

**COMMUNITY INFRASTRUCTURE LEVY – RESPONSE TO ADDITIONAL DOCUMENT NO1 ITS  
APPENDICES 1 AND 2 ALSO ADDITIONAL DOCUMENTS NO 3 and NO 8**

1.1 I welcome the acceptance by SSDC that the 800 home appraisal submitted as evidence was erroneous regarding Marketing and Letting costs. I've given consideration to range of additional documents and make the following comments.

1.2 In their post hearing report (AD1) SSDC indicate that their appraisal should have some relationship with the Yeovil SUE's in Local Plan Policy YV2 and have now related it to the gross land requirement of 42.25Ha and adjusted costs to reflect this. I'm unclear why 42.25 Ha has been used, as this figure is the gross development figure rather than net. The Yeovil UE's include several Ha of land earmarked for business employment land, care home, retail, health centre, etc. I don't see the rationale that the acquisition costs for these land uses should be included in a residential appraisal or why it is gross not net.

1.3 While SSDC have reviewed and revised costs they failed to review and revise figures relating to income generation (sales value).

1.4 At the hearing I challenged the evidence supporting the figures that drive sales valuation, particularly the average dwelling size used in the appraisal, along with the average selling price. I considered these were too low and therefore understated the gross development value. I supported the position that Mr Burrow's put forward in his evidence that the appraisal should have reflected a higher square metre private housing selling of £2,400m<sup>2</sup> rather than the £2,296.38 used by the council.

1.5 Post the hearing on the 10<sup>th</sup> August SSDC published the likely affordable housing mix for the Keyford SUE in their supporting document to the Keyford planning application (15/01000/OUT). Indicative private and affordable housing mix was also provided by SSDC to the East Coker Parish Council. I've assessed the likely Keyford mix of housing provided by SSDC to see if it broadly matched the generic housing mix figures referred to in the appraisal reports for the Yeovil UE appraisals. The detailed calculation is at Appendix 1 and summarised in Tables 1 and 2. When private and affordable dwellings are blended the calculation shows a significant variance in percentage housing mix compared to that used to inform the appraisal. Table 1 shows the indicative Keyford SUE housing mix and Table 2 shows an indicative generic 800 home mix which matches the figures used to inform the pre and post hearing appraisals.

Table 1

| <b>1 Bed</b> | <b>2 Bed</b> | <b>3 Bed</b> | <b>4 Bed</b> | <b>5 Bed</b> |
|--------------|--------------|--------------|--------------|--------------|
| 82           | 227          | 241          | 204          | 46           |
| 10%          | 28%          | 30%          | 26%          | 6%           |

Total square metres: 73,721 sqm. Average per dwelling 92.15 sqm (based on SSDC indicative housing mix for Keyford SUE). Detailed calculations in Appendix 1.

Table 2

| 1 Bed | 2 Bed | 3 Bed | 4 Bed | 5 Bed |
|-------|-------|-------|-------|-------|
| 120   | 264   | 256   | 136   | 24    |
| 15%   | 33%   | 32%   | 17%   | 3%    |

Total square metres: 66,276 sqm. Average per dwelling 82.84 sqm. (total and average figures match the SSDC appraisal). Detailed calculations in Appendix 1.

1.6. There is a significant difference between the current indicative housing mix (table 1) and that used in to inform the appraisals (table 2). All the figures I've used are based on analysis of SSDC various information sources and I consider it is within an acceptable range of assumption and demonstrates there is a significant difference.

1.7 Both tables 1 and 2 are based on assumptions of dwelling floor space detailed at Table 3.1 of the 2012 Tym & Partners PDCS Appraisal Report. Although table 3.1 is in sq/ft these have been converted to sqm.

1.8 As can be seen the housing mix percentage has a significant impact on average dwelling size and the figures confirm my concern that the revenue site valuation used by SSDC has been grossly under estimated. The under valuation of the revenue has the potential to make the site less viability for CIL. The average private dwelling selling price using the evidence I've submitted would be £211,615 using the SSDC appraisal sales rate m<sup>2</sup> of £2,296.38 and £221,164 using Mr Burrow's sales rate of £2,400.

1.9 As the council have decided to more closely related the appraisal to the Local Plan Yeovil SUE sites it's wholly correct that both the average square metre size per dwelling and the square metre selling price rate be revised to reflect the change in housing mix and the prime position of the sites, which has the potential to attract a premium selling price. I fully appreciate by increasing average dwelling size and selling price rates changes both the income generation figure and also costs.

1.10 I consider the assumptions I've made are justified and are reflective of the Yeovil UE's with the style and nature of the developments being considered and their locations. It is significant that additional document AD3 makes reference to the Lufton Keysite development (05/00921/OUT) of 696 Units with a GDV of £124M and Wyndham Park (13/01305/DPO) 846 Units with a GDV £157M. Both these development GDV's were assessed some years ago when the m<sup>2</sup> sales valuation rates were significantly lower. Both GDV's are higher than the current Yeovil 800 Unit UE GDV assessed as only £121.8M.

1.11 The Wyndham Park development planning application 13/01305/DPO has a District Valuer report dated 2 May 2013 shown as my Appendix 2. This refers to a site of 846 dwellings with a total GIA of 76,802m<sup>2</sup>. This calculates to an average dwelling size of 90.78m<sup>2</sup>. It therefore adds weight to the evidence I've put forward regarding the underestimating of the Yeovil UE average dwelling size.

1.12 At the hearing the council declined to amend the average m<sup>2</sup> and chose to retain a very low average dwelling price notwithstanding evidence put forward to the contrary. I maintain my position that the council should revise its average dwelling figures upwards and now there is irrefutable evidence that the housing mix used in the appraisals is significantly incorrect and has the potential to adversely affect viability for CIL purposes.

1.13 SSDC indicated to the hearing that they have conducted their appraisal work in an open and transparent manner. I consider council's revised appraisal does not relate to the correct sales valuation and GDV (net realisation) even though they had the data available.

1.14 I request that Mr Fox seeks a corrected appraisal to reflect both the higher average dwelling size in the region of 92.15m<sup>2</sup> and a private dwelling Rate per m<sup>2</sup> of £2,400 with commensurate changes to affordable housing values.

1.15 AD8 - Savill's submitted the post hearing matrix but had not previously questioned the approach taken in the appraisals and had not submitted any substantive evidence. The matrix doesn't appear to relate to the Yeovil SUE. From a lay persons perspective if one took Savill's average 501-1000 scenario the development would unlikely come forward as the additional opening up costs against the site GDV would likely make development of that size none viable. Developers had been fully involved during informal meetings in establishing the appraisal criteria, while the community have not had that opportunity. I don't consider the matrix adds to the issue of viability as some sites in the matrix (Daventry District Council for example) also had opening up costs but still achieved a SUE CIL Levy of £50 sqm, which was approved by the examiner in his report 19<sup>th</sup> June 2015.

1.16 Broadly I would suggest costs have not significantly impacted delivery of large-scale developments in South Somerset to jeopardise them coming forward. For example the three Yeovil Key sites are in full progress and two of these (Brimsmore and Lufton) the developers committed extra funding to the tune of £1.63M to help deliver the off-site Western Corridor Highways improvements see Appendix 3. I submit this solely to indicate as an example were viability appeared not to be such a significant issue for other Yeovil sites as it appeared the owner/promoter/developer had flexibility in their margins to meet this additional S106 obligation.

1.17 At the hearing I referred to the appraisal reports that indicated CIL was unlikely to render a development unviable due to the relatively small additional cost. I felt CIL wouldn't jeopardise viability i.e. would not be a showstopper. Mr Fox suggested to the council that they might have a view regarding this point but SSDC made no comment.

1.18 The SSDC post hearing report and appraisals (AD1 and Appendices) appears to suggest that even with no affordable housing (800 private homes) the target BLV would be short by some £5M+ and if 35% affordable housing were applied there would be a short fall against the target BLV of about £22M. Yet both the developers and council are progressing with outline planning for the two Yeovil UE's with affordable housing at 35% or a minimum of min 30% therefore I can only conclude the sites are considered viable.

1.19 I consider SSDC has grossly undervalued the GDV (net realisation) and that a positive CIL Levy for the Yeovil UE will not jeopardise delivery of the Yeovil UE and will not jeopardise a satisfactory return to the developer or impact on reasonable S106 Obligations.