

Carlisle City Council

Carlisle Affordable Housing Economic Viability Assessment (AHEVA)



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APPENDICES

Appendix 1 – Analysis of SHLAA

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1 INTRODUCTION

- 1.1 Roger Tym & Partners is instructed by Carlisle City Council to undertake a bespoke Affordable Housing Economic Viability Assessment (AHEVA), focusing on a representative sample of sites.
- 1.2 The purpose of the assessment is to establish the appropriate level of affordable housing to be required on sites across the District¹. The study seeks to satisfy the requirement originally established in PPS3 that local planning authorities' affordable housing targets should be based on an assessment of the likely economic viability of land for housing within their area. The subsequent case of *Persimmon Homes & Others v Blyth Valley Borough Council* (2008) reaffirmed the importance of affordable housing targets being based on proper evidence.
- 1.3 The need to take economic viability into account is reinforced in the National Planning Policy Framework (NPPF), which advises at paragraph 173 that:
- '...sites and the 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.'*
- 1.4 Our report is structured as follows:
- Section 2 describes the methodology that we employed when undertaking the AHEVA.
 - Section 3 provides our assessment of the various residential markets in Carlisle District, to provide a reference for the remainder of the study.
 - Section 4 outlines the cost and value assumptions that we used for our development appraisals.
 - Section 5 provides the findings from our viability assessments.
 - Section 6 contains our advice in relation to formulating policy solutions to ensure the delivery of sufficient affordable housing.
 - Section 7 provides a summary of our findings and our conclusions/advice.

¹ Any references on our report to 'the District' or 'Carlisle District' relate to the whole local authority area of Carlisle (including Brampton, Longtown, Dalston and the surrounding rural areas). Any reference to 'the City' or 'Carlisle City' relate to the settlement of Carlisle itself.

2 METHODOLOGY

2.1 To assess affordable housing viability across the Carlisle District we have undertaken a traditional residual appraisal. This approach is widely recognised as the preferred method² to test viability.

What is the Traditional Residual Method?

2.2 In simple terms, the residual method works on the basis that a developer knows the end value of the scheme and knows the development costs (construction, interest and developer’s profit). Through deducting the total costs from the end value the developer knows what it can bid for the land. If the resulting land value is at a level attractive to the landowner, the owner will sell. In simple terms the formula is expressed as:

$$\text{Land Value} = \text{Net Development Value} - \text{Development Costs (construction, interest and developer's profit)}$$

2.3 As a large number of sites have been tested for this study, across a number of differing scenarios, a bespoke financial model using Microsoft Excel has been created to run the development appraisals. This approach provides sufficient flexibility to undertake testing of various scenarios and immediately ascertain the impact it has on the sample of sites.

Analysis of Cost and Values

2.4 To ensure the development appraisal for each of the sites is sufficiently robust we have used market data to inform the costs and value inputs.

2.5 Build costs have been derived from Build Cost Information Service (BCIS), which is an industry recognised source for average costs. In addition to the unit build costs, allowances have been made for existing land type, external works, professional fees, flood risk, marketing, contingency, finance and developer’s profit.

2.6 Our assessment of values is based upon market analysis of a range of industry recognised published sources e.g. Land Registry, Nationwide, Rightmove and Zoopla. The sale value analysis has been supplemented with telephone consultation with local estate agents to provide a ‘live’ update of local sale prices.

Creating Value Zones

2.7 The Carlisle housing market is not homogeneous. As a result it has been possible to group the sites tested for viability into four value zones across the District. Sites which fall within the same value zones typically have the same end sale values.

² Viability Testing Local Plans – Advice for planning practitioners (June 2012)

- 2.8 The value zones have been driven by average new build sale values achieved throughout the Carlisle District established through the market analysis and consultation with estate agents.

Site Selection

- 2.9 A sample of 50 sites across the Carlisle District has been established through analysis of the Strategic Housing Land Availability Assessment (SHLAA). Using a selection of the criteria used within the analysis of the SHLAA sites it has been possible to establish key characteristics of 'typical' sites throughout the district.
- 2.10 The categories used to establish the key characteristics are:
- Location;
 - Land type e.g. greenfield, brownfield etc;
 - Existing land use;
 - Ownership;
 - Category (i.e. deliverable, developable, not currently developable);
 - Site area;
 - Flood risk;
 - Proposed development density; and
 - Values – based upon average values of semi-detached housing.
- 2.11 The detailed analysis is provided in Appendix 1 to this report.
- 2.12 We selected 50 sites at random from the SHLAA, to create a shortlist, ensuring that the total sample of sites is representative of the various types of site outlined above. The shortlisted sites are specified in Appendix 2 to this report.

Assessment of Viability

- 2.13 A site is deemed viable if the residual value is at least the same as the average residential land value in the Carlisle District. Within other recent PBA studies, we deem a scheme to be marginally viable should the residual land value fall within a 20 per cent range below the benchmark. Therefore a marginal site has a possibility of coming forward depending on the landowners need to sell.

Scenario Testing of Results

- 2.14 Using the shortlist of 50 sites, a number of viability scenarios have been used to test existing policy and potential new policy.
- 2.15 The Carlisle District Local Plan provides the requirements for affordable housing on new sites:

Policy H5 states that an affordable housing contribution of 30% of the units is required on any proposed development of 10 or more dwellings. In rural areas, the contribution will be:

- 25% of housing on large sites (over 0.8ha or 25 dwellings)
- 20% of housing on medium sites (over 0.3ha or 10 dwellings)

- 10% of housing on small sites (over 0.1ha or 3 units)

All affordable units should be provided at a discount of 25-30% of market value units.

Policy H6 requires that, should a developer wish to build on a rural exception site, all the units need to be affordable.

- 2.16 Based upon the Council's policy requirements and its implementation we have tested the following scenarios:

Scenario 1 – 30% affordable housing with 50% social rent & 50% discount sale – both tenures at 30% discount to market value

Scenario 2 – 22.5% affordable housing with 33% social rent at 60% discount to market value & 67% discount sale at 30% discount to market value

Scenario 3 – 30% affordable housing with 50% social rent at 60% discount to market value & 50% discount sale at 30% discount to market value

- 2.17 We have considered increasing affordable housing percentage from 30 percent to 40 percent and tested this through the following scenarios:

Scenario 4 – 40% affordable housing –with 50% social rent & 50% discount sale – both tenures at 30% discount to market value

Scenario 5 – 40% affordable housing with 50% social rent at 60% discount to market value & 50% discount sale at 30% discount to market value

- 2.18 We have also tested the combination of Section 106 Obligations, based upon levels agreed within past planning application approvals, and affordable housing has on viability. The following scenarios have been tested:

Scenario 6 –22.5% affordable housing (33% social rent at 60% discount to market value & 67% discount sale at 30% discount to market value) and Section 106 at £2,000 per unit

Scenario 7 –22.5% affordable housing (33% social rent at 60% discount to market value & 67% discount sale at 30% discount to market value) and Section 106 at £4,500 per unit

Scenario 8 –30% affordable housing (33% social rent at 60% discount to market value & 67% discount sale at 30% discount to market value) and Section 106 at £4,500 per unit

- 2.19 We have tested £2,000 per unit for Section 106 Obligations because this is the average agreed between the Council and developers, in addition to affordable housing provision; with £4,500 per unit being the maximum. Although, we acknowledge Section 106 Obligations are site specific, and in some circumstances the sums could be more or less.

Commuted sum payments

- 2.20 In some circumstance the Council seeks commuted sum payments from developers in-lieu of on-site providing affordable housing on-site. Commuted sum payment is currently calculated as formula based on the valuation of the property at point of sale. If the property is valued at £100,000, the developer would have to contribute £30,000. This calculation is based upon the 30 percent affordable housing contribution as set out in Policy H5; therefore the requirements cascades according to site size and number of houses for rural areas. On

contributions of less than one house the sum is calculated on a pro rata basis. As part of the AHEVA we have tested to see if this current approach works. This has been achieved through establishing the optimum affordable housing provision (tested through scenarios 1 to 8 above) and then assessing the impact affordable housing has on the revenue stream i.e. the opportunity cost.

Rural exception sites

2.21 Policy H6 of the Carlisle District Local Plan states:

Policy H6 requires that, should a developer wish to build on a rural exception site, all the units need to be affordable.

2.22 Developers have tended to delivery exception sites through paying making a smaller payment to landowners for their sites, typically between £10,000 to £15,000 per plot, and seeking grant funding from the Homes & Communities Agency (HCA). However, with the availability of grant funding diminishing an alternative approach is encouraged within the NPPF whereby a minimum amount of market housing is delivered, this market housing is used to cross-subsidies the delivery of the affordable on-site. We have tested the point where the highest amount of affordable housing can be delivered with the lowest amount of private housing.

3 RESIDENTIAL MARKET ASSESSMENT

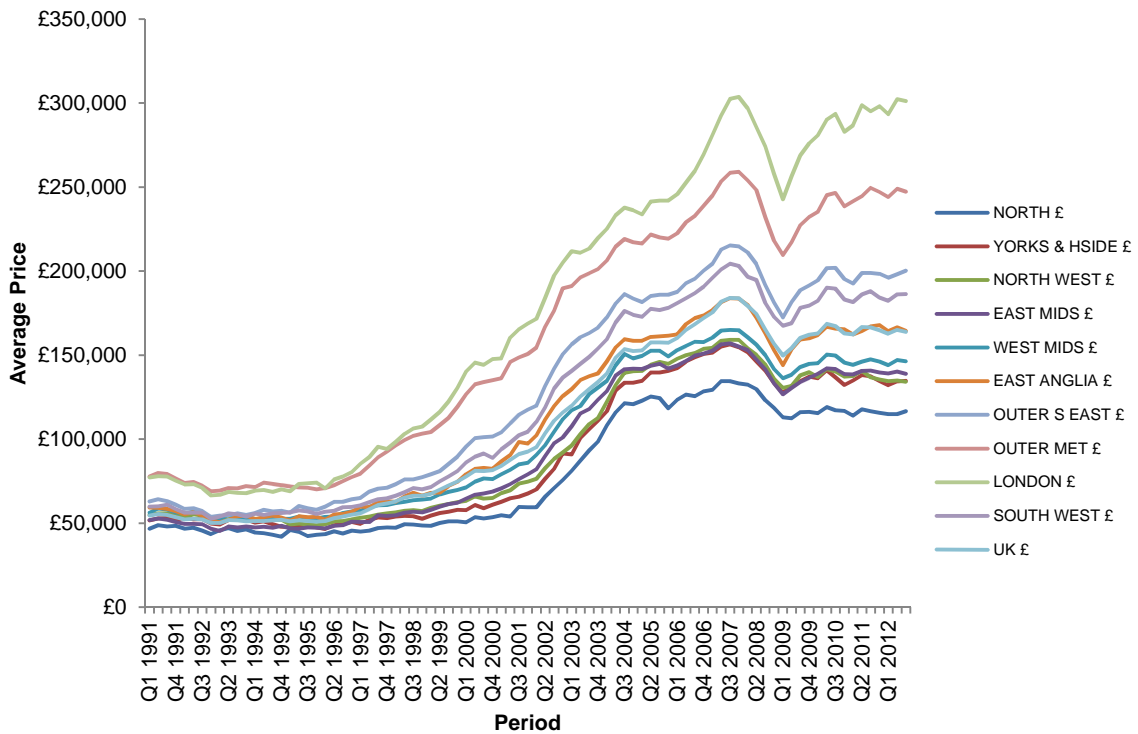
- 3.1 This section of our report assesses the housing market at the national, regional and local levels. The output of this section will be used to inform the values within the viability appraisal. Analysis has been undertaken of industry recognised data published by Nationwide, Land Registry, Valuation Office Agency (VOA), Zoopla and Rightmove. These data sources have been supplemented with consultation with local estate agents and commercial agents.

Analysis of the Housing Market

- 3.2 Like the wider economy the UK housing market remains fragile. The leading mortgage lender, Nationwide, stated that house prices³ nationally fell in September 2012 by 0.4 per cent, with the typical price of a home now £163,964. Prices are 1.4 per cent lower than 12 months ago, and approximately £20,000 or 11 per cent down on their peak value in October 2007.
- 3.3 The more recent fall in house price is against a backdrop of house prices throughout the UK having experienced significant increases from the mid 1990s to 2007, as illustrated in the graph in Figure 3.1 below. During this period average house prices in the UK increased three and half times (in actual terms). The increase in house prices was driven by a number of factors that included: easy availability of finance, strong demand from owner occupiers and investors, 'would be property developers' identifying property as an 'easy way' to make money, and the general inelastic supply of property (i.e. there is a finite supply of land and property) meaning supply is not able to keep up with demand.

³ House price information is derived from Nationwide lending data for properties at the post survey approval stage

Figure 3.1 Average house prices



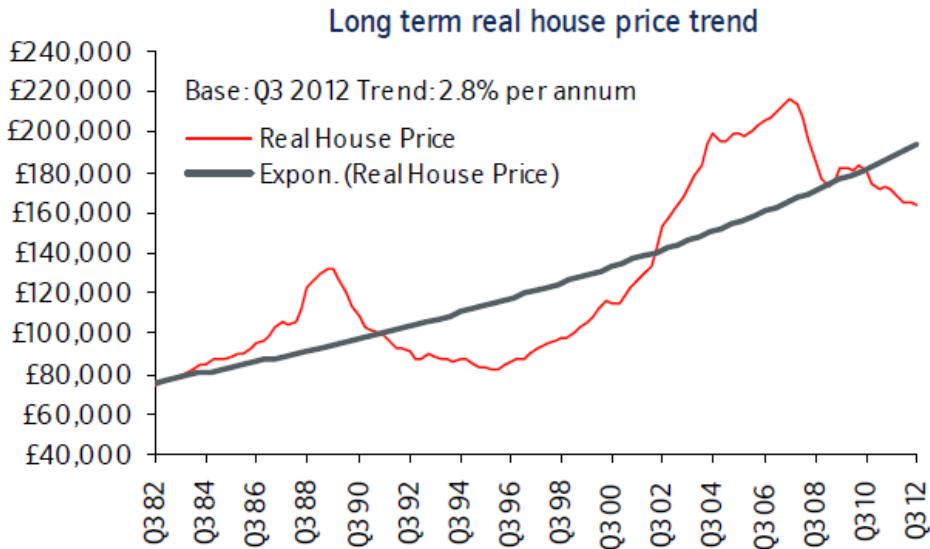
Source: Nationwide/PBA

- 3.4 The year 2007 saw the start of the global financial crises; this was most evidenced that year with the ‘run’ on the Northern Rock bank. The results of the financial crises have seen the economy enter two periods of recession (double dip), availability of finance tighten, unemployment rise, wages stagnate in real terms, and house prices fall. As shown in Figure 3.1 above, since the peak of the market house prices have fallen significantly (typically by 20 percent). In most regions house prices have recovered since prices bottomed out in 2008/09, however, the extent of the recovery varies significantly from region to region. Average house prices in London have now recovered to their 2007 peak, whereas prices in the North West are still 11 percent below the peak. Analysis of the data in Figure 3.1 above indicates that average house prices in the northern regions have started to level out in recent years.

Long term trend in house prices remains positive

3.5 In recent years houses prices have fluctuated the long-term trend of ‘real house prices’ i.e. allowing for inflation, is still positive, with the annual long term trend 2.8 percent (see Figure 3.2).

Figure 3.2 Change in real house prices

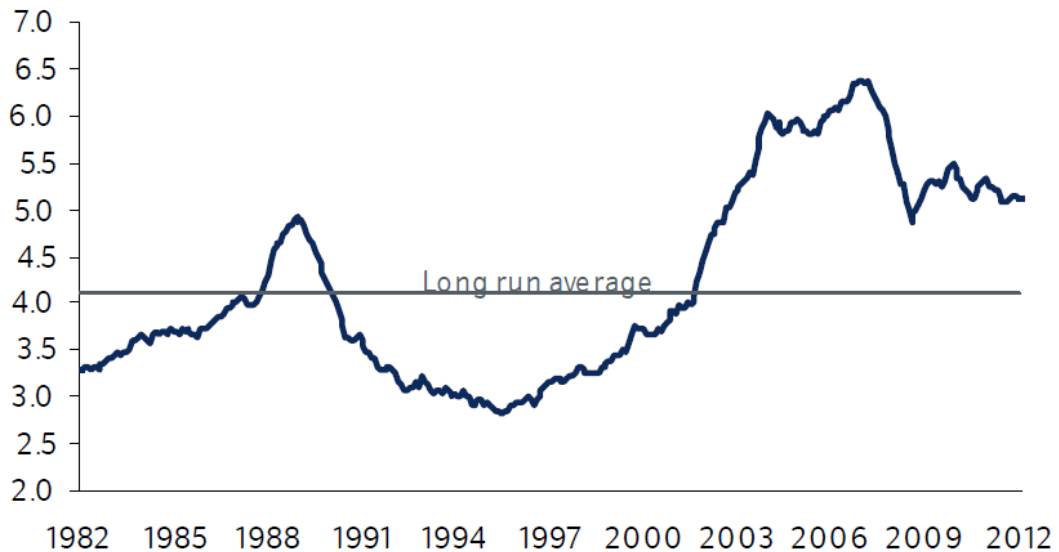


Source: Nationwide

House prices are potentially stabilising, but affordability is an issue

3.6 However, of greater concern to the sustainability of the housing market is the relationship between house prices and earnings. Nationwide indicates (see figure 3.3 below) that the long run average UK house price to earnings ratio is just over four times and during the last economic upturn the ratio peaked at just over six times. Although the ratio has now fallen below this level to around five times earnings this is still significantly higher than the long run average. This would indicate that a further correction in average house prices is required or prices are likely to stagnate until earnings increase.

Figure 3.3 UK house price to earnings

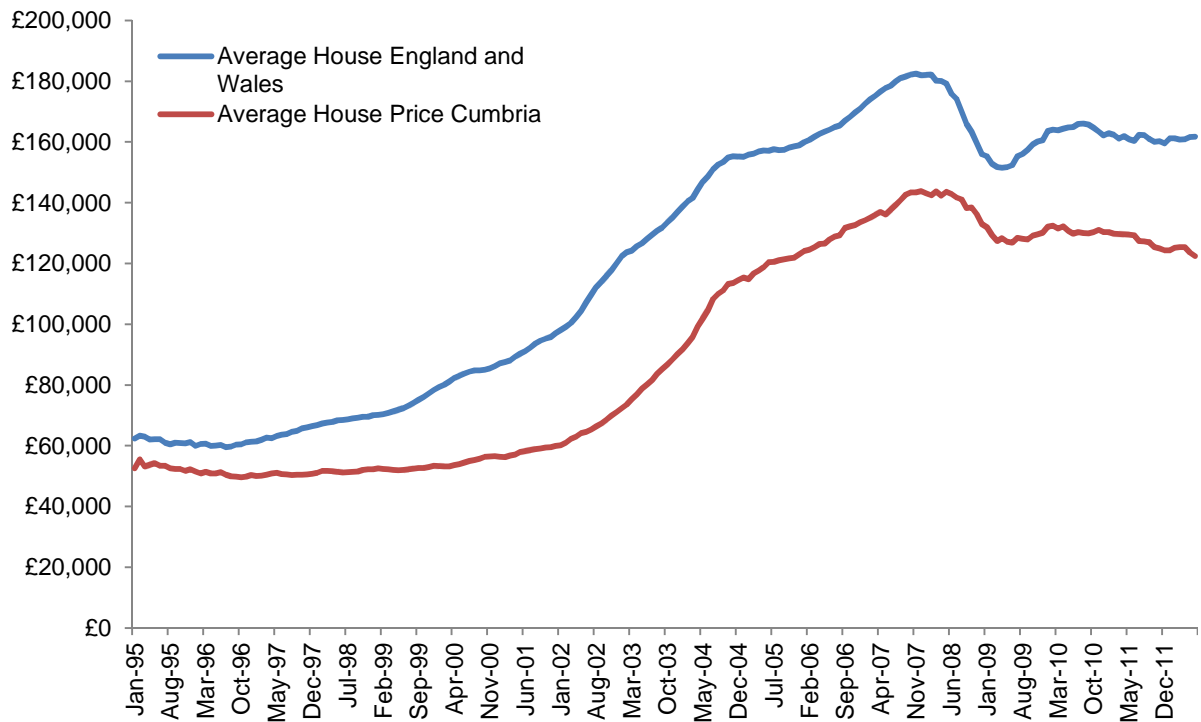


Source: Nationwide

Residential Selling Prices – Cumbria

- 3.7 Like the rest of the England (& Wales) house prices across Cumbria increased during the last economic upturn (as shown in Figure 3.4 below). There was a lag in time when house prices started to increase in Cumbria compared to the England & Wales average; house prices started to increase in Cumbria from early 2000 onwards rather than the England & Wales average of the mid 1990s. Average house prices in Cumbria peaked in 2007 (same as the rest of the England & Wales) at £143,000, followed by a drop of 12.5 percent over the preceding two years. House prices then recovered during 2010 but have fallen back again, and are now at 12.7 percent below their 2007 peak. This is against the England & Wales trend where house prices continued to recover since 2010. However, the peak to trough was more severe (16.5 percent) at a England & Wales level and now the price differential since the peak is 12 percent which is in line with Cumbria.
- 3.8 Average house prices over the last 17 years in Cumbria have consistently been below the average for England and Wales, as shown in Figure 3.4 below. This gap in price has increased over the assessment period.
- 3.9 At the start of 1995 house prices in Cumbria were 16 percent below the average for England and Wales. The house price differential grew to 40 percent in September 2002, against a background of strong economic growth nationwide. The price difference has fallen back since this point; nevertheless, house prices in Cumbria still stand 25 percent below the average house price for England and Wales. This difference equates to £40,000 per unit. This would indicate that the Cumbria region is a relatively low value area when compared nationally.

Figure 3.4 Change in average house prices – Cumbria

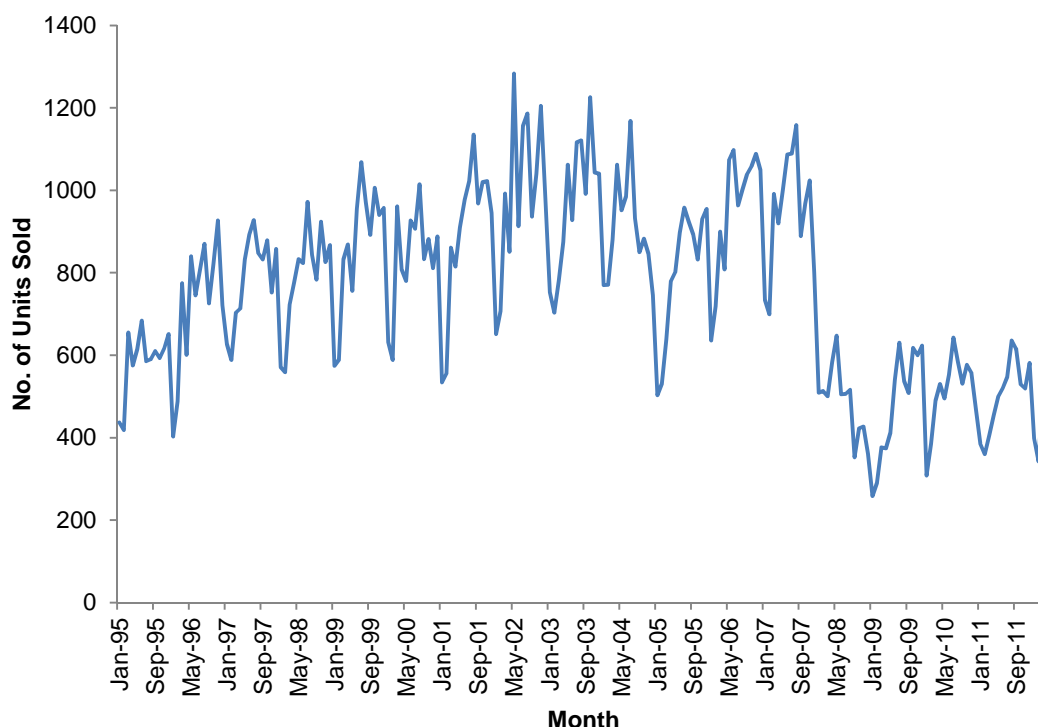


Source: Land Registry/PBA

Sales Volume – Cumbria Level

- 3.10 Sales volumes in Cumbria (as illustrated in Figure 3.5 below) have fluctuated over the last 17 years. This is a reflection of seasonal fluctuations and the fluctuations in the wider economy.
- 3.11 Sales volume in Cumbria peaked in May 2002 (1,283 units), coinciding with strong house price growth. Sales volumes in the county remained buoyant until the end of December 2007. The same year saw the beginning of the financial crisis, as touched upon above. January 2009 saw sales volumes in Cumbria hit an all-time low with only 258 units transacted. The market has recovered only slightly since this point, with the most recent sales data showing 492 units transacted in June 2012. The reason for the relatively low volume of transactions is the on-going uncertainty with the financial markets both in the UK and abroad, together with the weak economic recovery.

Figure 3.5 Change in house sales volume – Cumbria



Source: Land Registry/PBA

Carlisle – Housing Market

- 3.12 As with the wider region, house prices in Carlisle District are low when compared to the national average. More significantly, house prices in Carlisle District are low when compared to prices at the regional and county level.

Average prices in the City of Carlisle are low with high value hotspots in the outlying villages to the north and east

- 3.13 The heatmap in Figure 3.6 shows that the average property value⁴ for Carlisle City is £140,000. Values slightly increase in areas immediately outside Carlisle City, such as Dalston, Wetheral and Hayton, with higher value ‘hotspots’ in the areas to the north of Longtown and around Brampton. Zoopla estimate the average price in Brampton is £186,000 – significantly higher than the average for the city. These outlying areas are more expensive for a number of reasons:

- larger units when compared to the inner city;
- good links to Newcastle (an economic driver for the north);
- good demand with very constrained supply.

⁴ The Zed-Index is the average property value in a given area based on current Zoopla Estimates

Figure 3.6 Average property value Carlisle District expressed as a heatmap



Source: zoopla.co.uk

General tone of values in the City of Carlisle is low, with 'hotspots' in the North and North East

- 3.14 The heatmap in Figure 3.7 below shows that the general tone of property values throughout Carlisle City is low, as defined by the blue colouring. The areas of Newtown, Caldewgate, Botcherby and Currock are particular low value areas in the city, with the average price of a residential property being just £100,000.
- 3.15 The areas to the north and north east of the city are identified as being relatively high value areas, with values north of the River Eden generally being higher than the city centre. The average property price in the areas of Edentown, Stanwix and Rickerby is £150,000.
- 3.16 The majority of the low value areas are characterised by historic housing stock in the city centre/fringe or ex-local authority areas.

Figure 3.7 Average property value Carlisle City expressed as a heatmap



Source: Zoopla.co.uk

- 3.17 Analysis of the two heatmaps in Figures 3.6 and 3.7 shows the range in average house prices is relatively narrow (£100,000 to £186,000) throughout Carlisle and the wider district.

Analysis of Quoting Prices

- 3.18 Although not a true reflection of ‘actual’ sale values, analysis of quoting prices of new/modern units provide a good indication of the general tone of varying locations across the district. This is set out in Tables 3.2 and 3.3 below.

Table 3.2 Analysis of quoting prices – urban areas

Typology	Area	Average quoting price
Apartment	Carlisle CA1/CA2	£110,000
Terraces		£110,000
Semi-detached		£135,000
Detached		£175,000

Source: Rightmove/PBA

Table 3.3 Analysis of quoting prices – rural areas

Typology	Area	Average quoting price	Area	Average quoting price
Terraces	Carlisle CA3	£120,000	Brampton	£120,000
Semi-detached		£175,000		£175,000
Detached		£225,000		£250,000
Terraces	Brunstock	£110,000	Dalston	£110,000
Semi-detached		£150,000		£150,000
Detached		£200,000		£200,000
Terraces	Cumwhinton	£150,000	Cummersdale	£110,000
Semi-detached		£200,000		£150,000
Detached		£275,000		£200,000
Terraces	Harker	£110,000	Gilsland	£120,000
Semi-detached		£150,000		£175,000
Detached		£200,000		£225,000
Terraces	Linstock	£120,000	Houghton	£110,000
Semi-detached		£175,000		£150,000
Detached		£250,000		£200,000
Terraces	Rockcliffe	£120,000	Wetheral	£150,000
Semi-detached		£150,000		£200,000
Detached		£200,000		£275,000
Terraces	Smithfield	£110,000	Scotby	£130,000
Semi-detached		£150,000		£150,000
Detached		£200,000		£200,000
Terraces	Warwick Bridge	£130,000	Longtown	£110,000
Semi-detached		£150,000		£150,000
Detached		£200,000		£200,000

Source: Rightmove/PBA

Persimmon Homes

- 3.19 Persimmon Homes is the primary volume house builder presently active in Carlisle with other local developers such as Story Homes and affordable housing provider Riverside Homes also active. Persimmon Homes is currently committed to three schemes in Carlisle. The quoting prices of the three schemes against housing typology are summarised in Table 3.3 below:

Table 3.4 Quoting Prices for Persimmon Homes Developments in Carlisle

Unit Type	Linton Grove, Lindisfarne St, CA1 2ND	Barley Edge, Chapel Brow, CA1 2PP	Brackenleigh, Glamara Dr, CA2 6QP
3 bedroom mid terrace	£131,995 - £140,995	£141,995 - £142,995	
3 bedroom end terrace	£142,995	£144,995 - £145,995	
3 bedroom semi	£135,995	£148,995 - £157,995	£188,995
3 bedroom detached	£172,995 - £174,995	£167,995 - £191,995	£160,995 - £192,995
4 bedroom detached	£188,995 - £190,995	£199,995	£203,995 to £233,995

Source: Persimmon Homes

- 3.20 Quoting prices at Persimmon Homes' Barley Edge scheme, located east of Botcherby, and Linton Grove, located west of Botcherby, show that prices are at similar levels which would indicate these areas operate as a single market. Quoting prices for 3 bed terrace houses on the schemes range between £132,000 to £146,000. At the upper end of the price range on the terraces there is an overlap with the prices of the 3 bed semi-detached, which range from £136,000 to £158,000. There is then a price gap between the 3 bed semi-detached and 3 bed detached units, approximately £10,000 with a clearer price differential with the 4 bed detached. At their other scheme, called Brackenleigh, which is located beyond Morton Park on the south western edge of the city, it consists of a number of larger units which results in the higher unit price for a 4 bedroom detached.

Estate Agent Consultation

- 3.21 We have undertaken telephone consultations with three local estate agents who are active in Carlisle District. Below is a summary of the keys points raised by each.

BPK Estate Agents

- Values in Carlisle city centre were being driven through buy to let investors targeting student lets. However, demand for this type of housing by investors has reduced in recent years as the university has developed purpose built student halls.
- Stanwix, to the north of the city centre, is considered a popular area for families, due to its close proximity to Trinity Secondary school. A three bed semi-detached house tends to fetch around £155,000 to £160,000, and detached houses go for around £200,000.
- North of Stanwix is the area Lowry Hill. Prices here are slightly below Stanwix at £150,000 to £155,000 for a three bed semi-detached and £175,000 to £180,000 for a detached. This area is generally popular with older families, with the bungalows in Lowry Hill being attractive to the elderly market.
- The area of Kingstown, to the north of Lowry Hill, is also becoming increasingly popular, and so is the neighbouring area of Houghton. A semi-detached house in Houghton is approximately £125,000.

- South of Stanwix, around Etterby Street, is a higher density area. Houses here are considered affordable with new build three bed semi-detached achieving between £135,000 to £140,000 and detached houses £175,000.
- Denton Holme, which is located to the south west of the city centre, is seen as an up and coming area. The housing stock in this area is primarily terraced housing with a typical price here circa £70,000. Due to the price of the housing stock the area is considered very attractive to young people/first time buyer market. This location provides easy access to the city centre, and the area has nice restaurants.
- The areas of Currock (south of the city centre) and Upperby (south east of the city centre) are low value areas. Two bed terraced houses typically sell here for £55,000. Developers in the past have built-out small plots for housing but have found it difficult to sell the completed units.
- To the west of the city centre are the areas of Raffles and Morton. These are considered deprived areas with a high quantity of local authority housing. Here an ex-local authority three bed house is approximately £70,000.
- Moving away from the city centre, house prices improve. A three bed semi-detached to the south west at Harraby sale's for £125,000 and a four bed detached for £170,000. In the neighbouring Carleton Grange, a three bed is more expensive at circa £180,000.
- A number of the outlying villages have higher house prices than the city area of Carlisle. The villages of Scotby and Brampton, east of the M6, have similar house prices to Kingstown.
- The villages of Dalston, Wetheral and Cumwhinton are attractive areas. There is a price premium attached to these areas with semi-detached houses circa £170,000 and detached £200,000.

Allan Estate Agents

- The areas of Stanwix and Carlton Grange have similar prices, with two bed units in these areas at £130,000, three bed at £160,000 and four bed £200,000.
- Scotby and Wetheral are higher value areas with prices typically 20 per cent higher than Stanwix and Carlton Grange i.e. £190,000 for a three bed and £240,000 for a four bed. In contrast Botcherby, Old Harraby and Raffles are 30 per cent lower than Stanwix and Carlton Grange with three bed at £112,000 and a four bed at £140,000.

Cumberland Estate Agents

- The area north of the River Eden (Stanwix) is considered a higher value area. The new bypass has had a positive impact with people now considering the west as a suitable area to locate.
- The areas of Wetheral, Scotby and Dalston are high value areas, with many houses here achieving circa £240,000 over the last 12 months.
- Lovell Homes have built within the ex-local authority area of Raffles. Three bed semi-detached homes are achieving circa £114,000. This price level provides a good indication of what new build houses could achieve in the areas of Currock and Upperby.

- Off Sandsfield Road, which is located west of the city and Morton, three bed semi-detached houses here are achieving £120,000 to £150,000, with large four bed detached houses circa £185,000.
- Story Homes has developed the Turnstone Park scheme north of Newtown Road near the hospital. Four-bed properties here are achieving £185,000 to £195,000.

Residential Land Values

- 3.22 Since the economic downturn the volume of land transactions has decreased significantly as developers have been unable to finance purchases, and demand has generally subsided due the uncertainty with the wider housing market.
- 3.23 As a result there is currently very little transactional evidence available to inform current residential land values.
- 3.24 There are many demand and supply factors that determine residential land values these include, but are not limited to:
- availability of land;
 - size of plot;
 - infrastructure costs;
 - remediation costs;
 - development density;
 - end sale values;
 - competition for land;
 - developer's attitude to risk; and
 - Section 106 requirements.
- 3.25 To establish residential land values analysis has been undertaken of published data from the Valuation Office Agency (VOA) supplemented with consultations with local commercial agents and Carlisle City Council.

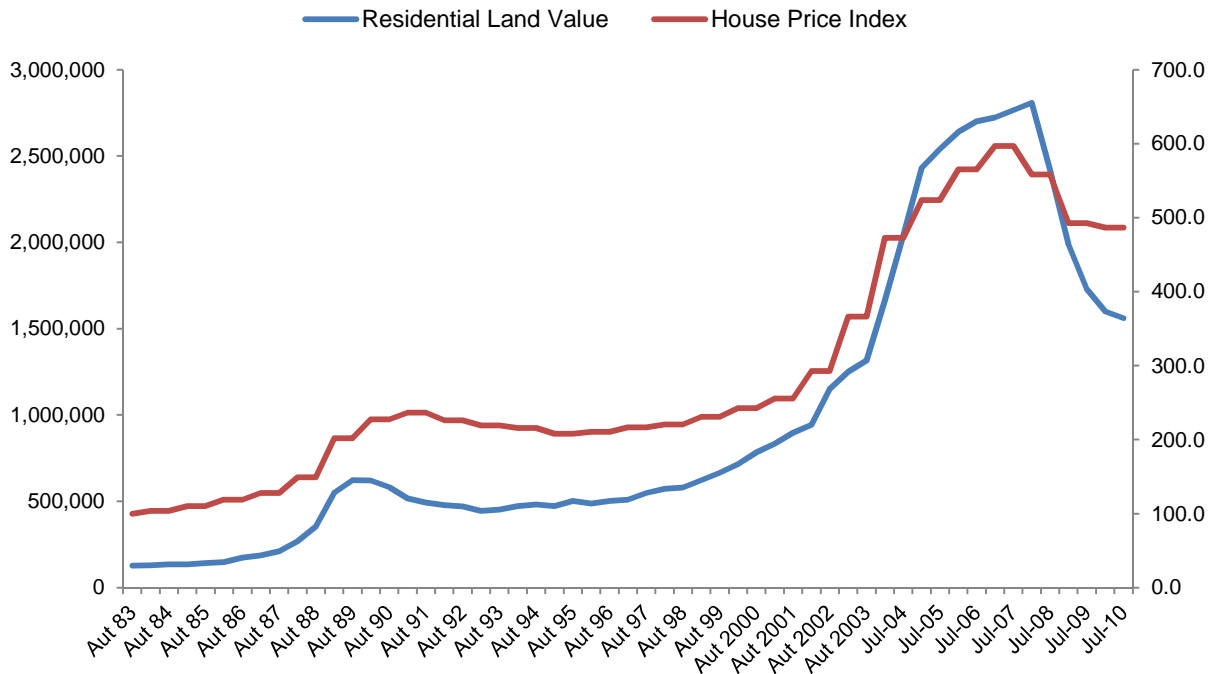
Interaction of Residential Land Values and House Prices

- 3.26 The VOA holds residential land value data⁵ recorded over the 1983 to 2010 period. As shown in Figure 3.8 below, residential land values in the North West were fairly constant between the 1991 to 1998 period, hovering around £450,000 to £550,000 per hectare. This was against a backdrop of fairly stable house prices, as shown in Figure 3.7.
- 3.27 Between 1998 and 2001 house prices steadily increased, and this was also reflected in land values increasing. As previously discussed, when the wider economy grew, house prices increased. Following the 2007 peak in the market, house prices and land values fell. House prices have shown a peak to trough fall of 18 percent, with the fall in land values being more severe at 45 percent (assuming values have flattened out). A likely cause of the more severe fall in land prices is that in the latter years of the 'housing boom' developers overbid for land, thereby inflating land values. Conversely, since the downturn,

⁵ VOA residential development land surveys data 2010

the fall in land values may have been further compounded by the impact of affordable housing policies.

Figure 3.8 Change in residential land value and house prices North West region



Source: VOA/HBOS/PBA

Average Residential Land Values in Carlisle

- 3.28 The VOA published data of average residential land values⁵ at district level. The latest published data indicates that the average land value in Carlisle, for both small and large sites, is £1.45 million per hectare. This is roughly in line with the regional average of £1.56 million per hectare.
- 3.29 It is difficult to ascertain from the VOA data exactly where current land values are as the data is only published until 2010. Since 2010 the UK economy has entered a second recession and house prices have not recovered in the north west region to the levels of 2007 (peak of the market). It is possible landowners attitude to pricing of land could have possibly changed since 2010.
- 3.30 The HCA data is historic and so the data has been supplemented through discussion with local commercial agents and the City Council.

Commercial Agents

- 3.31 Consultation with a commercial agent and the Council has been undertaken to establish potential pricing of land in the Carlisle District. The key points of the telephone consultations are summarised as follows:

Carigiet Cowen

- 3.32 Carigiet Cowen is an active commercial agent in Carlisle, and it acted on behalf of National Grid on the former depot site on Rome Street in Carlisle City Centre. National Grid had

obtained detailed planning permission for 151 units on a 2 hectare site. Prior to planning permission being secured, there was interest from national house builders, but post-consent, no 'real' interest was shown. Carigiet Cowen was close to agreeing a deal at £200,000 per hectare (employment land values rather than a premium for residential) for the site, but the client withdrew the site prior to concluding the transaction at this level.

- 3.33 Carigiet Cowen is currently marketing a 1.5hectare brownfield site on which planning for residential consent has lapsed, and they indicate that the site is likely to be sold at values closer to employment land rather than a premium associated with its former residential.
- 3.34 Carigiet Cowen indicated due to weak demand for housing development in Carlisle, most sites are being transacted for employment land with values around £250,000 per hectare.

Carlisle City Council asset management team

- 3.35 Carlisle City Council asset management team has indicated that, in general terms, B1/B2/B8 land is trading from £247,000 to £495,000 per hectare.

4 COST AND VALUE ASSUMPTIONS USED FOR OUR DEVELOPMENT APPRAISALS

4.1 To inform the variables within the development appraisals for the sample of 50 sites, we have used robust assumptions based upon market data. This section of our report describes the assumptions that we used.

Applying Values Across the Study Area

Private Sale Values

4.2 Private sale values are based upon average new build residential property prices in each of the 17 settlements defined in the SHLAA, across various housing types. The four housing types used within the analysis are apartments, terrace houses, semi-detached houses and detached houses.

4.3 Through the analysis of private sale values the District has been divided into four different zones of values across the typologies. The analysis is provided below in Table 4.1 and shows that overall the price band across the District is very narrow. Please note that these zones are not necessarily contiguous.

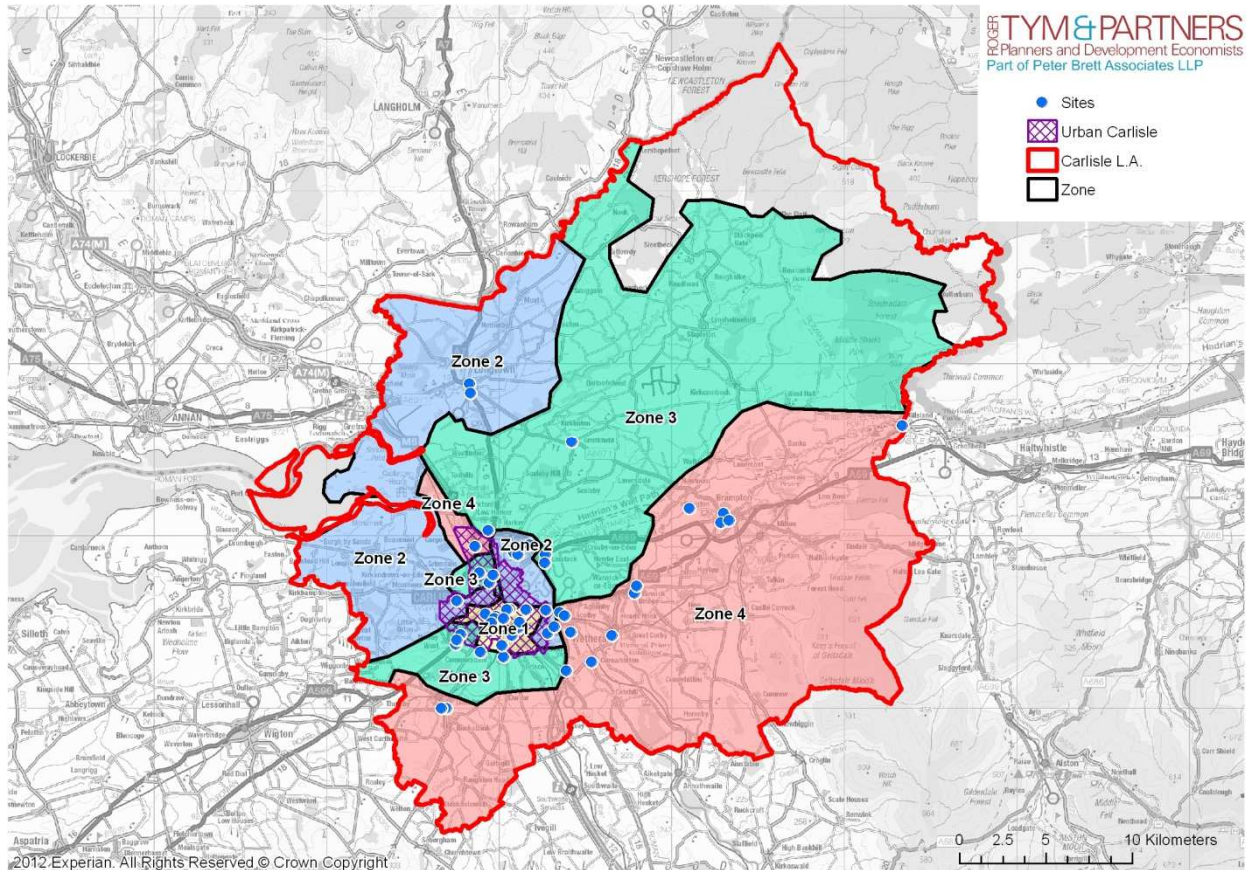
Table 4.1 Four 'Value' Zones

Value Zone No.	Typology	Values per unit
1	Apartment	£100,000
	Terrace houses	£125,000
	Semi-detached houses	£150,000
	Detached houses	£180,000
2	Terrace houses	£135,000
	Semi-detached houses	£160,000
	Detached houses	£200,000
3	Terrace houses	£155,000
	Semi-detached houses	£180,000
	Detached houses	£225,000
4	Terrace houses	£170,000
	Semi-detached houses	£200,000
	Detached houses	£250,000

Source: PBA/Rightmove/Zoopla/Local Estate Agents

4.4 For ease of reference we have mapped the four value zones across the District, as shown in Figure 4.1 below. Please note that the area defined as 'Urban Carlisle' is the boundary created within the Carlisle Housing Need and Demand Study (November 2011).

Figure 4.1 Value Zones within Carlisle City Council’s Boundary



Source: PBA/Rightmove/Zoopla/Local Estate Agents

- 4.5 The mapping in Figure 4.1 above, together with the data in Table 4.1, clearly shows that the lower value house prices (Zone 1) are located in the city centre south of the river. Moving further south and east out of the city and into the more rural areas, prices improve. The area north of the river is a little bit more mixed. Values here are generally higher than south of the river and the city centre, especially the Stanwix area. However, prices start to fall again to west and north west of Stanwix. The area previously identified as ‘Urban Carlisle’ is predominantly the lower value areas of the District with this boundary covering value Zones 1 and 2.

Affordable Housing Values

- 4.6 As stated previously the Carlisle District Local Plan provides the requirements for affordable housing on new sites:

Policy H5 states that an affordable housing contribution of 30% of the units is required on any proposed development of 10 or more dwellings. In rural areas, the contribution will be:

- 25% of housing on large sites (over 0.8ha or 25 dwellings)
- 20% of housing on medium sites (over 0.3ha or 10 dwellings)
- 10% of housing on small sites (over 0.1ha or 3 units)

All affordable units should be provided at a discount of 25-30% of market value units.

Policy H6 requires that, should a developer wish to build on a rural exception site, all the units need to be affordable.

Affordable Housing Definitions

- 4.7 **Social rented housing** - is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. Housing of this sort may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency⁶
- 4.8 **Intermediate housing** - are homes for sale and rent that are provided at a cost above social rent, but below market levels, subject to the criteria in the affordable housing definition above. These can include shared equity (shared ownership and equity loans) and other low cost homes for sale and intermediate rent, but not affordable rented housing⁶.
- 4.9 The Council rarely seeks this type of tenure from developers as Registered Providers have had problems attracting customers to these schemes. Therefore, this tenure type has been excluded from the analysis.
- 4.10 **Discounted sale units** – instead of the Council seeking intermediate housing they seek instead discounted sale units. These units are disposed at a 30 percent discount to market value through the Council's Low Cost Housing Register and does not involve a Register Provider.

Implementation of the affordable housing policy

- 4.11 The Council is aware that Registered Providers are unable to acquire the Section 106 units at a 30 percent discount to market value. Therefore, the Council negotiates with developers to ensure that social rented units are made available to the Registered Providers at a 60 percent discount to market value (a level which is which they can acquire the units). As this discount doubles the subsidy that the developer must provide on the social rented units the Council accepts half the number of this type of tenure from the developer. As a result a typical urban scheme in Carlisle delivers 22.5 per cent affordable with a tenure split of 33 per cent social rent and 67 per cent discount to market value.
- 4.12 To supplement the Council's delivery of the policy we have consulted with local housing associations and developers to establish 'typical discounting' against market value for the affordable units.

Persimmon Homes

- 4.13 Conversations with Persimmon Homes, who as established above are currently developing a number of schemes in the City, are delivering units at 30 percent discount to market value (albeit with smaller unit sizes, which are not RSL compliant).
- 4.14 We understand that Persimmon is providing 56 affordable homes (as shared equity) at Brackenleigh which equates to a 22 percent contribution.

⁶ Definition of general housing terms – Department for Communities & Local Government (<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/definitiongeneral/>)

Impact Housing

4.15 Impact Housing provided the following guidance on social rent values:

Carlisle Town Area

- 2-bed terraced houses – social rent - purchased for approximately £58,000 per unit charged at £91.31 per week
- 3-bed terraced houses – social rent - purchased for approximately £70,000 per unit and charged £99.47 per week

Longtown Area

- Mix of 2 and 3-bed semi-detached houses purchased for an average of £95,000 per unit
- 2-bed semi-detached houses social rent approximately £88.98 per week
- 3-bed semi-detached houses social rent approximately £100.52 per week

4.16 The above rents against the capital values equate to 7.4 to 8 per cent gross yield..

Two Castles Housing Association

4.17 Two Castles has very little recent evidence of transfer values in Carlisle. However, they have been able to estimate the capital values of social rent, without grant, based upon income stream generated.

4.18 Two Castles social rent values are based upon a rate of £759 per sq.m; the resulting transfer values on a per unit basis for their space standard compliant schemes are as follows:

Table 4.2 Two Castles Housing Association Evidence of Transfer Values in Carlisle

Unit Type	Unit Size sq.m	Social rent unit
2 bed	74	£56,166
3 bed	85	£64,515
4 bed	104	£78,936

Source: Two Castles

Summary of Social Rent Values

- 4.19 It is clear through the summary in Table 4.3 below, based upon the current discounting of 60 percent to our proposed market values from Table 4.1 above, this is in line with what is being achieved with the Register Providers.

Table 4.3 Social rent transfer values

Type	Size	Impact Housing	Two Castles (£759 psm)	Discounted at 60% of proposed market value ⁷
Apartments	65	£58,000	£49,335	£60,000
Terraced Houses	85	£70,000	£64,515	£50,000 - £68,000
Semi-detached	100	£80,000	£75,900	£60,000 - £80,000
Detached	120	£100,000	£91,080	£72,000 - £100,000

Source: Impact Housing/Two Castles/PBA

Housing Mix

- 4.20 The Carlisle SHLAA provides site analysis of housing density which in turn informs how many units a site will yield. To reflect the varying site densities listed within the SHLAA the following approximate mixes have been assumed – these are summarised in Table 4.4 below:

Table 4.4 Housing mix per density

Density/typology	Percentage mix
36 units per ha	
Apartments	0.00%
Terraced Houses	20.00%
Semi-detached Houses	40.00%
Detached Houses	40.00%
45 units per ha	
Apartments	0.00%
Terraced Houses	30.00%
Semi-detached Houses	35.00%
Detached Houses	35.00%
50 units per ha	
Apartments	20.00%
Terraced Houses	40.00%
Semi-detached Houses	20.00%
Detached Houses	20.00%
70 units per ha	
Apartments	100%
Terraced Houses	0%
Semi-detached Houses	0%
Detached Houses	0%

Source: PBA/Carlisle City Council SHLAA

⁷ Market value derived from Table 4.1

Unit Build Costs

- 4.21 Unit build costs have been determined by average data published by BCIS. This is an industry recognised source of build cost data. The BCIS build cost data that we have used in our analysis are taken from Quarter 3 figures re-based (adjusted) for Cumbria. The costs are summarised in the Table 4.5 below:

Table 4.5 Unit build cost affordable and private units

Type	Size (GIA sq.m)	Cost (per sq.m)
Apartments	78	£866
Terraced Houses	85	£714
Semi-detached Houses	100	£714
Detached Houses	120	£714

Source: BCIS/PBA

- 4.22 Build costs data for housing units are based upon the mean cost for two storey units. Build cost for apartments is based upon 'apartments - generally' build costs.
- 4.23 Unit sizes have been based upon generic house types in line with industry standards.

External Costs

- 4.24 In addition to the cost of constructing the units, there are additional costs to in bring the site forward associated with external works which include, but are not limited to, services, landscaping, drive ways and site access. These additional costs have been reflected in our analysis by increasing the build cost per square metre by the percentages specified in Table 4.6 below.

Table 4.6 External costs expressed as a percentage of build

Type	External Costs as Percentage of build
Apartments	10%
Terraced Houses	15%
Semi-detached Houses	15%
Detached Houses	15%

Source: PBA

- 4.25 These percentages are in line with industry standards.

Professional Fees

- 4.26 Professional fees relate to the cost of surveyors, planning, building regulations, architects' fees and other similar costs that are involved in bringing sites forward. The industry standard when assessing viability is between 8 and 12 percent of construction cost (externals and unit build). For the purposes of our appraisals we have used 10 percent.

Site Variables

- 4.27 The SHLAA provides analysis of site characteristics which can affect development costs. Within our appraisals we have reflected the site variables for land type and flood risk.

Land Type

- 4.28 Developing greenfield, brownfield and mixed sites represent different risk and costs. These costs can vary significantly (from two percent of build costs to an unknown upper limit) depending on the site’s specific characteristics. To reflect additional costs associated with site contamination we have increased the build costs as follows:

Table 4.7 Increase in cost for land use type

Existing Use Type	Cost as Percentage of Build
Greenfield	0%
Previously Developed Land	3%
Mixed	2%

Source: PBA

Flood Risk

- 4.29 Similar to site contamination, there is a need to reflect costs associated in developing a site which requires works to negate the impact of flooding. These costs are determined by the site specific requirements, and will vary, but could include works such as; swales, attenuation, balancing pounds etc.
- 4.30 For the purposes for our appraisals the cost assumptions have been informed by the Flood Risk Assessment Score provided within the SHLAA. The Carlisle SHLAA provided a Flood Risk Assessment score for each site assessed, this score was informed by which Flood Risk Zone the site fell within, as determined by the Strategic Flood Risk Map (SFRA). As shown within the Table 4.8 the SHLAA provided a score from zero to five; zero representing sites with over 50 percent of site area within Flood Zone 3a and zero representing sites within Flood Zone 1.

Table 4.8 SFRA flood risk areas against SHLAA flood risk assessment score

Flood risk Areas (as defined by the SFRA Maps)	SHLAA Flood Risk Assessment Score
Within Flood Zone 1	5
10% - 50% of site area is within Flood Zone 2	4
Over 50% of site area is within Flood Zone 2	3
10% - 25% of site area is within Flood Zone 3a	2
25% - 50% of site area is within Flood Zone 3a	1
Over 50% of site area is within Flood Zone 3a	0

Source: PBA

- 4.31 PPS25 sets a clear sequential approach for development in regard to flood risk. Flood Risk Zones 1 and 2 are both acceptable locations for housing, but under the sequential approach, Zone 1 is preferable to Zone 2. Housing development can be acceptable in Flood Zone 3a, provided a PPS25 ‘Exception Test’ is passed. Nevertheless, under the

PPS25 sequential approach, Flood Zone 3a sites are the least preferred location for housing development and any sites within Flood Zone 3a will be given a Category 3 rating (if more than 25 per cent of the site is covered by Flood Zone 3a). Flood Risk Zone 3b comprises ‘functional floodplain’, and as such is unsuitable for residential development.

- 4.32 To reflect the ‘abnormal’ development costs associated in bringing forward a site that falls within the various Flood Risk Assessment scores we have made the following costs allowance as a percentage of build costs:

Table 4.9 Cost to negate impact of flooding

Flood Risk Assessment Score (SHLAA)	Cost as Percentage of Build
1	8%
2	6%
3	4%
4	2%
5	0%

Source: PBA

- 4.33 The above percentages in Table 4.9 reflect the potential additional costs associated with mitigation measures required against escalating flood risk and equates to an approximate maximum of £6,880 per unit.

Opening-up Costs

- 4.34 On the larger greenfield sites that require infrastructure to service the site to enable development there are significant costs associated with opening up the site. On greenfield sites with potential for 100+ units, and which are located on the edges of settlements, we have assumed opening-up costs of £6,250 per unit. This is based upon other schemes we have assessed in similar locations elsewhere.

Contingency

- 4.35 Developers include an allowance for contingency to reflect any unknown costs. The industry standard is between 3 and 5 percent of build costs. For the purposes of our appraisals we have assumed 3 percent.

Section 106

- 4.36 Carlisle City Council has provided PBA with annual reports for Planning Obligations entered into for 2010/2011 and 2011/2012. These reports indicate that in addition to affordable housing the Council have received developer contributions for the following:
- Open space capital
 - Open Space maintenance
 - Cycleways/pedestrian
 - Public realm
 - Highways

- 4.37 Analysis of payments received indicate that the typical contribution, where applied, is £2,000 per unit. Although acknowledging the range is wide from £315 per unit to £4,500 per unit.

Marketing Costs

- 4.38 Marketing costs are associated with the developer's cost for selling the completed units. These costs can vary significantly depending on factors such as the size of the scheme and the end value of units, but they typically fall within 2 to 5 percent of sale values.
- 4.39 To reflect marketing costs we have assumed 2 percent of sale values.

Finance Costs

- 4.40 It is common practice when assessing viability to assume that the scheme will be 100 per cent debt funded. We have included a finance rate of 7 per cent, based upon current lending practices.

Timescales

- 4.41 In general terms a developer builds to sale. We have therefore assumed an annual build and sales rate of 35 units per annum, with a six month lag period between first unit constructed to first unit sold.
- 4.42 Construction costs have a time allowance of three months in the cashflow to reflect enabling time prior to building out the units.

Developer's Profit

- 4.43 To reflect the developer's risk we have used 20 percent on costs. This is the minimum return a bank requires in the current market to fund development. It should be stressed that some schemes by their very nature (i.e. more risky) may require a higher return.

Benchmark Residual Land Value

- 4.44 The residual land values of each of the sample sites have been benchmarked against the average value for residential land within the Carlisle District; this has been informed through the analysis Section 3 of the report.

Recommended Benchmark Value

- 4.45 Based upon the comparable evidence we have used the following benchmark land values:

Table 4.10 Benchmark land value based upon net developable area

Value Zone	Price Per Hectare
1	£400,000
2	£750,000
3	£1,000,000
4	£1,500,000

Source: PBA

-
- 4.46 In our assessment of the benchmark land value, the starting point is with the lower value zone i.e. Zone 1. Land values in Zone 1 have been based upon commercial land which reflects the feedback from local agents. As previously shown in Figure 3.7, when house prices improve, this has a consequential upward effect on land values. We have therefore increased the benchmark land values for the other zones.
- 4.47 Where the residual land value of the sites does not at least achieve the benchmark, but is within a 20 percent margin of doing so then the site is deemed marginally viable. Therefore, these sites may come forward depending on the need for the landowner to sell.
- 4.48 However, it should be noted that in reality the eventual land value agreed between a landowner and a developer will be through negotiations and there is no guarantee that land will come forward at this level.

5 FINDINGS FROM OUR VIABILITY ASSESSMENTS

5.1 We have undertaken high-level appraisals in relation to each of the sample of 50 potential housing sites across Carlisle District using the approach and data inputs outlined earlier in our report. We assessed each site in relation to a variety of ‘affordable housing scenarios’, to test the likely effect on scheme viability. The findings from our viability assessments are provided in this section of our report.

Scenario 1 – 30% affordable housing with 50% social rent & 50% discount sale – both tenures at 30% discount to market value

Site ID	Name	LAND_TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,653,000	Yes
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,871,000	Yes
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,967,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,924,000	Yes
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,967,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,967,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,794,000	Yes
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,945,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,967,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,851,000	Yes
40	Townhead Road	Greenfield	4		0.50	36	18	£1,967,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,575,000	Yes
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,967,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,939,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,918,000	Yes
133	Land at Greymoorthill	Greenfield	4	Non rural	2.97	36	107	£1,578,000	Yes
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£982,000	Marginal
138	Land adj Eterby Road	Greenfield	3	Non rural	0.83	36	30	£1,424,000	Yes
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£1,017,000	Yes
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£1,440,000	Yes
55	Adj Croft House	Greenfield	3		0.67	36	24	£1,440,000	Yes
56	South Ellengrove	Greenfield	3		2.44	36	88	£1,358,000	Yes
58	North Stile Farm	Greenfield	3		1.14	36	41	£1,408,000	Yes
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£1,255,000	Yes
65	Hadrians Camp	Developed Land	3		3.44	36	124	£1,143,000	Yes
174	Land at Garden Village	Greenfield	3		1.72	36	62	£1,381,000	Yes
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£1,440,000	Yes
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£1,369,000	Yes
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£1,401,000	Yes
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£887,000	Yes
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£887,000	Yes
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£853,000	Yes
150	Opp Deer Park	Developed Land	2		2.92	36	105	£671,000	Marginal
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£648,000	Marginal
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£544,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£445,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£549,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	£378,000	Marginal
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£519,000	Yes
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	£368,000	Marginal
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	£355,000	Marginal
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	£181,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	£514,000	Yes
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	£439,000	Yes
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	£70,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	£378,000	Marginal
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£367,000	Marginal
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	£371,000	Marginal
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£535,000	Yes
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	£146,000	No

Source: PBA

-
- 5.2 Scenario 1 indicates that the current affordable housing policy is broadly working across the District. The lower value areas of Zone 1 and Zone 2 are showing some sites to be unviable or marginally viable, these tend to be the larger sites of over 100 units which have additional infrastructure costs because they are Greenfield and/or are at a high flood risk. However, even these sites are showing a positive land value and may come forward at this lower land value subject to negotiations between the parties.
- 5.3 It is clear through the market research (although based upon limited evidence due to a lack of general transactions in the District) that a number of landowners have reasonable aspiration on land values which is helping to facilitate development at the current affordable housing policy. It should be noted that these land values have fallen significantly since the peak of the market and within the lower value areas there is little scope for them to fall further before land values become negative.

Scenario 2 – 22.5% affordable housing with 33% social rent at 60% discount to market value & 67% discount sale at 30% discount to market value

Site ID	Name	LAND TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,643,000	Yes
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,862,000	Yes
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,958,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,914,000	Yes
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,958,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,958,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,784,000	Yes
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,936,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,958,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,842,000	Yes
40	Townhead Road	Greenfield	4		0.50	36	18	£1,958,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,567,000	Yes
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,958,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,929,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,909,000	Yes
133	Land at Greymoorhill	Greenfield	4	Non rural	2.97	36	107	£1,569,000	Yes
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£975,000	Marginal
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£1,415,000	Yes
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£1,008,000	Yes
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£1,431,000	Yes
55	Adj Croft House	Greenfield	3		0.67	36	24	£1,431,000	Yes
56	South Ellengrove	Greenfield	3		2.44	36	88	£1,350,000	Yes
58	North Stile Farm	Greenfield	3		1.14	36	41	£1,399,000	Yes
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£1,246,000	Yes
65	Hadrians Camp	Developed Land	3		3.44	36	124	£1,135,000	Yes
174	Land at Garden Village	Greenfield	3		1.72	36	62	£1,373,000	Yes
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£1,431,000	Yes
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£1,361,000	Yes
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£1,392,000	Yes
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£879,000	Yes
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£879,000	Yes
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£846,000	Yes
150	Opp Deer Park	Developed Land	2		2.92	36	105	£663,000	Marginal
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£641,000	Marginal
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£537,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£440,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£542,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	£371,000	Marginal
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£513,000	Yes
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	£361,000	Marginal
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	£348,000	Marginal
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	£36,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	£366,000	Marginal
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	£431,000	Yes
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	£61,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	£371,000	Marginal
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£361,000	Marginal
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	£364,000	Marginal
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£528,000	Yes
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	£141,000	No

Source: PBA

- 5.4 Testing viability in line with how the current affordable housing policy is implanted (as explained in paragraph 4.11) has no impact on overall viability. This is to be expected, as it is the Council's intention for a developer providing social rent units at a 60 per cent discount to market value, but delivering half the number of units, are in the same position in viability terms as providing the 30 percent affordable housing at 30 percent discount to market value.

Scenario 3 – 30% affordable housing with 50% social rent at 60% discount to market value & 50% discount sale at 30% discount to market value

5.5 Scenario 3 indicates that only the higher values areas of Zones 3 and Zones 4 can support 30 percent affordable housing with a 50/50 tenure split of social rent and discount sale. In this scenario the lower values, typically urban, cannot support the higher quantum of social rented units. This potential policy is marginally achievable in the lower value areas but only on smaller Greenfield sites where there are no infrastructure requirements.

Site ID	Name	LAND TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,474,000	Marginal
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,701,000	Yes
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,788,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,749,000	Yes
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,788,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,788,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,619,000	Yes
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,768,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,788,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,682,000	Yes
40	Townhead Road	Greenfield	4		0.50	36	18	£1,788,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,415,000	Marginal
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,788,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,763,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,744,000	Yes
133	Land at Greymoorhill	Greenfield	4	Non rural	2.97	36	107	£1,414,000	Marginal
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£846,000	Marginal
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£1,264,000	Yes
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£864,000	Marginal
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£1,278,000	Yes
55	Adj Croft House	Greenfield	3		0.67	36	24	£1,278,000	Yes
56	South Ellengrove	Greenfield	3		2.44	36	88	£1,206,000	Yes
58	North Stile Farm	Greenfield	3		1.14	36	41	£1,250,000	Yes
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£1,096,000	Yes
65	Hadrians Camp	Developed Land	3		3.44	36	124	£999,000	Marginal
174	Land at Garden Village	Greenfield	3		1.72	36	62	£1,226,000	Yes
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£1,278,000	Yes
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£1,216,000	Yes
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£1,245,000	Yes
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£744,000	Marginal
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£744,000	Marginal
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£716,000	Marginal
150	Opp Deer Park	Developed Land	2		2.92	36	105	£537,000	No
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£519,000	No
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£419,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£337,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£424,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	£247,000	No
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£392,000	Marginal
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	£239,000	No
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	£230,000	No
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	-£58,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	£271,000	No
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	£283,000	No
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	-£93,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	£247,000	No
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£250,000	No
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	£242,000	No
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£404,000	Yes
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	£47,000	No

Source: PBA

Scenario 4 – 40% affordable housing with 50% social rent & 50% discount sale – both tenures at 30% discount to market value

Site ID	Name	LAND TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,487,000	Marginal
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,713,000	Yes
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,801,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,761,000	Yes
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,801,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,801,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,631,000	Yes
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,781,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,801,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,694,000	Yes
40	Townhead Road	Greenfield	4		0.50	36	18	£1,801,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,426,000	Marginal
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,801,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,776,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,756,000	Yes
133	Land at Greymoorhill	Greenfield	4	Non rural	2.97	36	107	£1,425,000	Marginal
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£856,000	Marginal
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£1,275,000	Yes
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£875,000	Marginal
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£1,290,000	Yes
55	Adj Croft House	Greenfield	3		0.67	36	24	£1,290,000	Yes
56	South Ellengrove	Greenfield	3		2.44	36	88	£1,217,000	Yes
58	North Stile Farm	Greenfield	3		1.14	36	41	£1,261,000	Yes
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£1,108,000	Yes
65	Hadrians Camp	Developed Land	3		3.44	36	124	£1,009,000	Yes
174	Land at Garden Village	Greenfield	3		1.72	36	62	£1,237,000	Yes
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£1,290,000	Yes
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£1,227,000	Yes
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£1,256,000	Yes
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£754,000	Yes
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£754,000	Yes
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£726,000	Marginal
150	Opp Deer Park	Developed Land	2		2.92	36	105	£547,000	No
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£528,000	No
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£428,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£344,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£432,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	£256,000	No
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£401,000	Yes
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	£248,000	No
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	£238,000	No
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	£137,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	£468,000	Yes
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	£294,000	No
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	-£81,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	£256,000	No
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£258,000	No
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	£251,000	No
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£414,000	Yes
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	£54,000	No

Source: PBA

- 5.6 If the Council were to seek a higher affordable housing contribution of 40 percent with the current 30 percent discount to market value than this is generally only achievable in the higher value areas (Zones 3 and Zones 4) where there are Greenfield sites which deliver less than 100 units. In these higher value areas development becomes marginally unviable where have additional costs of delivering infrastructure to service the development, or the sites are Brownfield in nature.
- 5.7 In the lower value areas (Zone 1 and Zone 2), where typical site characteristics are Brownfield, these cannot support the higher affordable housing policy of 40 percent.

Scenario 5 – 40% affordable housing with 50% social rent at 60% discount to market value & 50% discount sale at 30% discount to market value

Site ID	Name	LAND TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,251,000	Marginal
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,370,000	Marginal
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,440,000	Marginal
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,408,000	Marginal
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,440,000	Marginal
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,440,000	Marginal
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,278,000	Marginal
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,424,000	Marginal
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,440,000	Marginal
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,355,000	Marginal
40	Townhead Road	Greenfield	4		0.50	36	18	£1,440,000	Marginal
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,103,000	No
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,440,000	Marginal
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,422,000	Marginal
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,404,000	Marginal
133	Land at Greymoorthill	Greenfield	4	Non rural	2.97	36	107	£1,094,000	No
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£582,000	No
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£953,000	Marginal
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£661,000	No
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£964,000	Marginal
55	Adj Croft House	Greenfield	3		0.67	36	24	£964,000	Marginal
56	South Ellengrove	Greenfield	3		2.44	36	88	£910,000	Marginal
58	North Stile Farm	Greenfield	3		1.14	36	41	£943,000	Marginal
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£788,000	No
65	Hadrians Camp	Developed Land	3		3.44	36	124	£719,000	No
174	Land at Garden Village	Greenfield	3		1.72	36	62	£925,000	Marginal
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£964,000	Marginal
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£917,000	Marginal
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£941,000	Marginal
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£466,000	No
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£466,000	No
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£448,000	No
150	Opp Deer Park	Developed Land	2		2.92	36	105	£278,000	No
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£266,000	No
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£177,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£125,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£180,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	-£10,000	No
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£144,000	No
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	-£13,000	No
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	-£16,000	No
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	-£189,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	-£25,000	No
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	-£23,000	No
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	-£214,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	-£10,000	No
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£20,000	No
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	-£12,000	No
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£149,000	No
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	-£152,000	No

Source: PBA

5.8 Scenario 5 appears to be the very upper limit that the higher value areas (Zones 3 and Zones 4) could support affordable housing contributions. This is a very high risk scenario and could have the potential of negating housing development as the residual land value in the low value areas in some instances are showing negative value and viability becomes very marginal in the higher value areas. The success of delivery of affordable housing at this level in the higher value areas would be as a result of developers being able to negotiate land values down even further than what is currently being achieved.

Scenario 6 –22.5% affordable housing (33% social rent at 60% discount to market value & 67% discount sale at 30% discount to market value) and Section 106 at £2,000 per unit

Site ID	Name	LAND TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,572,000	Yes
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,791,000	Yes
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,886,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,843,000	Yes
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,886,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,886,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,713,000	Yes
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,864,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,886,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,770,000	Yes
40	Townhead Road	Greenfield	4		0.50	36	18	£1,886,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,495,000	Marginal
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,886,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,858,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,838,000	Yes
133	Land at Greymoorhill	Greenfield	4	Non rural	2.97	36	107	£1,498,000	Marginal
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£903,000	Marginal
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£1,344,000	Yes
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£937,000	Marginal
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£1,360,000	Yes
55	Adj Croft House	Greenfield	3		0.67	36	24	£1,360,000	Yes
56	South Ellengrove	Greenfield	3		2.44	36	88	£1,279,000	Yes
58	North Stile Farm	Greenfield	3		1.14	36	41	£1,328,000	Yes
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£1,175,000	Yes
65	Hadrians Camp	Developed Land	3		3.44	36	124	£1,064,000	Yes
174	Land at Garden Village	Greenfield	3		1.72	36	62	£1,301,000	Yes
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£1,360,000	Yes
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£1,290,000	Yes
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£1,321,000	Yes
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£808,000	Yes
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£808,000	Yes
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£775,000	Yes
150	Opp Deer Park	Developed Land	2		2.92	36	105	£592,000	No
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£570,000	No
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£466,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£368,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£471,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	£300,000	No
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£441,000	Yes
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	£290,000	No
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	£277,000	No
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	-£64,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	£267,000	No
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	£342,000	Marginal
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	-£29,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	£300,000	No
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£290,000	No
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	£293,000	No
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£457,000	Yes
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	£70,000	No

Source: PBA

- 5.9 Scenario 6 indicates that applying £2,000 per unit for Section 106 Obligations (this is what on average has been achieved) plus affordable housing policy (as currently implemented) does negatively impact viability especially in the lower value areas (Zone 1 and Zone 2). This illustrates how marginal development is within the urban areas of Carlisle and current affordable housing policy is at the maximum contribution these sites can support. If the Council requires Section 106 Obligations in these areas than there needs be an acknowledgment that a lower percentage of affordable housing may be delivered.

5.10 The picture is somewhat different for the higher value areas as they can support the Section 106 Obligations of £2,000 per unit and the current affordable housing policy (as implemented).

Scenario 7 – 22.5% affordable housing (33% social rent at 60 percent discount to market value & 67% discount sale at 30% discount to market value) and Section 106 at £4,500 per unit

Site ID	Name	LAND_TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,483,000	Marginal
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,702,000	Yes
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,797,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,754,000	Yes
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,797,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,797,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,624,000	Yes
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,775,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,797,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,681,000	Yes
40	Townhead Road	Greenfield	4		0.50	36	18	£1,797,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,406,000	Marginal
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,797,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,769,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,749,000	Yes
133	Land at Greymoorhill	Greenfield	4	Non rural	2.97	36	107	£1,409,000	Marginal
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£814,000	Marginal
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£1,255,000	Yes
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£848,000	Marginal
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£1,271,000	Yes
55	Adj Croft House	Greenfield	3		0.67	36	24	£1,271,000	Yes
56	South Ellengrove	Greenfield	3		2.44	36	88	£1,190,000	Yes
58	North Stile Farm	Greenfield	3		1.14	36	41	£1,239,000	Yes
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£1,086,000	Yes
65	Hadrians Camp	Developed Land	3		3.44	36	124	£975,000	Marginal
174	Land at Garden Village	Greenfield	3		1.72	36	62	£1,212,000	Yes
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£1,271,000	Yes
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£1,201,000	Yes
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£1,232,000	Yes
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£719,000	Marginal
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£719,000	Marginal
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£686,000	Marginal
150	Opp Deer Park	Developed Land	2		2.92	36	105	£503,000	No
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£481,000	No
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£377,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£279,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£382,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	£211,000	No
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£352,000	Marginal
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	£201,000	No
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	£188,000	No
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	-£189,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	£144,000	No
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	£230,000	No
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	-£142,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	£211,000	No
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£201,000	No
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	£204,000	No
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£368,000	Marginal
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	-£20,000	No

Source: PBA

5.11 Applying the higher Section 106 Obligations of £4,500 per unit only makes even the most viable sites in the lower value areas (Zone 1 and Zone 2) marginally viable. However, the higher value areas of Zone 3 and Zone 4 can support this additional cost.

Scenario 8 – 30% affordable housing (50% social rent at 60% discount to market value & 50% discount sale at 30% discount to market value) and Section 106 at £4,500 per unit

Site ID	Name	LAND_TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£1,222,000	Marginal
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£1,453,000	Marginal
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£1,536,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£1,499,000	Marginal
12	Newlands Farm	Greenfield	4		0.25	36	9	£1,536,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£1,536,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£1,369,000	Marginal
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£1,517,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£1,536,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£1,436,000	Marginal
40	Townhead Road	Greenfield	4		0.50	36	18	£1,536,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£1,172,000	No
97	Land at Park Road	Greenfield	4		0.47	36	17	£1,536,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£1,513,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£1,494,000	Marginal
133	Land at Greymoorhill	Greenfield	4	Non rural	2.97	36	107	£1,169,000	No
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£616,000	No
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£1,022,000	Yes
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£625,000	No
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£1,035,000	Yes
55	Adj Croft House	Greenfield	3		0.67	36	24	£1,035,000	Yes
56	South Ellengrove	Greenfield	3		2.44	36	88	£968,000	Marginal
58	North Stile Farm	Greenfield	3		1.14	36	41	£1,009,000	Yes
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£855,000	Marginal
65	Hadrians Camp	Developed Land	3		3.44	36	124	£765,000	No
174	Land at Garden Village	Greenfield	3		1.72	36	62	£986,000	Marginal
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£1,035,000	Yes
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£977,000	Marginal
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£1,004,000	Yes
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£510,000	No
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£510,000	No
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£485,000	No
150	Opp Deer Park	Developed Land	2		2.92	36	105	£308,000	No
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£292,000	No
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£195,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£121,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£199,000	No
170	Land Bounded By:	Developed Land	1	Non rural	0.39	36	14	£19,000	No
176	Land at Beaumont Road	Greenfield	1	Non rural	1.36	36	49	£166,000	No
146	Former Penguin Factory	Developed Land	1	Non rural	1.03	36	37	£13,000	No
183	Land at London Road	Developed Land	1	Non rural	1.78	36	64	£5,000	No
102	Mitchell Dryers	Developed Land	1	Non rural	0.92	50	46	-£408,000	No
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	Non rural	0.14	50	7	-£79,000	No
167	Site at Dalston Road/Stanhope Road	Developed Land	1	Non rural	0.84	45	38	£2,000	No
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	Non rural	0.53	45	24	-£379,000	No
186	Cecil Street Car Park	Developed Land	1	Non rural	0.47	36	17	£19,000	No
117	Land at York Gardens	Developed Land	1	Non rural	4.14	36	149	£29,000	No
147	Hilltop Heights	Developed Land	1	Non rural	0.86	36	31	£15,000	No
103	Riverside Way,	Greenfield	1	Non rural	0.42	36	15	£177,000	No
651	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)	Greenfield	1		8.33	36	300	-£168,000	No

Source: PBA

- 5.12 As established in Scenario 3 the higher value areas of Zones 3 and 4 can support 30 per cent affordable housing with a 50/50 tenure split of social rent and discount sale – this is a higher percentage of social rented units than currently being sought. Development starts to become marginal in these higher value areas once the additional cost of £4,500 per unit of Section 106 Obligations are applied which is the maximum that has recently been negotiated between the Council and developers. In particular large sites that require infrastructure to service development and/or have abnormal costs associated with flood risk.

Affordable housing contribution in-lieu of on-site provision

- 5.13 The Council sometime seeks commuted sums in-lieu of developers providing an on-site affordable housing provision. These commuted sums are used to help fund affordable housing on alternative sites within the borough.

The NPPF supports local criteria for contributions for off-site provision

- 5.14 The NPPF has removed the minimum nationally prescribed threshold for affordable housing and now allows a local authority to set criteria for commuted sum contributions towards any off-site provision based on locally agreed minimum thresholds for different sub area or settlements. No other guidance or criteria are included on how any threshold or commuted sum should be set. It is left to the local authority to come to a considered approach based on their local circumstance.

Carlisle Council current approach to affordable housing commuted sums

- 5.15 The Council's current approach to obtain commuted sums for affordable housing is a set formula based on the valuation of the property at point of sale, i.e. if the property is valued at £100,000, the developer would have to contribute £30,000. This calculation is based upon the 30 percent affordable contribution as set out in Policy H5; therefore the requirements cascades according to site size and number of houses for rural areas. On contributions of less than one house the sum is calculated on a pro rata basis.

Potential alternative approach is to assess commuted sums

- 5.16 To assess the maximum potential commuted sum payment the Council could seek from developers instead of an on-site provision, we have assessed the impact on revenue (Gross Development Value) of providing affordable housing under the optimum scenarios above. To appraise this, we have calculated the Gross Development Value of the sites without affordable housing and then calculated the Gross Development Value with affordable - the difference in revenue per unit is the potential affordable housing contribution i.e. the opportunity cost.
- 5.17 We consider the optimum on-site provisions for the higher value areas to be Scenario 8 and Scenario 2 for the lower value areas.

Affordable housing commuted sums for Zones 3 & Zones 4 – applying Scenario 8

Site ID	Name	Land Type	Value Zone	Net Area ha	Density	Yield	Viable	GDV Affordable Housing Policy Off	GDV Affordable Housing Policy as Scenario 8	Committed sum per unit	30% of Market Value
2	Land/Property at The Bridge Inn	Mixed	4	0.17	36	6	Marginal	£1,284,000	£1,110,660	£28,890	£19,260.00
7	Land Adj Playing Fields	Greenfield	4	2.17	36	78	Marginal	£16,692,000	£14,438,580	£28,890	£19,260.00
8	Land Adj Wheatsheaf Gardens	Greenfield	4	0.56	36	20	Yes	£4,280,000	£3,702,200	£28,890	£19,260.00
9	Land East of Peter Gate	Greenfield	4	1.25	36	45	Marginal	£9,630,000	£8,329,950	£28,890	£19,260.00
12	Newlands Farm	Greenfield	4	0.25	36	9	Yes	£1,926,000	£1,665,990	£28,890	£19,260.00
14	Corby Hill Road	Greenfield	4	0.33	36	12	Yes	£2,568,000	£2,221,320	£28,890	£19,260.00
27	The Irthing Centre	Developed Land	4	1.08	36	39	Marginal	£8,346,000	£7,219,290	£28,890	£19,260.00
29	Land Adj Gelt Rise	Greenfield	4	0.69	36	25	Yes	£5,350,000	£4,627,750	£28,890	£19,260.00
80	Land at The Grange	Greenfield	4	0.11	36	4	Yes	£856,000	£740,440	£28,890	£19,260.00
39	Land at Townhead Road	Greenfield	4	2.36	36	85	Marginal	£18,190,000	£15,734,350	£28,890	£19,260.00
40	Townhead Road	Greenfield	4	0.50	36	18	Yes	£3,852,000	£3,331,980	£28,890	£19,260.00
24	Land North of Old Church Lane	Greenfield	4	4.67	36	168	No	£35,952,000	£31,098,480	£28,890	£19,260.00
97	Land at Park Road	Greenfield	4	0.47	36	17	Yes	£3,638,000	£3,146,870	£28,890	£19,260.00
70	Land behind Scotby Road	Greenfield	4	1.14	36	41	Yes	£8,774,000	£7,589,510	£28,890	£19,260.00
72	Site Off Broomfallen Road	Greenfield	4	1.36	36	49	Marginal	£10,486,000	£9,070,390	£28,890	£19,260.00
133	Land at Greymoorhill	Greenfield	4	2.97	36	107	No	£22,898,000	£19,806,770	£28,890	£19,260.00
173	Land adj Hammonds Pond and	Greenfield	3	6.67	36	240	No	£46,320,000	£40,066,800	£26,055	£17,370.00
138	Land adj Etterby Road	Greenfield	3	0.83	36	30	Yes	£5,790,000	£5,008,350	£26,055	£17,370.00
121	Former Belah School	Developed Land	3	2.06	36	74	No	£14,282,000	£12,353,930	£26,055	£17,370.00
43	3 Sites at Cummersdale	Greenfield	3	0.39	36	14	Yes	£2,702,000	£2,337,230	£26,055	£17,370.00
55	Adj Croft House	Greenfield	3	0.67	36	24	Yes	£4,632,000	£4,006,680	£26,055	£17,370.00
56	South Ellengrove	Greenfield	3	2.44	36	88	Marginal	£16,984,000	£14,691,160	£26,055	£17,370.00
58	North Stile Farm	Greenfield	3	1.14	36	41	Yes	£7,913,000	£6,844,745	£26,055	£17,370.00
59	Former Harker Garden Centre	Developed Land	3	1.17	36	42	Marginal	£8,106,000	£7,011,690	£26,055	£17,370.00
65	Hadrians Camp	Developed Land	3	3.44	36	124	No	£23,932,000	£20,701,180	£26,055	£17,370.00
174	Land at Garden Village	Greenfield	3	1.72	36	62	Marginal	£11,966,000	£10,350,590	£26,055	£17,370.00
86	Land Adj Fir Ends School	Greenfield	3	0.19	36	7	Yes	£1,351,000	£1,168,615	£26,055	£17,370.00
108	Land/Property adj Garden Village	Greenfield	3	2.14	36	77	Marginal	£14,861,000	£12,854,765	£26,055	£17,370.00
119	Former Morton Park Primary School	Developed Land	3	1.50	36	54	Yes	£10,422,000	£9,015,030	£26,055	£17,370.00

Source: PBA

- 5.18 The above analysis shows that in the higher value areas a maximum affordable housing commuted sum contribution of £28,890 could be sought plus £4,500 for Section 106; this equates to a total contribution of £33,390 per unit, across the whole development. In comparison to current policy implementation, assessing a commuted sum as 30 percent of units at 30 percent discount yields between £17,000 to £19,000 per unit across the development. This therefore indicates that there is scope to increase commuted sums in the higher value areas.

Affordable housing commuted sums for Zones 1 & Zones 2 – applying Scenario 2

Site ID	Name	Land Type	Value Zone	Net Area ha	Density	Yield	Viability	GDV Affordable Housing Policy Off	GDV Affordable Housing Policy as Scenario 2	Price per unit	30% of Market Value
64	Land at Houghton Road	Greenfield	2	0.61	36	22	Yes	£3,762,000	£3,424,266	£15,352	£15,390.00
156	Land at Lonning Foot	Greenfield	2	0.28	36	10	Yes	£1,710,000	£1,556,485	£15,352	£15,390.00
109	Land/Property at Burgh Road,	Greenfield	2	1.83	36	66	Yes	£11,286,000	£10,272,799	£15,352	£15,390.00
150	Opp Deer Park	Developed Land	2	2.92	36	105	Marginal	£17,955,000	£16,343,090	£15,352	£15,390.00
81	Former Lochinvar School	Developed Land	2	3.78	36	136	Marginal	£23,256,000	£21,168,193	£15,352	£15,390.00
34	Business Park	Greenfield	2	4.67	36	168	No	£28,728,000	£26,148,944	£15,352	£15,390.00
189	Land at Beverley Rise	Greenfield	2	8.31	36	299	No	£51,129,000	£46,538,894	£15,352	£15,390.00
190	Land Opp Rosehill Industrial Estate	Greenfield	2	4.42	36	159	No	£27,189,000	£24,748,108	£15,352	£15,390.00
170	Land Bounded By:	Developed Land	1	0.39	36	14	Marginal	£2,198,000	£2,000,675	£14,095	£14,130.00
176	Land at Beaumont Road	Greenfield	1	1.36	36	49	Yes	£7,693,000	£7,002,361	£14,095	£14,130.00
146	Former Penguin Factory	Developed Land	1	1.03	36	37	Marginal	£5,809,000	£5,287,497	£14,095	£14,130.00
183	Land at London Road	Developed Land	1	1.78	36	64	Marginal	£10,048,000	£9,145,941	£14,095	£14,130.00
102	Mitchell Dryers	Developed Land	1	0.92	50	46	No	£6,256,000	£5,860,796	£8,591	£12,240.00
110	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Developed Land	1	0.14	50	7	Marginal	£952,000	£891,860	£8,591	£12,240.00
167	Site at Dalston Road/Stanhope Road	Developed Land	1	0.84	45	38	Yes	£5,814,000	£5,292,048	£13,736	£13,770.00
105	Land/Property between Denton Street/Collingwood Street and Blencowe Street	Developed Land	1	0.53	45	24	No	£3,672,000	£3,342,346	£13,736	£13,770.00
186	Cecil Street Car Park	Developed Land	1	0.47	36	17	Marginal	£2,669,000	£2,429,391	£14,095	£14,130.00
117	Land at York Gardens	Developed Land	1	4.14	36	149	Marginal	£23,393,000	£21,292,893	£14,095	£14,130.00
147	Hilltop Heights	Developed Land	1	0.86	36	31	Marginal	£4,867,000	£4,430,065	£14,095	£14,130.00
103	Riverside Way,	Greenfield	1	0.42	36	15	Yes	£2,355,000	£2,143,580	£14,095	£14,130.00
651	Land East & West of Wighton Road Plus Land South West of Morton (Phase 2)	Greenfield	1	8.33	36	300	No	£47,100,000	£42,871,598	£14,095	£14,130.00

Source: PBA

- 5.19 The above analysis shows that in the lower value areas, a commuted sum of around half (£15,350 per unit across the whole development) of that compared to the higher value areas. However, on the brownfield sites (developed land) which are being delivered at a higher density of 36 dwellings per hectare (which is the most common density across the borough) than a scheme's viability is a greater issue and a much lower contribution of £8,500 per unit is more appropriate. Comparing this approach with current policy implementation produces a similar outcome.

Rural exception sites

5.20 Under the Carlisle District Local Plan Policy H6 states:

Policy H6 requires that, should a developer wish to build on a rural exception site, all the units need to be affordable.

5.21 To deliver rural exception sites at 100 percent affordable housing developers have tended to seek grant funding to assist in cross subsidising the development. However, the NPPF now encourages proactive policies for the delivery of rural exception sites combined with a proportion of market housing sufficient to pump prime affordable housing. Essentially this is using the profits from the private housing to 'cross subsidise' the delivery of affordable housing. This is known as a reverse quota.

5.22 The aim is to minimise the amount of market housing but accept that - in the absence of grant funding - the subsidy required to deliver affordable housing has to be generated by some other means.

5.23 In our experience land values for rural exception sites are typically between £10,000 to £15,000 per plot. In calculating the reverse quota we have used the higher plot value of £15,000⁸ for the higher value areas, and £10,000⁹ per plot for the lower value areas. The results of the testing of the higher value zones is set out as follows:

Reverse quota – Zones 3 & 4 – 60% affordable housing (50% social rent at 60% discount to market value & 50% discount sale at 30% discount to market value)

Site ID	Name	LAND TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
2	Land/Property at The Bridge Inn	Mixed	4		0.17	36	6	£613,000	Yes
7	Land Adj Playing Fields	Greenfield	4		2.17	36	78	£882,000	Yes
8	Land Adj Wheatsheaf Gardens	Greenfield	4		0.56	36	20	£927,000	Yes
9	Land East of Peter Gate	Greenfield	4		1.25	36	45	£907,000	Yes
12	Newlands Farm	Greenfield	4		0.25	36	9	£927,000	Yes
14	Corby Hill Road	Greenfield	4		0.33	36	12	£927,000	Yes
27	The Irthing Centre	Developed Land	4		1.08	36	39	£777,000	Yes
29	Land Adj Gelt Rise	Greenfield	4		0.69	36	25	£917,000	Yes
80	Land at The Grange	Greenfield	4		0.11	36	4	£927,000	Yes
39	Land at Townhead Road	Greenfield	4		2.36	36	85	£872,000	Yes
40	Townhead Road	Greenfield	4		0.50	36	18	£927,000	Yes
24	Land North of Old Church Lane	Greenfield	4		4.67	36	168	£644,000	Yes
97	Land at Park Road	Greenfield	4		0.47	36	17	£927,000	Yes
70	Land behind Scotby Road	Greenfield	4		1.14	36	41	£919,000	Yes
72	Site Off Broomfallen Road	Greenfield	4		1.36	36	49	£904,000	Yes
133	Land at Greymoorthill	Greenfield	4	Non rural	2.97	36	107	£623,000	Yes
173	Land adj Hammonds Pond and	Greenfield	3		6.67	36	240	£194,000	No
138	Land adj Etterby Road	Greenfield	3	Non rural	0.83	36	30	£496,000	Marginal
121	Former Belah School	Developed Land	3	Non rural	2.06	36	74	£129,000	No
43	3 Sites at Cummersdale	Greenfield	3		0.39	36	14	£502,000	Marginal
55	Adj Croft House	Greenfield	3		0.67	36	24	£502,000	Marginal
56	South Ellengrove	Greenfield	3		2.44	36	88	£473,000	Marginal
58	North Stile Farm	Greenfield	3		1.14	36	41	£491,000	Marginal
59	Former Harker Garden Centre	Developed Land	3		1.17	36	42	£335,000	No
65	Hadrians Camp	Developed Land	3		3.44	36	124	£307,000	No
174	Land at Garden Village	Greenfield	3		1.72	36	62	£481,000	Marginal
86	Land Adj Fir Ends School	Greenfield	3		0.19	36	7	£502,000	Marginal
108	Land/Property adj Garden Village	Greenfield	3		2.14	36	77	£477,000	Marginal
119	Former Morton Park Primary School	Developed Land	3	Non rural	1.50	36	54	£494,000	Marginal

Source: PBA

⁸ Equates to £540,000 per hectare for 36 dwellings per hectare (typical site density of rural sites within the SHLAA)

⁹ Equates to £360,000 per hectare for 36 dwellings per hectare

- 5.24 Analysis of testing the point where the highest amount of affordable housing can be delivered with the lowest amount of private housing in the higher value areas is 60 percent affordable housing with a 50/50 tenure split. The viability testing does indicate that there could be scope to increase the 60 percent threshold if a lower percentage of social rent units are sought as this will improve viability.
- 5.25 With regards the lower value zones, we have focused the reverse quota testing on Zone 2 as Zone 1 is urban. As shown in the table below, and as to be expected, the lower value areas cannot deliver as high percentage of affordable housing than the rural areas, even with the lower land value of £10,000 per plot. An appropriate level for lower value areas is 40 percent affordable with 50/50 tenure split.

Reverse quota – Zone 2– 40% affordable (50% social rent at 60% discount to market value & 50% discount sale at 30% discount to market value)

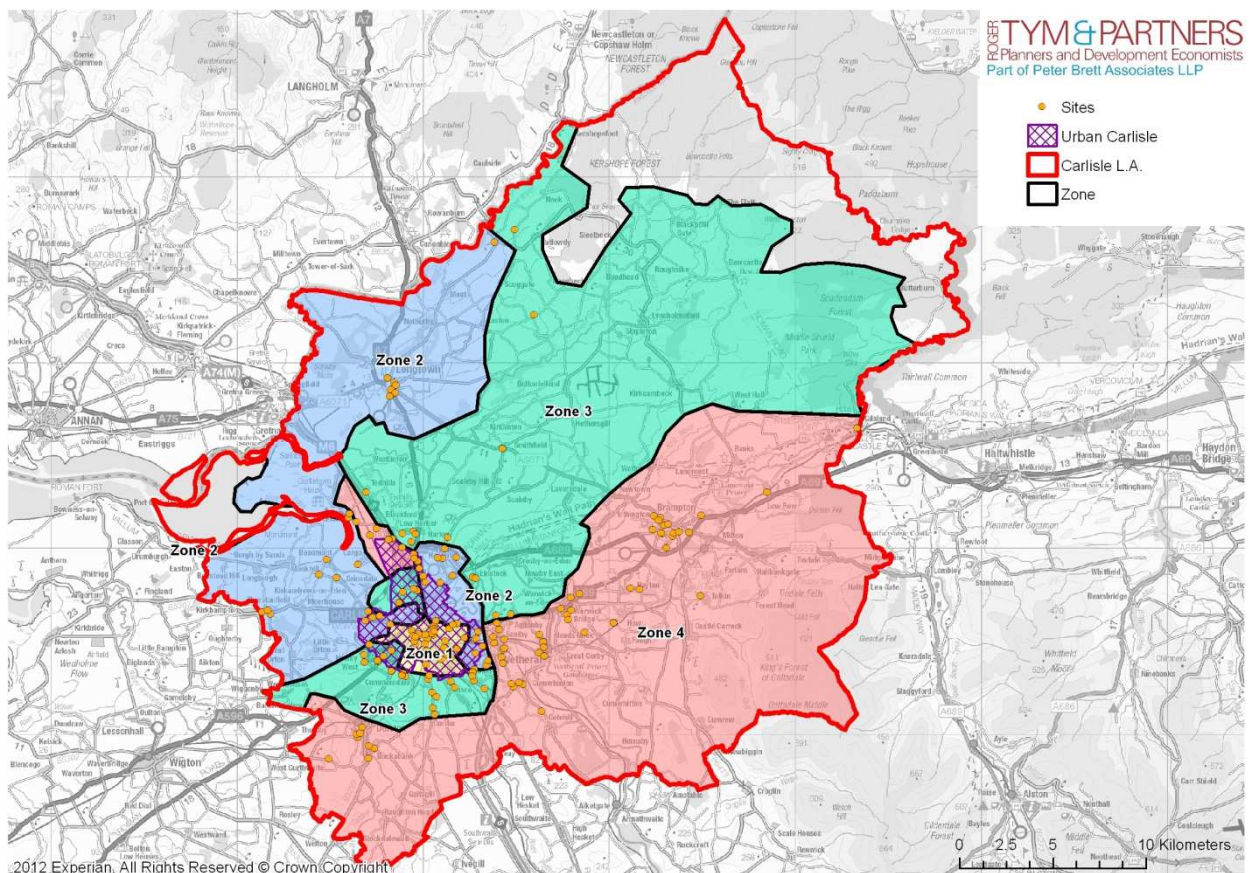
Site ID	Name	LAND TYPE	Value Zone	Non rural	Net Area ha	Density	Yield	Value per ha	Viable
64	Land at Houghton Road	Greenfield	2		0.61	36	22	£466,000	Yes
156	Land at Lonning Foot	Greenfield	2		0.28	36	10	£466,000	Yes
109	Land/Property at Burgh Road,	Greenfield	2	Non rural	1.83	36	66	£448,000	Yes
150	Opp Deer Park	Developed Land	2		2.92	36	105	£278,000	No
81	Former Lochinvar School	Developed Land	2		3.78	36	136	£266,000	No
34	Land Adj Borders Business Park	Greenfield	2		4.67	36	168	£177,000	No
189	Land at Beverley Rise	Greenfield	2	Non rural	8.31	36	299	£125,000	No
190	Land Opp Rosehill Industrial Estate	Greenfield	2	Non rural	4.42	36	159	£180,000	No

Source: PBA

6 CONCLUSION AND RECOMMENDATION

- 6.1 House prices across the Cumbria area are much lower than the average for England & Wales, and the North West Region. House prices across Cumbria peaked in 2007, similar to the rest of the England (& Wales) and the North West region. Whereas on average in England & Wales house prices experienced a peak to trough (in 2009) of 16.5% the fall in prices has not been so severe across Cumbria. However, house prices have risen across the UK since 2009 whereas house prices across Cumbria have not; although both sets of prices are now currently around 12 per cent of their 2007 peaks.
- 6.2 The range in house prices across the Carlisle District is quite narrow for example a detached new build property varies between £170,000 to £250,000 and a three bed semi-detached between £150,000 to £200,000. The higher values in the District are found in the outlying areas and lower value areas within the city. Particular high value areas are to the east, such as Brampton and Wetheral, whilst many of the inner city areas (for example, Longsowerby and Currock) are particularly low value. The low values areas have been represented in the analysis as sites falling within Zones 1 and Zones 2, with the higher value areas falling with Zones 3 and 4 – see Figure 6.1 below:

Figure 6.1 Value zone map with all SHLAA site allocated



Source: PBA

- 6.3 A key characteristic of the sites in the higher value areas of Zone 3 and Zone 4 are that they are mainly greenfield, as opposed to the mainly brownfield sites in Zone 1.
- 6.4 Cross reference analysis of the value zones against the SHLAA sites (shown in Table 6.1 below and represented through the map in Figure 6.1) indicates that the sites within the higher value zones (Zone 3 and Zone 4) represent the vast majority (60 percent) of the number of sites within the SHLAA and the vast majority of units (70 percent) to be developed. Therefore, to ensure delivery of affordable housing across the District, it is necessary that an appropriate affordable housing threshold maintains viability in these areas.

Table 6.1 Analysis of SHLAA sites against value zones

Zone reference	Number of sites		Number of potential units (yield)	
	Actual No.	Expressed as a %	Actual No.	Expressed as a %
Zone 1	34	17	1,411	7
Zone 2	46	23	4,925	23
Zone 3	49	25	9,610	45
Zone 4	70	35	5,576	26
Totals	199		21,522	

Source: PBA

Lack of Land Value Transactions, but Prices Appear to be Falling

- 6.5 Due to the uncertainty in the housing market there is a lack of transactional evidence for land across the District. However, analysis of market data suggests that residential land values have fallen, particularly in the urban areas where values are now at similar levels of employment land as there is little scope for these to fall further. However, out-with the urban areas where residential sale values are higher the picture is less clear.

Delivery of Affordable Housing Across Carlisle District

- 6.6 As a result of falling land values in the urban areas combined with the Council's flexible approach of policy implementation housing delivery with affordable housing is being achieved in the Carlisle District.
- 6.7 Our viability assessment indicates once the affordable housing policy is applied on the current basis of 22.5 percent affordable housing (33% social rent at 60 percent discount to market value & 67% discount sale at 30 percent discount to market value) there is little surplus viability to fund additional Section 106 Obligations in the urban areas. This would suggest that current affordable housing policy in these areas is the maximum development can support and if the Council should seek additional Section 106 Obligations through a different form they may have to be flexible on the level of affordable housing sought.
- 6.8 The higher values can support higher Section 106 Obligations and affordable housing. The upper limit in these areas is 30 percent affordable housing (50% social rent at 60 percent discount to market value & 50% discount sale at 30 percent discount to market value) and Section 106 at £4,500 per unit.

Commuted sum payment (off-site affordable housing provision)

- 6.9 The Council sometimes seeks commuted sums for affordable housing in-lieu of on-site provision. Calculating the opportunity cost of not providing affordable housing against on-site provision has indicated that there is scope to achieve a commuted sum contribution in the higher value areas (Zone 3 & Zone 4) of around £29,000 per unit (exclusive of other Section 106 Obligations). However, the lower value areas (Zone 1 & Zone 2) cannot support as high commuted sum payment with; £15,000 per unit a more reasonable level. Although we acknowledge that some sites in the lower value areas, which have abnormal development costs, may not be able to support this amount.

Rural exception sites

- 6.10 The NPPF encourages that a proportion of market housing can be used on rural exception sites to pump prime the development of affordable housing i.e. the market housing cross-subsidies the affordable units. In our experience rural exception sites land values are typically lower at around £10,000 to £15,000 per plot. Applying £15,000 per plot to the higher value areas of Zone 3 and Zone 4 indicates that sites here can deliver 60 percent affordable housing (50% social rent at 60 percent discount to market value & 50% discount sale at 30 percent discount to market value). However, there is scope to increase this percentage if the tenure split was adjusted in favour of the discount for sale units.
- 6.11 In the lower value area of Zone 2 (Zone 1 was discounted from the analysis as it is an urban area) a lower percentage of 40 percent affordable housing (50% social rent at 60 percent discount to market value & 50% discount sale at 30 percent discount to market value) is achievable despite using the lower plot value of £10,000.

Recommendation

- 6.12 To maximise affordable housing delivery the Council should seek to continue the implementation of 30 percent affordable housing, however, seek a higher percentage of social rented units in the higher value areas i.e. out-with the urban areas. This could deliver the following units:
- Zone 3 and Zone 4 -:30 percent affordable housing across all sites with 50% social rent at 60 percent discount to market value & 50% discount sale at 30 percent discount to market value. This could potentially deliver 2,300 units of each tenure based upon the SHLAA allocations. In addition these sites as a maximum could support £4,500 per unit of Section 106 Obligations.
 - Zone 1 and Zone 2 – predominantly comprise sites in the urban areas, and can generally deliver the policy as it currently stands. Therefore, 22.5 percent affordable housing with 33% social rent at 60 percent discount to market value & 67% discount sale at 30 percent discount to market value. As a result this could potentially deliver a total of 1,425 units based upon SHLAA allocations, of which 470 would be social rent and 955 discounted sale. There is little scope in this scenario to support additional Section 106 Obligations.
- 6.13 Based upon the above approach for the four zones the Council could potentially achieve 2,770 social rent units and 3,255 discount sale.

-
- 6.14 If the Council wishes to seek commuted sums instead of on-site affordable housing provision we advise a maximum rate of £29,000 per unit in Zone 3 and Zone 4 and a lower maximum rate of £15,000 per unit in Zone 1 and Zone 2. Although, please note sites with abnormal costs in the lower value zones are unlikely to be able to deliver this lower level sum.
- 6.15 Similar to the above approaches we would recommend that there is scope for differential rates for a rural exception policy based upon the higher and lower value areas. A rural exception policy of 60 percent affordable housing (50% social rent at 60 percent discount to market value & 50% discount sale at 30 percent discount to market value) is achievable for Zone 3 and Zone 4. In Zone 2, with its lower value, we would recommend 40 percent affordable housing (50% social rent at 60 percent discount to market value & 50% discount sale at 30 percent discount to market value).

APPENDIX 1

Analysis of SHLAA

	SHLAA Mix	Target 50 Sample	Actual No.
Town			
Gilsland	0.83%	0.42	1
Wetheral	4.17%	2.08	2
Cumwhinton	3.33%	1.67	2
Warwick Bridge	0.83%	0.42	1
Brampton	7.50%	3.75	4
Longtown	5.83%	2.92	3
Dalston	2.50%	1.25	2
Cummersdale	2.50%	1.25	1
Brunstock	0.83%	0.42	1
Linstock	2.50%	1.25	2
Harker	0.83%	0.42	1
Houghton	2.50%	1.25	2
Scotby	5.00%	2.50	3
Carlisle	57.50%	28.75	22
Smithfield	0.83%	0.42	1
Newby West	0.83%	0.42	1
Rockcliffe	1.67%	0.83	1
	100.00%	50	50
Land type			
Greenfield	67.50%	33.75	33
Previously Developed Land	31.67%	15.83	16
Mixed	0.83%	0.42	1
	100.00%	50	50
Current land use			
A3, B1, B8. Carlisle			
Glass	3.33%	1.67	1
Agricultural	10.83%	5.42	3
Agricultural grassland	4.17%	2.08	2
Agricultural grazing land	7.50%	3.75	3
Agriculture	21.67%	10.83	12
B2: Crown Speciality			
Packaging	0.83%	0.42	0
domestic curtilage	0.83%	0.42	0
car park	0.83%	0.42	0
APV Mitchell Dryers	2.50%	1.25	2
Cleared and vacant	0.83%	0.42	1
Dairy Farmers of Britain depot	0.83%	0.42	0
Derelict, vacant former goods storage depot	0.83%	0.42	0
Employment	0.83%	0.42	1
Grazing Land	7.50%	3.75	4
Grass Letting	0.83%	0.42	1
Garden and grounds	1.67%	0.83	1
Golf driving range	0.83%	0.42	0
Part occupied and vacant commercial	0.83%	0.42	1
Paddock	2.50%	1.25	1
Open Space	3.33%	1.67	2
Redundant building	1.67%	0.83	2
Public building	10.00%	5.00	3
Scrub land	3.33%	1.67	4
Waste Land	0.83%	0.42	0
Previously functional floodplain	0.83%	0.42	0
Vacant land	10.00%	5.00	6
	100.00%	50	50

	SHLAA Mix	Target 50 Sample	Actual No.
Ownership			
City	4.17%	2.08	1
County	10.83%	5.42	5
County/ City			
Council	0.83%	0.42	0
Private	80.83%	40.42	42
Mixed	3.33%	1.67	2
	100.00%	50.00	50
Priority			
1	28.33%	14.17	17
2	14.17%	7.08	7
3	57.50%	28.75	26
	100.00%	50.00	50
Site Area			
0 - 0.25ha	9.17%	4.58	4
0.251ha - 0.5ha	8.33%	4.17	5
0.51ha - 1ha	16.67%	8.33	7
1ha - 5ha	38.33%	19.17	24
5ha plus	27.50%	13.75	10
	100.00%	50.00	50
Flood risk			
Score			
0	6.67%	3.33	5
1	1.67%	0.83	2
2	5.00%	2.50	0
3	1.67%	0.83	0
4	0.83%	0.42	0
5	84.17%	42.08	43
	100.00%	50.00	50
Density			
36	91.67%	45.83	45
45	2.50%	1.25	2
50	4.17%	2.08	2
70	1.67%	0.83	1
	100.00%	50.00	50
Semi Detached Values			
£216,389 CA1 1	8.33%	4.17	2
£127,915 CA1 2	6.67%	3.33	3
£108,814 CA1 3	7.50%	3.75	1
£96,403 CA2 4	4.17%	2.08	3
£126,072 CA2 5	8.33%	4.17	5
£112,892 CA2 6	10.83%	5.42	5
£117,478 CA2 7	1.67%	0.83	1
£148,936 CA3 0	6.67%	3.33	3
£148,936 CA3 9	5.00%	2.50	3
£172,023 CA4 0	0.00%	0.00	0
£177,655 CA4 8	13.33%	6.67	8
£91,972 CA5 7	2.50%	1.25	2
£151,322 CA6 4	10.00%	5.00	5
£122,231 CA6 5	5.83%	2.92	3
£0 CA6 6	0.83%	0.42	1
£133,968 CA8 1	6.67%	3.33	3
£144,938 CA8 2	0.83%	0.42	1
£136,400 CA8 7	0.83%	0.42	1
£169,194 CA8 9	0.00%	0.00	0
	100%	50.00	50

APPENDIX 2

Sample of 50 Sites Tested for Viability

Site ID	Site Ref No.	SITE AREA HA	SITE REFERENCE NAME	STREET NAME	TOWN	DISTRICT	POSTCODE	LAND TYPE	CURRENT LAND USE	CHARACTER OF SURROUNDING AREA
2	93	0.28	Land/Property at The Bridge Inn		Gilsland	Carlisle	CA8 7	Mixed	Redundant building	Gilsland lies within a Landscape of County Importance. The Irthing valley is an historic landscape associated with Hadrian's Wall. The River is both a SSSI and a SAC. The western end of Gilsland is contained between the river and the minor road leading to the A69. The character part of the village is fairly nondescript.
7	114	2.88	Land Adj Playing Fields		Wetheral	Carlisle	CA4 8	Greenfield	Agriculture	This site relates well to the existing settlement and trees to the S provide screening. This site currently has residential properties surrounding three sides, if SHLAA site LSC WE 01 were to be developed for housing, this site would be sandwiched with housing on 3 sides and commure to the remaining S side. The site abuts Wetheral Conservation Area to the N where there are a number of listed buildings, however there is al more recent residential development in the E (late 20thC).
8	113	0.61	Land Adj Wheatshaf Gardens		Wetheral	Carlisle	CA4 8	Greenfield	Vacant land	This area is on the edge of the settlement, and abuts the settlement boundary for Wetheral to the N and W. There are a number of properties various architectural style and age including an old school building and a modern residential development.
9	90	1.38	Land East of Peter Gate		Cumwhinton	Carlisle	CA4 8	Greenfield	Agriculture	this site lies on the southern edge of Cumwhinton, which is essentially a linear village with two residential spurs along Cumwhinton Road, tow Carlisle, and Peter Gate. The site is open on two and a half sides to agricultural land. Cumwhinton is a large village stretching from the Carlisle/Settle CA in the east to properties on Cumwhinton Road west of the Lowther Arms. The centre of the village comprises mainly traditi buildings, but the last two decades have seen significant residential estate extensions at Holme Meadow, Holme Farm Court and Townhead (comprising mainly large detached houses. Peter Gate is the only route to the village primary school, and as such is extremely busy at peak t
12	87	0.24	Newlands Farm		Cumwhinton	Carlisle	CA4 8	Greenfield	Agriculture	Cumwhinton is a large village stretching from the Carlisle/Settle CA in the east to this site in the west. The centre of the village comprises m traditional buildings, but the last two decades have seen significant residential estate extensions at Holme Meadow, Holme Farm Court and Townhead Court, comprising mainly large detached houses. To the west of the site, agricultural land stretches to the M6.
14	112	2.19	Corby Hill Road	Corby Hill	Warwick Bridge	Carlisle	CA4 8	Greenfield	Agriculture	This site lies on the N edge of the settlement and abuts the settlement boundary. It is well connected to the existing settlement as it could be accessible via both Little Corby Road and Hurley Road. This area is designated as open countryside and has a very rural feel. There is an ab transition from the rural area to the built up residential area at the edge of the village. A small part of this site has been identified by the Envir Agency as being part of Flood Zone 3.
24	68	6.22	Land North of Old Church Lane	(Adj 'Red Barn')	Brampton	Carlisle	CA8 2	Greenfield	Agriculture	the character is transitional - WH school gives way to Kirby Moor and its playing fields, followed by the proposed site. Beyond the site bound the north lies Oakwood Garden centre, opposite which is a hotel, so whilst this site is open countryside, there is some limited established development beyond it.
27	71	1.22	The Irthing Centre	Union Lane	Brampton	Carlisle	CA8 1	Developed Land	Public building	whilst the surrounding area is predominantly residential, a range of density and style is evident, from the more recent development at Irthing l older properties within the conservation area to the south of the site. The topography of the area falls from N to S.
29	73	0.77	Land Adj Gelt Rise	Gelt Road	Brampton	Carlisle	CA8 1	Greenfield	Agriculture	High density older style residential properties to the N and W. Agricultural land to the E and S and recreational land to the SW, with trees an hedges delineating boundaries. Topography of the area gently rises from north to south.
80	75	1.15	Land at The Grange	Craw Hall	Brampton	Carlisle	CA8 1	Greenfield	Garden and grounds	low density attractive housing within the conservation area, along Craw Hall and Paving Brow, giving way to open countryside to the east.
81	77	5.04	Former Lochinvar School	Mary Street	Longtown	Carlisle	CA6 5	Developed Land	Vacant land	a mix of complementary uses bounded by two quiet residential areas. Open aspect to north of site.
39	91	5.23	Land at Townhead Road		Dalston	Carlisle	CA5 7	Greenfield	Agriculture	the site is largely open on three sides to agricultural land. However, established residential development lies to the north and north west. Da a large village with a wide range of services including a primary and secondary school, and a range of employment sites. The village is cent around a square, bordered by shops and the church. A large conservation area encompasses the village, which has many fine older style pr although there are newer housing estates to the north and west. The River Caldew runs south to north through the village, and is both a SSS SAC.
40	92	0.55	Townhead Road		Dalston	Carlisle	CA5 7	Greenfield	Grazing Land	this site lies on the western fringe of Dalston, which is largely characterised by detached houses on the north and south sides of Townhead R a high density housing area to the south. This part of the village lies outside the conservation area boundary.
43	86	0.42	3 Sites at Cummersdale		Cummersdale	Carlisle	CA2 6	Greenfield	Agricultural	Cummersdale is a compact settlement with fairly tight knit development mainly clustered around The Square. It has a good level of local ser including a primary school, hall, church and a pub. The main road through the village also serves the Stead McAlpin textile factory which lie approximately half a mile to the east beside the River Caldew.
55	156	0.75	Adj Croft House		Brunstock	Carlisle	CA6 4	Greenfield	Agricultural	the area is dominated by the very busy A69, which carries a significant amount of heavy traffic. The site is set within open countryside with n mature hedges and tree belts. There are a small number of houses along the northern side of the A69 immediately east of this site.
56	154	3.24	South Ellengrove		Linstock	Carlisle	CA6 4	Greenfield	Agricultural grassland	Linstock is a small rural village approx 2 miles from Carlisle. The buildings are a mix of traditional and more modern housing development a central green. The River Eden lies to the SE & the M6 to the SW.
58	153	1.26	North Stile Farm		Linstock	Carlisle	CA6 4	Greenfield	Agricultural grazing land	Linstock is a small rural village approx 2 miles from Carlisle. The buildings are a mix of traditional and more modern housing development a central green. The River Eden lies to the SE & the M6 to the SW.
59	158	1.29	Former Harker Garden Centre		Harker	Carlisle	CA6 4	Developed Land	Redundant building	open countryside, large agricultural fields, flat topography and a number of mature hedgerow trees. Quiet rural area. No local services.
65	97	28.6	Hadrians Camp	Houghton Road	Houghton	Carlisle	CA3 0	Developed Land	Public building	This land forms a gap site between residential properties to the N and S that front the main road (Houghton Road). Land along this, the E sid Houghton Road, has a number of residential properties with agricultural land to the W creating an open countryside feel.
64	96	4.16	Land at Houghton Road		Houghton	Carlisle	CA3 0	Greenfield	Agriculture	This site is outside, however abuts the N of the settlement boundary for Houghton. Use of this site as residential land would be in keeping wit surrounding land uses. The existing settlement boundary extends further along the E side of Houghton Road than the W and so there may b capacity for the boundary to be extended for new development within the S of this site to extend the village in parallel with existing properties side of Houghton Road.
97	104	0.65	Land at Park Road		Scotby	Carlisle	CA4 8	Greenfield	Paddock	This area has a rural feel as in addition to agricultural land to the W, there is a green playing field for the school to the N and a mature trees i bushes to the S. Properties around this site are of varying architectural style and age.
72	102	1.51	Site Off Broomfallen Road		Scotby	Carlisle	CA4 8	Greenfield	Agriculture	This area is on the edge of the settlement within an agricultural landscape as it is covered by
70	100	1.26	Land behind Scotby Road		Scotby	Carlisle	CA4 8	Greenfield	Scrub-land	this is a residential area lying along the main route through the north of the village. It is outside the settlement boundary. There is a mix of bungalows and houses of varying style and age. Similar backland development has occurred to the north of this site (Holme Close).
										Surrounding Land Uses: Land use in the W and direct S is agricultural. There are residential properties to the N and E and also beyond agric land to the S.
										Site Boundaries: Boundaries are delineated by mature hedges and trees to the N, S and W, with a mixture of fencing and hedges where this I abuts residential properties in the E.

Site ID	Site Ref No.	SITE AREA HA	SITE REFERENCE NAME	STREET NAME	TOWN	DISTRICT	POSTCODE	LAND TYPE	CURRENT LAND USE	CHARACTER OF SURROUNDING AREA
86	107	2.58	Land Adj Fir Ends School		Smithfield	Carlisle	CA6 6	Greenfield	Grass Letting	This greenfield site is outside the settlement boundary for Smithfield. It is at the edge of the settlement. This site forms part of the open countryside to the E of the settlement. It is well screened from adjacent school premises by a mature hedge however this acts as a visual boundary to the settlement and cuts off this site from the rest of the village. Surrounding Land Uses: Land to the W is used for agricultural purposes and also community uses with Fir Ends School and associated playing fields. Land to the N beyond Skitby Road and land to the E is agricultural. Additionally there are a number of residential properties delineating the S boundary. Site Boundaries: Trees and hedges delineate the boundary of this site on three sites, with a mixture of fences and hedges where this site abuts residential properties.
108	7	3.15	Land/Property adj Garden Village		Newby West	Carlisle	CA2 6	Greenfield	Agriculture	This is agricultural land that lies on the edge of the urban area with progression to open countryside to the E, S and W.
156	99	0.28	Land at Lonning Foot		Rockcliffe	Carlisle	CA6 4	Greenfield	Agriculture	This land is to the N of the village, adjacent to existing residential properties to the S and W that are of varying architectural style and age including bungalows, semi-detached and detached dwellings. This site is flat land that extends into open countryside to the N and E.
102	1	1.03	Mitchell Dryers	Denton Holme	Carlisle	Carlisle	CA2 5	Developed Land	APV Mitchell Dryers	this part of Denton Holme has a tight knit urban form comprising terraces of high density housing, with no rear gardens or off street parking. The areas of housing are interspersed with older style employment sites including former mill buildings.
110	9	0.14	1-5 & 15-19 Portland Square, 2-4 & 1-5 Alfred Street North	Brunswick Street	Carlisle	Carlisle	CA1 1	Developed Land	Public building	late Victorian square with large three storey town houses converted into offices. High quality architecture reflected in designation as CA. Dominated by on street car parking.
167	31	2.43	Site at Dalston Road/Stanhope Road		Carlisle	Carlisle	CA2 5	Developed Land	Vacant land	a close knit urban form of mainly terraced and semi-detached houses. Dalston Road is a busy primary route into Carlisle.
105	4	0.67	Land/Property between Denton Street/Collingwood Street and Blencowe Street		Carlisle	Carlisle	CA2 5	Developed Land	APV Mitchell Dryers	this part of Denton Holme has a tight knit urban form comprising terraces of high density housing, with no rear gardens or off street parking. The areas of housing are interspersed with older style employment sites including former mill buildings.
186	56	0.53	Cecil Street Car Park	Botchergate	Carlisle	Carlisle	CA1 1	Developed Land	car park	there is a diverse range of uses in the surrounding area which largely suffers from an air of neglect. Properties to the north of the site are generally in a better condition, and the quality of the area improves within the CA, the boundary of which is adjacent to the northern boundary of the site.
133	53	3.96	Land at Greymoorhill	Kingstown	Carlisle	Carlisle	CA3 0	Greenfield	Grazing Land	rural with urban fringe overtones, due to noise and visual impact of M6, and views from the site into Kingstown Industrial Estate.
117	10	5.54	Land at York Gardens	Upperby	Carlisle	Carlisle	CA2 4	Developed Land	Open Space	This area is predominately residential with various housing styles and ages. Current use of this field is public open space and it provides access to the public footpath that delineates the NE boundary of the site. Land across the site is flat.
119	12	1.68	Former Morton Park Primary Schoo	Burnrigg	Carlisle	Carlisle	CA2 6	Previously Developed Land	Vacant land	mainly low density, semi-detached 1960s type ex council housing.
189	59	17.33	Land at Beverley Rise	Harraby	Carlisle	Carlisle	CA1 3	Greenfield	Agricultural grassland	high density area of former council housing giving way to newer housing development at Carlton Grange.
190	60	10.5	Land Opp Rosehill Industrial Estate	Durranihill Road	Carlisle	Carlisle	CA1 2	Greenfield	Agricultural grazing land	the character is mixed; the M6 forms an abrupt physical and visual boundary to the site, beyond which are overhead power lines. Rosehill Business Park is visible to the north west, whilst the character becomes quiet, low density landscaped residential to the west.
147	178	1.18	Hilltop Heights	off London Road	Carlisle	Carlisle	CA1 2	Developed Land	Scrub-land	
103	2	0.45	Riverside Way,	Greystone Road	Carlisle	Carlisle	CA1 2	Greenfield	Open Space	this is a quiet residential area giving way to open parkland to the south and east across the River Petteril. Further north is a busy primary route into Carlisle (Warwick Road), with higher density residential terraces on either side.
109	8	4.05	Land/Property at Burgh Road,		Carlisle	Carlisle	CA2 7	Greenfield	Grazing Land	The surrounding residential area includes a modern residential development constructed post 2007. Adjacent to this site to the E is Burgh Road Industrial Estate which comprises a mixture of industrial warehouses and factories. To the N, agricultural land is designated as part of Hadrian's Wall World Heritage Site.
138	172	1.03	Land adj Etterby Road		Carlisle	Carlisle	CA3 9	Greenfield	Scrub-land	whilst this site lies within the urban area boundary, it has a semi/rural village character, with typical urban fringe elements such as views of the scrap yard and railway sidings to the NW.
150	181	3.9	Opp Deer Park	Kingmoor Road	Carlisle	Carlisle	CA3 9	Developed Land	Vacant land	
651	185	38.19	Land East & West of Wigton Road Plus Land South West of Morton (Phase 2)		Carlisle	Carlisle	CA2 6	Greenfield	Agricultural	
174	35	1.9	Land at Garden Village		Carlisle	Carlisle	CA2 6	Greenfield	Vacant land	This is flat, agricultural land that lies on the edge of the urban area with progression to open countryside to the E, S and W.
170	33	0.44	Land Bounded By:	Botchergate/Crown St/Robert St/Currock Rd	Carlisle	Carlisle	CA2 5AJ	Developed Land	A3, B1, B8, Carlisle Glass. Pub. Car sales and garage. Cleared site.	the character is mixed with a number of older buildings in a variety of uses, and newer buildings retailing furniture, carpets etc. There are also a number of vacant and derelict sites, and sites in temporary uses.
34	80	7.79	Land Adj Borders Business Park		Longtown	Carlisle	CA6 5	Greenfield	Agriculture	mainly agricultural. The A7 and A6071 are busy roads carrying a significant volume of traffic, including heavy lorries. Moving north from the site the character changes with the presence of the industrial estate, although many of the plots remain vacant.
173	34	11.09	Land adj Hammonds Pond and	Durdar Road/Blackwell Road	Carlisle	Carlisle	CA2 4	Greenfield	Agricultural grazing land	the transition from urban to rural is graduated from the edge of Upperby Park to the open fields beyond. There are many mature oak trees and hedges within the site. The ground rises to the south, affording views over this part of Carlisle.
176	38	2.28	Land at Beaumont Road		Carlisle	Carlisle	CA2 4	Greenfield	Grazing Land	This is a greenfield site that is designated Urban Fringe Landscape. It is currently used to graze horses and has a stable block on it. This land slopes relatively steeply from E to W. The surrounding residential area is of mature age and is made up of semi-detached properties. Each street is stepped down from the one before due to the topography of this area. Flat agricultural land to the W provides valuable open views of the countryside which abuts the urban area of Carlisle.
121	14	2.73	Former Belah School	Eden Street	Carlisle	Carlisle	CA3 9JZ	Developed Land	Vacant land	quiet area of low density residential development just West of busy primary route into City Centre, (Kingstown Road).
146	177	0.64	Former Penguin Factory	Westmorland Street	Carlisle	Carlisle	CA2 5	Developed Land	Cleared and vacant	
183	67	1.99	Land at London Road		Carlisle	Carlisle	CA1 2NF	Developed Land	Derelict, vacant former goods storage depot	this area is dominated by railway tracks and associated infrastructure. However, this quickly gives way to the north to residential areas, whilst to the south there is a more mixed use pattern of development. To the W of the site is London Road, a busy primary route into Carlisle. The site lies within the Carlisle/Settle CA.

APPENDIX 3

Analysis of Section 106 Obligations Agreed

PP No	Date Signed	Parties	Address	Development Proposal	S106 Obligation Overview	S.106 Obligations Cost per unit
Period 2010-2011						
09/0245	08/07/2010	Lancaster Roman Catholic Diocesan Trustees	Land at St Augustines Church, Waverley Gardens Carlisle - Ward - Stanwix Urban	Proposed Residential - 16 units Development	Affordable Housing: 5 - Discounted (70% open market value) Public Open Space: In lieu of on site provision - £38,902 payable within 4 weeks of commencement to be used to provide and maintain public open space within the vicinity of the site (to be spent within 10 years)	£2,430
07/1312	18/08/2010	Senator Homes (now known as Persimmon Homes)	Former Penguin Factory, Washmorland St, Carlisle Ward - Denton Holme	Proposed Residential Development - 58 units	Affordable Housing: 17% Affordable Open Space: In lieu of on site provision (no Play Area) - £84,076 payable prior to occupation of 35th dwelling (to be spent within 5 years). Cumbria County Council: £29,920 payable prior to occupation of the 35th dwelling for: - improving pedestrian connectivity - cycleway signage - Traffic Regulation Order	£1,965
10/0346	01/10/2010	Story Construction Ltd	Former Depot and Dandywark, Station Rd, Brampton Parish - Brampton	Proposed Residential Development - 42 units	Affordable Housing: 10 - Discounted (70% open market value) Qualifying Persons: Brampton Parish then Rural East Open Space: £14,204 - on-site maintenance (10 yrs) £61,181 - off-site provision £4,230 - 10 yrs maintenance £9,025 - 3 yrs maintenance King George V playing field	£2,110
10/0425	15/11/2010	Two Castles Housing Association Ltd	Land adj Gelt Rise, Brampton Parish - Brampton	Erection of 17 Dwellings	Affordable Housing: 17 - Social Rent Qualifying Persons: Brampton Parish then neighbouring. Play Area: £16,351 payable within 14 days of commencement for the provision and maintenance of a play area (to be spent within 10 years)	£961
08/1254	15/12/2010	Lattimer Homes and County Council	Ben Hodgson, Dalston Parish - Dalston	Removal of existing garage. Erection of Convenience Store and 3 residential units.	Cumbria County Council: £13,585 payable within 14 days of commencement for: - Pedestrian refuge on Townhead Rd - Bus Infrastructure improvements	£4,528
10/0818	24/12/2010	Riverside Group Ltd	Seatoller Close, Morton, Carlisle Ward - Morton	Erection of 23 dwellings	Affordable Housing: 7 - Shared Ownership 16 - Social Rent Open Space: £14,481.56 to be paid within 14 days of commencement for the enhancement of off-site open space in Morton Ward (to be spent within 5 years)	£829
10/0229	21/01/2011	Carlisle Estates Co Ltd	Land at Orfeur Street, Carlisle Ward - Castle	Demolition car storage buildings & No 2 Orfeur St & erection Of 6No. Terraced dwellings.	Cumbria County Council: £3,795 within 14 days of commencement for: - Traffic Regulation Order - Removal of double yellow lines	£632
10/0508	31/03/2011	Riverside Group Ltd	Land between Station Road and track to Kingsmoor Depot, Etterby Rd, Carlisle Ward - Belah	30 Affordable Homes	Affordable Housing: 30 Social Rented Dwellings or Shared Ownership to be disposed of to qualifying persons in line with the Lettings and Disposal Policy Open Space: £43,790 to be paid within 14 days of commencement for provision of maintenance and enhancement of public open space in the District. (To be spent within 5 years of commencement).	£1,459
Period 2011-2012						
10/0818	05/07/2011	Riverside Group	Seatoller, Morton Ward - Morton	Erection Of 23 Dwellings To Be Made Affordable By Means Of Social Rent And Shared Ownership	Affordable Housing: 16 - Social Rent 7 - Shared Ownership up to 80% unless bought under the Right to Buy Scheme or Homebuy Scheme with allows for 100% Open Space: £14,481.56 payable within 14 days of commencement towards the provision of off-site Open Space provision in the Morton Ward (to be spent within 5 years of commencement)	£845
10/0164	19/10/2011	Top Notch Contractors Ltd and Cumbria County Council	Former Prince of Wales Public House & Conversion of 102 Denton Street Ward - Denton Holme	Redevelopment to create 16 Apartments and 1 Commercial Unit	Outdoor Sports Facilities: £3,538 payable within 14 days of commencement towards the improvement of outdoor sports facilities within the District. Cumbria County Council: £1,509 for TR0 contribution	£315
10/0792	20/10/2011	Persimmon Homes Limited	Land adj Alexandra Drive, Durrantill, Carlisle Ward - Wetheral	Erection of 49 dwellings with access from Durrantill Road.	Affordable Housing: 5 - Social Rent 5 - Discounted (70% OMV). Open Space: £88,248 Open Space Contribution payable prior to the occupation of the 35 th Unit (index linked) for existing improvement of off-site play and open space in the District (to be spent with 5 years of payment - was 10 amended via deed of variation) £47,873.40 Open Space Maintenance Contribution payable prior to the occupation of the 35 th Unit (index linked) towards the cost of maintaining the sites improved with the Open Space Contribution (to be spent within 5 years of payment - was 10 years of completion of the development but amended via deed of variation) Highways: £13,500 Highways Contribution payable prior to the occupation of the 35 th dwelling towards the provision of a new footpath on the southern side of Durrantill Road leading from the site towards Rosehill Industrial Estate (to be spent within 5 years of payment - deed of variation).	£1,253
11/0818	27/03/2012	Hearthstone Homes Ltd	The Shelling and Meadow View, School Road, Cumwhinton Parish - Wetheral	Erection Of 8no. Dwellings For Affordable Rent With Associated Parking And Landscaping Comprising: 4No. 2 Bed Bungalows And 4No. 3 Bed Houses Together With New Access Road	Affordable Housing: 8 Affordable Dwellings to be offered at Affordable Rent to persons at least of one whom is an Approved Person in respect of the village of Cumwhinton Play Area: £3,000 payable within 28 days of the Deed (to be transferred to the Parish Council towards the provision of a Play Area - within 5 years of payment) Transport Contribution (School Transport): £14,082 payable within 28 days of the granting of the First Tenancy (to be transferred to the County Council within 28 days of receipt towards the provision of School Transportation within 5 years of receipt)	£2,135