rates per sq.m are derived from data held by WYG based on a large range of housing projects carried out in recent years

## Residential Appraisal Assumptions



### Costing Methodology

#### Costs for the external works etc:

- Density based; assessment of plot size from density
- Estate roads and footpaths; area and costs assessed from plot size; include kerbs street lighting and road drainage. Rates and prices are from our cost data and published data
- Work within curtilage is assessed based on areas derived from the plot size and include boundaries, parking area, paving, grassed and planting areas. Rates and prices are from our cost data and published data
- Drainage and incoming service supplies costs are assessed on a cost/dwelling basis and include plot drainage and an allowance for mains drainage, using typical costs. Allowance made for the cost of surface water attenuation
- Public Open space: costs based on areas defined by the Council's policy requirements. Work will include allowances for grass, trees, play areas (for larger schemes) and future maintenance



## Residential Appraisal Assumptions




### Costing Methodology

#### Costs for other matters:

- Preliminaries are costed on a cost per week for a period based on sales rate
- Fees for design, planning etc are based on % of the construction costs
- Adjustment for costs to reflect the size of the development; large developments are more economic than small ones
- Contingencies included at 5% of all costs



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## Residential Appraisal Assumptions


### Costing Methodology

- Allowance for opening up costs on Greenfield Sites (increased access costs and service reinforcement)


No Dwellings	Cost per Dwelling
0-14	£0
15-49	£2,750
50-99	£4,000
100-199	£5,000








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## Residential Appraisal Assumptions

### Other Inputs

- Acquisition Costs - 1.8% plus SDLT
- Finance - 7%
- Disposal and Marketing - 3.5% of GDV
- Developers Profit
  - 20% GDV
  - 15% for 5 and 10 unit schemes
- Sales rates 2-3 dwellings per month, 5 per month schemes over 250 dwellings



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## Non-Residential Appraisal Assumptions

**Values**

**Employment**

- Main Employment locations :
  - Furness Business Park
  - Phoenix Business Park
  - Hows View Industrial Estate/Meeting Industrial Estate/County Park Industrial Estate
  - Sowerby Wood Business Park
  - BAE Systems
  - Emelyn Hughes House, Abbey Road Furness House








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## Non-Residential Appraisal Assumptions

**Values**

**B2 – B8**  
 Prime Rents - £4.50 - £5 per sq.ft  
 Typical capital value: £55 per sq.ft

**Office**  
 Prime Rents - £10 per sq.ft  
 Typical capital values: Up to £120 per sq.ft








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## Non-Residential Appraisal Assumptions

### Base Input Land Cost

Range of land costs


- Industrial/Office - £100,000 - £150,000 per acre








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## Non-Residential Appraisal Assumptions




### Costing Methodology



**Costs for the buildings:**

- Normal substructures and superstructures based on costs per sq.m from BCIS for buildings of the same type and comparable size. BCIS data adjusted for location and brought up to date as necessary

**Costs for the external works etc:**

- Areas based on parking requirements with allowances for circulation and landscaped areas, footpaths etc

## Non-Residential Appraisal Assumptions



### Costing Methodology

#### Costs for other matters:

- Preliminaries are costed within the costs per sq.m derived from BCIS for the buildings
- Fees for design, planning etc. are based on a % of the construction costs
- Contingencies included at 5% of all costs
- Abnormal works included on the basis of cost per sq.m of the building or cost per sq.m of the site. These would include allowance for poor ground conditions or similar works



## Non-Residential Appraisal Assumptions



### Other Inputs

- Marketing costs - 5%
- Letting agents fees - 10% or 15%
- Legal fees -5%
- Sales fees - 1.8%, plus SDLT
- Finance Rates - 6.0%
- Developers profit - 20% of cost



## Next Stages



- Feedback by Friday 27 May 2016
- E-mail to [developmentplans@barrowbc.gov.uk](mailto:developmentplans@barrowbc.gov.uk)
- Progress Viability Testing



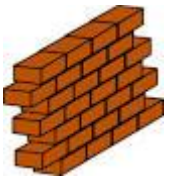
**Any further questions please contact:**

**Ged Massie  
Partner  
0870 705 0001**





# Housing Development Forum - May 2016



The Council is producing a new Local Plan which set out the minimum number of dwellings which should be built over the 15 year Plan period (the Housing Requirement). The Plan will also allocate a number of sites where housing will be acceptable. Once adopted, the housing requirement will be used to determine whether the Council has a 5 year supply of housing as required by national planning policy. A draft housing requirement will be identified in the next draft of the Local Plan (the Publication Draft) which will be published this Summer. When calculating the new requirement comments made during previous Local Plan consultations will be taken into account.

## **Q1 - In your opinion how is the housing market performing at present in the Borough? Have you seen an improvement over recent years?**

We do not have past or present developments in the Borough and therefore have no data to compare

## **Q2 - In your opinion what types of housing are in the highest demand in the Borough at present?**

We consider that there is a need for executive housing

## **Q3 - Does demand appear to be higher in a particular town/village?**

We are unsure where the current demand is, but as a business our focus would be on delivery of sites within Barrow and Dalton

## **Q4 - In your opinion and from feedback given to you, what would make the Borough a more attractive place to live?**

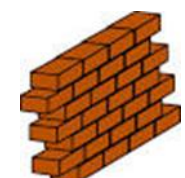
Locating housing in the most attractive locations in Barrow where purchasers of high quality homes are more likely to want to live

## **Q5 - From feedback given to you and your own experience, does the Borough lack a particular type of housing?**

We feel that the borough lacks Executive housing

## **Q6 - Are you a housing developer (please go to Q7) or estate agent (please go to Q13)?**

Housing developer

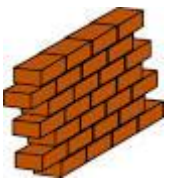


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# Housing Development Forum - May 2016



## Q7 – With regards to the housing requirement which of the following would be your preferred option (please circle preferred option and give reasons below)

- The housing requirement should be lower in the first 5 years and higher in years 6-15
- **The housing requirement should be higher in the first 5 years and lower in years 6-15**
- The housing requirement should be spread equally over the 15 years with the annual target being the same each year.

## Q8 - How many sites are you currently developing in the Barrow Borough?

We are not currently developing any sites in the Borough

## Q9 - If you are not currently developing in the Borough, are you interested in developing here in the future? Please give reasons.

We would welcome the opportunity to develop sites in the Borough. As you will be aware we were proposing to develop the site at Rating Lane which was refused planning consent and has recently had an appeal dismissed. We will continue to be interested in developing in Barrow, however we would only be looking to develop sites in areas which fit with our aspiration brand and our business model

## Q10 - If you are currently developing sites in the Borough, how many dwellings did you complete on each site in 2015/16?

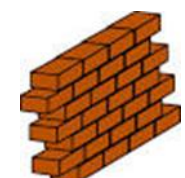
N/A

## Q11 - In your opinion why have past average build rates in the Borough been relatively low compared to elsewhere (average 10 dwellings per year)?

We believe that build rates have been low due to the attractiveness of the sites available and the accessibility of the borough

## Q12 - In your opinion what are the greatest constraints to housing delivery in the Borough? Please state why and how can these be overcome?

The lack of an Adopted Local Plan and lack of housing allocations are a constraint to housing delivery as well as the lack of attractive sites in the best

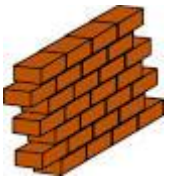


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# Housing Development Forum - May 2016



locations.

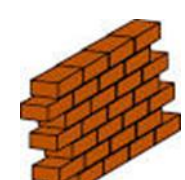
## Viability

**Q13 - Looking at the slides on the Local Plan Viability Assessment do you agree with the appraisal assumptions set out by Keppie Massie?**

	Agree	Disagree	Suggested alternative
House Prices			
Base Input Land Cost			
Costs for external works			
Costs for remediation			
Costs for disposal and marketing			
Sales rate per month			Across Cumbria we are seeing sales rates of between 2 to 3 per month and we would expect sites in Barrow to be around 2 per month
Other			

**Q14 – Do you have any further comments regarding the Local Plan Viability Assessment?**

We broadly agree with some of the assumptions being made however we would like to reserve our position regarding Viability until such time that the Viability Assessment is available for us to comment on and we know what costs are being proposed. It is not clear from the slides what assumptions are being made relating to external works costs. We also think that areas to be tested should include sites up to 200 units on Greenfield and brownfield sites. We also think that a mix of densities should be tested on Greenfield sites of 25 , 30 and 35 dph. We also think that the net developable area of sites over 4ha should be tested at 70% not 75%. It is not clear from the slides what the assumptions for build costs are.

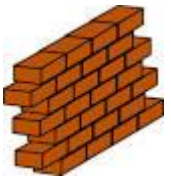


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# Housing Development Forum - May 2016



**Q15 - Is there anyone available within your company who would be willing to be contacted by WYG, who are helping to produce the Viability Study, to discuss their experience of construction costs in the Borough? If so please provide contact details.**

We would welcome the ability to discuss the preparation of the Viability Study with WYG as we do have some concerns with some of the assumptions being made by Keppie Massie in the slides provided. WYG should contact

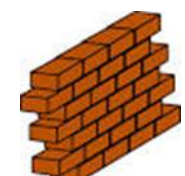
**Q16 – Are there any abnormal costs for development in Barrow such as those associated with contamination?**

In our experience we have been met with abnormal costs on numerous sites in various locations . Sometimes these costs are running into millions

**Q17 – Is there any further information about housing in the Borough which you'd like us to consider?**

**Q18 – Did you find the Development Forum useful and would you like to attend future similar events?**

We would like to attend future events.



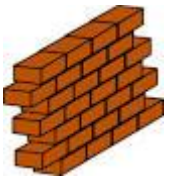
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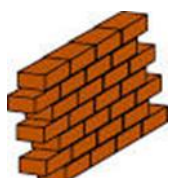
# Housing Development Forum - May 2016



## Thank you for your help

Any information you provide here will be taken into consideration when producing the Local Plan. If you have any questions please ask.

Please send completed questionnaires to [developmentplans@barrowbc.gov.uk](mailto:developmentplans@barrowbc.gov.uk) by Friday 27th May 2016.

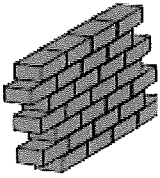


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# Housing Development Forum - May 2016



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### **Q1 - In your opinion how is the housing market performing at present in the Borough? Have you seen an improvement over recent years?**

Type answer here –YES

### **Q2 - In your opinion what types of housing are in the highest demand in the Borough at present?**

Type answer here – DETACHED

### **Q3 - Does demand appear to be higher in a particular town/village?**

Type answer here – NO

### **Q4 - In your opinion and from feedback given to you, what would make the Borough a more attractive place to live?**

Type answer here – ROAD LINK TO M6

### **Q5 – From feedback given to you and your own experience, does the Borough lack a particular type of housing?**

Type answer here – UP MARKET HOUSING

### **Q6 - Are you a housing developer (please go to Q7) or estate agent (please go to Q13)?**

Type answer here –DEVELOPER



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# Housing Development Forum - May 2016



**Q7 – With regards to the housing requirement which of the following would be your preferred option (please circle preferred option and give reasons below)**

- The housing requirement should be lower in the first 5 years and higher in years 6-15
- The housing requirement should be higher in the first 5 years and lower in years 6-15
- The housing requirement should be spread equally over the 15 years with the annual target being the same each year.

Type answer here – THE FIRST 5 YEARS

**Q8 - How many sites are you currently developing in the Barrow Borough?**

Type answer here – 1

**Q9 - If you are not currently developing in the Borough, are you interested in developing here in the future? Please give reasons.**

Type answer here –

**Q10 - If you are currently developing sites in the Borough, how many dwellings did you complete on each site in 2015/16?**

Type answer here – 14

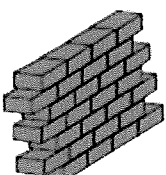
**Q11 - In your opinion why have past average build rates in the Borough been relatively low compared to elsewhere (average 10 dwellings per year)?**

Type answer here – LACK OF DEVELOPMENT LAND

**Q12 - In your opinion what are the greatest constraints to housing delivery in the Borough? Please state why and how can these be overcome?**

Type answer here –

RELEASE OF GREEN FIELD SITES

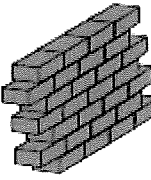


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# Housing Development Forum - May 2016



## Viability

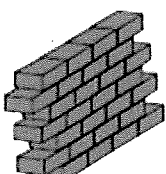
**Q13 - Looking at the slides on the Local Plan Viability Assessment do you agree with the appraisal assumptions set out by Keppie Massie?**

	Agree	Disagree	Suggested alternative
House Prices	Y		
Base Input Land Cost	Y		
Costs for external works	Y		
Costs for remediation	Y		
Costs for disposal and marketing	Y		
Sales rate per month	Y		
Other			

**Q14 – Do you have any further comments regarding the Local Plan Viability Assessment?**

Type answer here –

**Q15 - Is there anyone available within your company who would be willing to be contacted by WYG, who are helping to produce the Viability Study, to discuss their experience of construction costs in the Borough? If so please provide contact details.**

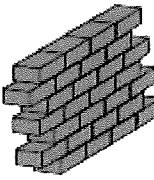


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# Housing Development Forum - May 2016



**Q16 – Are there any abnormal costs for development in Barrow such as those associated with contamination?**

Type answer here –NO

**Q17 – Is there any further information about housing in the Borough which you'd like us to consider?**

Type answer here – NOT PUTTING PRE START CONDITION ON APPROVALS

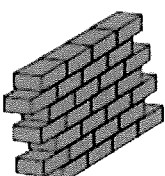
**Q18 – Did you find the Development Forum useful and would you like to attend future similar events?**

Type answer here – YES

## Thank you for your help

Any information you provide here will be taken into consideration when producing the Local Plan. If you have any questions please ask.

Please send completed questionnaires to [developmentplans@barrowbc.gov.uk](mailto:developmentplans@barrowbc.gov.uk) by Friday 27th May 2016.



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## Response to WYG

Many thanks for your email below and apologies for the delay in responding. I also note that it appears that WYG's brief is limited to advice in relation to the costs of development. On the whole during our experiences in relation to viability assessments, we have historically been broadly happy with the build cost element of viability assessments, and as you point out below we are supportive of the BCIS Location factors to be used in these studies. It is usually the other factors and assumptions such as developer profit, threshold viability, proposed density that we normally have reason to comment on which I assume Keppie Massey will be responsible for.

However, I have been through your report and make the following comments, which I hope will be helpful:

- a) Proposed parking – we usually have more than two parking spaces for 4 and 5 bed properties;
- b) Front boundaries – I see you make no allowance for these. We often have front boundary walls and fences within our developments. Which can add up to a reasonable cost on schemes of 50+ units.
- c) It was not clear what the allowance for fees has been allowed for so I cannot comment on that issues.
- d) Preliminaries – We calculate the length of development based upon the number of market sales per month (usually between 2-3 based upon the strength of the market) and assume the first sale 7 months after construction start. I think this varied from your figures which seems quite bullish (3-4 sales per month and sales starting 3 months after consultation), however, I wasn't sure if your calculations included affordable units or not? I also noted your prelims costs are based upon a % of construction costs. My only comment on that is that we normally see higher prelim costs for smaller sites as the each site still needs a site manager and compound despite the reduced number of units, therefore the costs are proportionately higher.

Notwithstanding the above, my main comment in relation to your proposed methodology and almost every other one we have looked at relates to abnormal costs and invariably they are not taken into account in the generic assessments, but I note you have looked at these for the site specific assessments. It is my firm belief that every site will have some form of abnormal construction costs including:

- Utility diversion costs;
- Off site drainage connections;
- Off site highway works;
- Abnormal infrastructure costs e.g. pump stations / sub-stations;
- Cut and fill costs;
- Retaining walls;
- Abnormal foundation costs;
- Remediation – in particular for brownfield sites.

To enable a true reflection of build costs, I believe some form of abnormal allowance needs to be made in all viability assessment, otherwise it is not reflective of the real world. These costs often, and in fact in most cases, result in additional costs of several millions of pounds on sites of 50+ over and above the standard house build, externals and plot costs. This is especially the case for Greenfield sites on the edge of settlements, where often challenging topography exists, and new infrastructure provision is required to service sites and existing infrastructure diverted. I do however appreciate this is easier said than done! The abnormal costs will of course be very relevant in Barrow which has both challenging topography and a number of brownfield sites.

I hope the above is helpful and thank you again for providing the opportunity to comment.