Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

SECTION 106 OBLIGATIONS VIABILITY ASSESSMENT PROCEDURE NOTE AND GUIDANCE NOTE

Section 1: Section 106 Viability Assessment - Procedure Note

Where an applicant indicates that they are unable to provide the identified Section 106 ('s.106') obligations on viability grounds, they will need to submit a detailed financial appraisal of the proposed development.

National planning policy (Planning Policy Wales (PPW) (Edition 11, 2021), Paragraph 4.2.21) is clear that the weight to be given to the viability assessment is a matter for the decision-maker, having regard to all the circumstances in the case, including whether the development plan and viability evidence underpinning it are up-to-date, and any change in circumstances since the plan was adopted.

Where an applicant considers that they will need to submit a viability assessment as part of their planning application, they should enter into pre-application discussions with the Council prior to the submission of a planning application. As part of these discussions, where appropriate, the Planning Officer will offer the applicant the opportunity for their completed viability appraisal to be submitted and reviewed as part of the planning application by either:

a) Neath Port Talbot County Borough Council (NPTC) Valuation Officer; or
b) An independent valuation expert from the Valuation Office.

The final decision of whether the assessment is referred to either the Council's Valuation Officer or to the Valuation Office is entirely at the discretion of the Local Planning Authority and the Council's Head of Property and Regeneration.

Development viability appraisals submitted to either the Council's Valuation Officer or the Valuation Office should be submitted using the Council's Development Viability Model (DVM) which is a site-specific appraisal tool which the Council has produced in partnership with authorities in the South West Wales Region and Mid Wales Region and consultants Burrows-Hutchinson Ltd. (although the Council will accept viability appraisals submitted using other residual valuation models using a recognised methodology that accords with the latest RICS guidance for assessing the viability of residential developments).

The development viability appraisal will need to include all of the information required within Section 2: 'Section 106 Viability Assessment - Guidance Notes' (see Page 5) and be accompanied by a viability report and evidence demonstrating that the applicant has fully considered all options for reducing development costs and increasing scheme revenues with the aim of meeting all s.106 requirements[1].

The development viability appraisal will, in accordance with national planning policy (PPW, Paragraphs 4.2.21 and 4.2.23), need to be provided on an "open book" basis and all discussions will need to take place in an open and transparent manner. Any applicant who is not prepared to do this will nullify any rationale for lowering any s.106 obligations. The presumption being that without verifiable evidence relating to site specific economics, there is no justification for reducing s.106 obligations. In such cases, the scheme will be considered viable and capable of meeting all planning obligations.

NPTC Valuation Officer Service

The purpose of this service is to provide a cost-effective route for applicants who are confident that they can provide robust evidence that proves that the proposed s.106 obligations will have an adverse effect on the viability of the proposed development.

The service is subject to the following initial fixed fees. These fees are required to be paid in full in advance of the release of the site-specific DVM and prior to the review of viability appraisals submitted using other residual viability models.

The fee includes:

a) The cost of providing the site-specific DVM; and
b) The cost of reviewing the information submitted and providing a summary of their findings to the Planning Officer.

[1] Such measures may include consideration of alternative site densities, dwelling mixes and tenure, site layouts, landscaping and construction specifications.

Please note that no reduction will be made to the fees for viability appraisals submitted using other residual viability models and no detailed report will be provided to the applicant for the fee.

Type of Scheme	Fee
3 to 10 residential units	£695
11 to 20 residential units	£895
21 to 50 residential units	£1,195
51+ residential units	£ by agreement depending on size/ complexity
Retail/ commercial/ industrial development, net increase in floorspace of 1,000sqm or more	£ by agreement depending on size/ complexity (but not less than £1,195)

Following the submission of a viability appraisal, the Council's Valuation Officer will review the information submitted. Where the applicant does not provide sufficient evidence to allow the Council's Valuation Officer to make a satisfactory assessment, the Valuation Officer will advise the Planning Officer who will then inform the applicant of the additional evidence required for the assessment to continue. If, at this stage, the applicant still wants the Valuation Officer to assess their viability assessment, there will be additional charges. These will be determined on a case-by-case basis depending on the level of work required and the size/ complexity of the scheme. Fees may include additional hourly rates or in some cases where the viability appraisal needs to be re-run in its entirety, the full fee. The Council will consult with the applicant before any additional expense is incurred.

If the applicant disagrees with the findings of the summary provided to the Planning Officer, they will have the opportunity to provide additional information to the Council's Valuation Officer, for which there will be additional charges (fees may include additional hourly rates or in some cases where the viability appraisal needs to be re-run in its entirety, the full fee).

If following the review of this additional information, the applicant still disagrees with the Council's Valuation Officer's summary, the Council's Valuation Officer will refer the assessment to the Valuation Office for a second opinion. The cost of any second opinion will be borne by the applicant. The decision of the Valuation Office in this matter will be final and the applicant will have no right of appeal. However, the applicant will be afforded the opportunity to formally withdraw their viability assessment before the Valuation Office are instructed and further costs are incurred.

If the applicant does not agree to a second opinion then the scheme will be considered viable and the applicant will have failed to prove that the s.106 obligations should be lowered on the grounds of viability.

The applicant should be aware that any reliance on so-called abnormal costs as the basis for requesting a reduction in the s.106 obligations, will require those costs to be verified by an independent specialist at the applicant's expense.

Valuation Office

The Council offers the applicant the opportunity to have their viability assessment considered directly by the Valuation Office without prior consideration by the Council's Valuation Officer. The full cost of the assessment by the Valuation Office will be borne by the applicant.

Applicants should note that even if the submitted viability assessment supports their assertion that the proposed development will not support the identified level of s.106 obligations, this does not mean that planning permission will automatically be granted with reduced s.106 obligations.

The Council, as a Local Planning Authority, needs to consider the development in the context of sustainable development and placemaking and therefore has to consider whether allowing the development to proceed with reduced s.106 obligations will have a negative effect on the wider community by failing to provide for the s.106 obligations necessary to mitigate the impacts of the development.

Section 2: Section 106 Viability Assessment - Guidance Notes

The following notes are intended to help the applicant provide a comprehensive Viability Assessment. The guidance notes primarily relate to residential schemes as these require the greatest number of inputs in the DVM. The DVM can however be used for commercial schemes and the user guide which is issued following payment provides specific guidance on how to use the DVM for commercial schemes.

These Guidance Notes do not alter existing planning policies but instead provide additional guidance on the information required by NPTC when assessing viability as part of the planning process, including as a consideration in the determination of planning applications. These Viability Guidance Notes will continue to be updated to reflect changing circumstances, including any new and relevant policies, guidance and appeal decisions.

A failure by the applicant to provide all the information specified below will result in unnecessary delays and lead to additional costs. Depending on the scale/complexity of the scheme and the level of additional information required to be reviewed, additional costs may include hourly costs and/or full fee re-submission.

Viability Test

National guidance (Development Plans Manual (DPM), Paragraph 5.86) states that: *"Development can be considered viable if, after taking account of all known costs including: Government policy/ regulations, all construction and infrastructure costs, the cost of and availability of finance, other costs such as fees and a contingency sum, the value of the development will generate a surplus sufficient to provide both an adequate profit margin for the developer and a land value sufficient to encourage a land owner to sell for the proposed use. Development can also be made viable through the availability of Government grants".*

Valuation

If an applicant requests an opportunity to demonstrate that a site is not viable with the identified level of s.106 obligations, then they should submit:

1. A detailed viability assessment using the Council's DVM (although the Council will accept viability appraisals submitted using other residual valuation models using a recognised methodology that accords with the latest RICS guidance for

assessing the viability of residential developments) including all of the information required within these guidance notes; and

2. An accompanying viability report and evidence demonstrating that the applicant has fully considered all options for reducing development costs and increasing scheme revenues with the aim of meeting all s.106 requirements[2].

Development Viability Model (DVM)

The Council's DVM is a site-specific appraisal tool which the Council has produced in partnership with authorities in the Mid Wales region and South West Wales region and consultants Burrows-Hutchinson Ltd. Each copy of the model released by the Council is 'locked' to relate to a specific development site. The same copy of the model can, however, be re-used to assess more than one proposed scenario for the development of that specific site.

The DVM includes four main sheets:

- **The "land" sheet** records the total price to be paid for the development site which can be split into tranches; calculates the Land Transaction Tax that is payable on that price; and allows applicants to add other costs appropriate to the land purchase, including legal and agents' fees.
- **The "costs" sheet** is where all development costs (apart from land and basic build/ plot costs) are inputted and summarised.
- **The "cashflow" sheet** is where all data from the various input sheets is collected to create a monthly cashflow for the development as a whole. From this sheet, the cost of financing the development project is calculated.
- **The "appraisal" sheet** pulls together the applicants inputs to the cashflow and summarises them into a single sheet, showing how the resultant development profit compares with a target margin that can be set by the applicant. The "appraisal" sheet also gives the user access to sensitivity tables to illustrate the impact on development profit arising from incremental variations to core inputs to the appraisal. It also has a facility for testing the impact of percentage changes to different factors in the appraisal.

[2] Such measures may include consideration of alternative site densities, dwelling mixes and tenure, site layouts, landscaping and construction specifications.

Applicants using the Council's Valuation Officer Service will be provided with a copy of the DVM following payment in full of the fees stated in Section 1.

Applicants submitting their viability appraisals directly to the Valuation Office will be charged £50 for a copy of the DVM prior to the release of the model to cover the administrative processing of the model.

Each copy of the DVM incorporates a "Quick Guide" and "Help Notes" are also incorporated into the model. The Council will provide a detailed 'DVM - User Guide' to those who have purchased the model and 'how to' videos are provided on the Council's website.

Within the viability assessment, the applicant will be expected to provide, where necessary, information from professionally qualified sources at their own expense. Moreover, the applicant will be expected to demonstrate that the viability assessment is based upon reasonable and realistic assumptions and expectations.

For ease of reference, a checklist of the information required for all assessments can be found at the end of this document. Please ensure that this is cross-referenced prior to submitting your viability assessment.

The Council's DVM uses a residual land valuation method which deducts the costs of developing the site (including the land cost, infrastructure costs and policy compliance) from the Gross Development Value (GDV) to denote an estimated residual profit level. This estimated residual profit level is then compared with the target profit margin considered appropriate for that particular development, having regard to benchmark levels of profit that reflects a market risk adjusted return to the developer.

The appraisal submitted should adopt current costs and values in relation to the proposed scheme and assume that affordable housing and other s.106 requirements are met in full within the overall development costs.

Information should be provided to address all relevant components of the DVM, failure to provide relevant information will result in either:

- The Council requesting further information at an additional cost to the applicant; or

- The applicant nullifying any rationale for lowering any s.106 obligations. The presumption being that without verifiable evidence relating to site specific economics, there is no justification for reducing s.106 obligations.

Viability Appraisal Report

In addition to the completed DVM, the applicant should provide a viability appraisal report. This should include a brief description of the scheme, together with a full explanation of why the applicant considers that there is an economic case for lowering the levels of s.106 obligations.

Information required to be submitted as part of the Development Viability Appraisal and/or Viability Appraisal Report

Density

As part of the viability report, the applicant should provide information regarding the overall gross site area (in hectares), the net developable area, the dwelling and non-residential density per net hectare/ sqm and the floorspace per net hectare/ sqm[3].

Information regarding the gross and net site area and the total number of dwellings should also be provided in the "Project" sheet of the DVM.

Number and Type of Units

Information should be provided in the DVM regarding the number of units including their number of bedrooms; the number of habitable rooms; the number of storeys; gross / net internal floor areas in square metres; and the total number of each dwelling types within the proposed development for open market and affordable dwelling types.

This information should be provided using the "SDT" (Standard Dwelling Types) and "Resi Overview" sheets of the DVM.

The "SDT" sheet includes two space standards options to use. Applicants may use either England's nationally described space standards or recognised sizes for affordable dwelling types listed in Welsh Government's Acceptable Cost Guidance

[3] Density should be calculated as the number of dwellings per net developable hectare.
The net developable area should include all land available for development (including for example land associated with access roads within the site; private garden space; car parking areas; incidental open space; and children's play areas, and excluding for example, major distributor roads; open spaces serving a wider area; and significant landscape buffer strips).

(ACG)[4] or in the absence of Welsh/ NPT internally prescribed space standards, alternative values can be added to the sheet to reflect site-specific circumstances.

Please note: The Welsh Government's ACG standards have subsequently been incorporated into the Welsh Government's 'Welsh Development Quality Requirements 2021 – Creating Beautiful Homes and Places' (WDQR 2021)[5] which set out minimum functional quality standards for new and rehabilitated general need affordable homes. These include the following floorspace requirements:

Home Designation	Home Type	Gross Internal (floor) Area (sqm)[6]
7P4B	2 storey house	114
6P4B	2 storey house	110
5P3B	2 storey house	93
4P3B	2 storey house	88
4P2B	2 storey house	83
3P2B	2 storey house	74
3P2B	Bungalow	58
3P2B	Flat – walk up	65
3P2B	Flat – common access	58
2P1B	Flat – walk up	53
2P1B	Flat – common access	50

[4] More information available in:

- Department for Communities and Local Government 'Technical Housing Standards – Nationally Described Space Standard' (2015) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1012976/160519_Nationally_Described_Space_Standard.pdf; and
- Welsh Government Acceptable Cost Guidance/ On-Costs for use with Social housing Grant Funded Housing in Wales (2015) https://gov.wales/sites/default/files/publications/2019-04/costs-included-in-social-housing-grant-guidance-for-social-landlords.pdf

[5]The guidance says that standards are required to be applied in full to all publicly-funded affordable housing schemes submitted to Welsh Government at "concept" stage for technical scrutiny from 01 October 2021. New affordable homes delivered through planning agreements (under s.106) or planning conditions are required to meet Appendix A and Appendix B 'Space Requirements' for agreements entered into after 01 October 2021. In addition to floorspace requirements, there are a number of other requirements. More information available: https://gov.wales/sites/default/files/publications/2021-08/development-quality-requirements-for-housing-associations.pdf

[6] Provided that designs do not compromise the quality of homes intended to be delivered, the guidance says that a reduction of up to 5% of the above Gross Internal Area may be applied.

Gross Development Value (GDV)

The viability appraisal should be supported by evidence from comparable development schemes after taking into account the type of property, location and delivery.

Appraisal comparables should be “achieved” prices rather than “asking” prices and should exclude marketing incentives (for example, fit out, payment of stamp duty etc.).

Where comparability is an issue, these can be benchmarked against published sources, such as Land Registry, Valuation Office Agency or agents’ market reports.

For 100% affordable housing schemes, the process for calculating the Gross Development Value will be made up of the following three main components:

(a) Rental and/ or capital receipts from the affordable units. Income from this source will be from the capitalised net annual rents (for a given time period at a given discount rate) from the social rented, affordable rented and intermediate rent, and the rental element of the shared ownership units ;

(b) Any proceeds that may be reinvested from staircasing receipts, Right to Acquire or external subsidies, such as capital grants and New Homes Bonus; and

(c) Any internal registered provider subsidy

Other Values

The value of any ground rents, car parking, temporary income etc. should be included within the assessment.

Commercial element – Sales Prices

Valuation evidence must be supplied. Whilst in some cases, freehold evidence may be achievable, most commercial space will be valued on the basis of rents being achieved, capitalise by an appropriate yield. Both rental and yield evidence will be required to substantiate value.

Build Costs

Cost estimates for build costs should be provided by a Quantity Surveyor or other suitably qualified professional.

If available, site specific evidence based on reported cost estimates or invoices should be provided by the applicant. Where comparability is an issue, these can be benchmarked against the Building Costs Information Service (BCIS) or other appropriate data sets or verified by independent cost consultants.

The build costs should not exceed the current rates published by the BCIS for new build units in the appropriate categories and adjusted for location factor. If the build costs for the development exceed the BCIS rates, the applicant will be required to provide a professionally prepared cost plan, including written evidence to justify the increased costs.

The rates are based on Gross Internal Floor Area (RICS definition) and exclude external works and contingencies, these should be costed and added separately. External costs should be added to the "Costs" sheet of the DVM and build costs to the "Resi Element Sheet".

Build costs can be spread in a linear distribution over the defined build period or applicants can choose a typical S-curve distribution of these costs, or create their own custom distribution. Explanation should be provided within the viability report.

Site Investigation, Preparation and Infrastructure Costs

The applicant will be required to provide site specific evidence (reported cost estimates or invoices) for site infrastructure costs/ external works. These costs may include demolition, ecological, geotechnical, archaeological and other site investigations (including those undertaken before the site purchase or for planning), basic on-site infrastructure and services. These costs may need to be verified by independent cost consultants.

In most cases these costs should be reflected in the land value and the applicant should ensure that these costs are not double counted.

Depending on the nature of any additional costs, these should be added to either the "costs" or "land" sheets of the DVM.

Legal Fees

Legal fees associated with the purchase of the land should be added to the "land" sheet of the DVM.

Legal fees associated with the sale / letting of the units should be added to the “costs” sheet of the DVM. They should reflect the charging rates of local solicitors and conveyancers.

Sale Fees

Any sales fees associated with purchasing the site should be added to the “land” sheet of the DVM.

Sales / letting fees associated with the sale / letting of the units should be added to the “costs” sheet of the DVM and should reflect the charging rates of local agents for new build properties (although it is recognised that larger house buildings may provide this service in-house).

Sales / letting fees for new build properties should take into consideration any discounts that may be applied for new build sales/ letting, for example standard fees of £x per unit rather than percentage based fees).

Professional Fees

Where relevant, these can include architect, quantity surveyor, structural engineer and/or electrical engineer, project manager and other necessary consultants.

Professional fees should be added to the “costs” sheet of the DVM and evidence should be provided.

Cost of Finance

The cost of finance should be included within the DVM.

The DVM allows the user to define their own borrowing costs with variable input areas for the level of borrowing required (as against developer’s equity), the interest rate applicable to both borrowing and equity, and the lender’s arrangement/ existing/ monitoring fees.

The model also allows an ‘all-in’ rate of interest (i.e. a rate that includes the lender’s fees) to be included. For most developments, a rate of 3-5% above Bank of England Base Rate is expected but applicants unable to borrow at this level should provide evidence of the actual rate applicable.

Information should be provided in the “project” sheet of the DVM.

Development Period

The Council accepts that the development period will vary from project to project, a reasonable and realistic estimate should therefore be provided in the development appraisal.

In the DVM, information should be provided in the “project” sheet on the ‘development start date’ and the ‘maximum cashflow period (years)’. The ‘maximum cashflow period’ is the total period (in years) that the applicant anticipates for the development from the date when the site (or the first portion of it) is purchased until the date when the final part of the development is sold.

Information should also be provided within the “project” sheet on the date the land was purchased/ is to be purchased as this will be used to create a monthly cashflow from that date, for the number of years specified.

Build Period

In addition to the development period, information should be provided within the DVM with regards to the build period.

The DVM allows applicants to determine the build period for the development, either according to the estimated rate of open market sales (being tied therefore to sales period) or by specifying a set number of months. There is also flexibility on the “resi element” sheet to vary the monthly rate of sales from the average specified in the “project” sheet.

Sales Start

The Council recognises that the period between build start and sales start will depend on the construction methods being used, the capacity and efficiency of different developers/ builders. However, in order for the DVM to be able to distribute costs and revenue in the “cashflow” sheet appropriately, information regarding anticipated sales start should be provided in the “resi elements” sheet.

In the case of blocks of flats, where construction work on the building must be completed before individual flats can be occupied, the model will automatically assume the sales start date is the month following the build. In cases where it is expected that sales will start before the practical completion, the sales start date can automatically be entered into the model.

Sales Rate

In addition to the estimated sales start, information should also be provided within the "resi elements" sheet of the anticipated sales rates. This is the rate at which the applicant expects to be able to sell dwellings on the open market.

Affordable Housing Delivery

Information should also be provided within the "resi overview" sheet with regards to the anticipated programme for the construction and delivery of all affordable dwellings.

For cashflow purposes, the DVM will start construction of the affordable units in the same month as the construction of the open market units, with delivery/ occupation of the first affordable unit(s) coinciding with the first open market sale/ occupation. To specify an alternative delivery programme for the affordable units, the applicant will need to allocate the affordable units to a separate 'resi element'. More information is provided within the 'DVM User Guide' that will be provided to the applicant upon purchase of the DVM.

Capital Grants and Subsidy

If the applicant is in receipt of any capital grant or subsidy, such as Social Housing Grant, this should be detailed in the "costs" sheet of the DVM. Depending on the nature of the capital grants and/or subsidy, these should be entered as either a lump sum or in instalments.

Contingency

The more complex the development project, the more potential there is for the site to encounter various difficulties or delays. Contingencies can be added to the DVM in either the "project" sheet or the "costs" sheet. Contingencies can be added as either a fixed sum or a percentage of build costs.

If the applicant intends to include a contingency these should equate to between 2-5% of total costs (i.e. building costs, ancillaries and professional fees). The level of contingency will depend on the complexity of the development, where costs are more certain then any percentage should be reduced.

If the applicant intends to include a contingency element as part of their assessment, they should provide an explanation of why it is considered necessary for the development in the viability report.

Developer's Return (Profit Margin)

Target profit margins should be provided within the "appraisal" sheet of the DVM.

A typical margin in the region of 15-20% of GDV is expected for developments that will be sold or let on the open market. However, higher/ lower profit levels may be appropriate to reflect the size and risk profile of the developer and the risks related to the development project.

If the applicant requires a higher developer's return than 15% of GDV, then they will need to provide a full explanation with evidence from comparable schemes or data sources.

Where an applicant is seeking a reduction in s.106 obligations, they should be prepared to be flexible and should not expect to protect a 20% profit margin at the expense of s.106 obligations. A balanced approach should be taken that has regard to both the commercial interests of the developer and the public interest being secured through s.106 delivery.

The DVM generates pre-defined sensitivity tables to show the impact on residual profit of a range of incremental variations in the core assumptions (residential open market values, build costs and land value). These tables can be accessed by clicking on the "display sensitivity tables" button in the "appraisal" sheet.

Any 'Internal Overheads' are expected to be paid out of the developers return and should not be included as a separate item. This will be considered double counting.

Landowner's Return

This will usually be addressed in the land purchase price or market value and will not normally be included in the appraisal.

Site Acquisition Costs

Costs associated with the acquisition of the site (such as planning and survey costs, agent and legal fees, Land Transaction Tax etc.) should be added to the "land" sheet of the DVM and should reflect local rates where appropriate.

Abnormal / Exceptional Costs

Any abnormal/ exceptional build costs must be itemised on the "costs" sheet of the DVM and be fully explained in the supporting report. The Council considers that costs incurred in delivering a workable, high quality development are to be expected and any works which should have been identified prior to acquisition should be reflected in the price paid for the land.

Standard development costs such as demolition costs, landscaping, noise bunds, archaeological and ecological surveys, land contamination, drainage and flood prevention measures, noise and other environmental attenuation, and appropriate infrastructure provision, which may include highway and public transport measures, will not usually be considered abnormal/ exceptional site costs in an NPT context and should be reflected in the price paid for the land.

In the event that an applicant considers that abnormal/ exceptional development costs have been incurred, it will be the responsibility of the applicant to demonstrate how the costs have been derived. A site investigation report, remediation statement, detailed drawings and calculations of how the abnormal/ exceptional costs have been derived must be submitted with the application.

It is expected that the applicant will have accounted for the costs involved with any site constraints and the requirement of the statutory development plan for NPTC[7] in the purchase of a site. A reduced contribution will only be considered where the policy requirement is demonstrated to threaten the viability of the development due to exceptional development costs unforeseen at the time of site purchase.

[7] Comprised of:

- Future Wales: The National Plan 2040, published 2021. Available at: https://gov.wales/future-wales-national-plan-2040
- NPTC Local Development Plan 2011-2026, adopted 2016. Available at: https://www.npt.gov.uk/ldp

Planning Contributions and Other Obligations

Anticipated or agreed costs of delivering planning conditions or obligations for planning and highways agreements should be included on the “costs” sheet of the DVM.

Site Value

Site value should equate to the market value providing 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.

Any purchase price should have regard to the development plan policies and all other material planning considerations, including any s.106 obligations, whilst providing a competitive return to a willing landowner and a willing developer to enable the development to be deliverable.

When a site has been acquired by the applicant in advance of planning permission, the basis of the acquisition cost must be fully explained in the viability report.

When a development site is subject to an Option to Purchase agreement, if the developer cannot meet policy requirements and the option is subject to fixed returns to the landowner(s); where appropriate, the Council will expect the Option to be re-negotiated.

The cost of providing planning obligations, development constraints and land assembly is expected to be accounted for in the land purchase price. The Council does not accept situations where the applicant purchases land with the assumption that s.106 obligations, including affordable housing, will automatically be waivered or reduced in order to ensure financial viability.

Current Land Use Value

Any opinion on site value, which is considered to be the sum required to motivate a reasonable landowner to sell the site for the proposed development, will need to reflect its Current Use Value within the context of any existing benefits and burdens affecting the land.

Any information on Current Land Use Value should include the following:

- Description of current lawfully permitted use of the site;
- Description and schedule of existing buildings, yardage, parking and green areas to include gross internal floor areas and land areas; and

- Written opinion from a suitably qualified professional with relevant experience on the Current Use Value (excluding all hope value for the proposed development) and taking into account any restrictions or liabilities (legal or physical) that apply to the site. Note: It is acceptable to include any additional value for alternative uses that would not give rise to affordable homes obligations where there is basis to believe that planning consent would be forthcoming for such uses, or already exists.

Viability Appraisal and Report Checklist:

The following information should be submitted as part of the viability appraisal and/ or report:

- Site plan showing the cleared site (include site size in hectares and square metres)
- Full set of plans showing the proposed development
- Number of residential units proposed
- Schedule of both gross and net internal floor areas
- Land price (with proof)
- Date of land purchase
- Schedule of development costs (normal)
- Schedule of development costs (abnormals)
- Proof of development costs (normals/ abnormals)
- Reasons why full costs (including abnormals) were not reflected in the purchase price
- Expected sale price of each dwelling and total
- Intended profit level/s
- Level/s of affordable housing (%) that could be provided
- Detailed s.106 costs
- Any other costs or income included within your calculation (with proof)
- A residual valuation

The viability report should be provided in the following format:

- Summary
- Contents
- Introduction and background
- Description of site location
- Planning policy context
- Description of scheme
- Market information summary
- Build cost and programme
- Methodology and approach

- Outputs and results
- Concluding statement

The required information should be submitted in a digital format.

Please note that even if part of the required information above has already been submitted as part of your planning application, it should be resubmitted with your viability assessment to reduce potential delays and the need to collate information from various sections of the Council.