CUSHMAN & WAKEFIELD

LOCAL PLAN VIABILITY ASSESSMENT (DRAFT)

Solihull Draft Local Plan

October 2026

Better never settles



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While we consider that the information and opinions given in this Report are sound all parties must rely on their own skill and judgement when making use of it. We make no recommendation to the Client or any other party to as to whether it should proceed with any transaction, or the terms of such transaction and, in connection with the captioned project, such discretion remains solely with the Client.

Information and opinions are current only as of the date of the Report and we accept no responsibility for updating such information or opinion. It should, therefore, not be assumed that any such information or opinion continues to be accurate subsequent to the date of the Report.

Reliance on the advice provided in this document is subject to all of the assumptions and caveats stated being verified, before any of our recommendations are acted upon. Irrespective of whether any reference is made in relation to the Building Safety Act 2022 (The Act), our advice assumes that the Client will seek specialist independent legal and /or technical advice to assess the extent to which The Act applies and any/all of the implications of this. To the fullest extent legally permissible, Cushman & Wakefield bear no responsibility or liability for compliance with any obligations that may arise under or in connection with the Act, including but not limited to any delays in or impacts on, service delivery as a result of the same. Any such responsibility or liability shall remain wholly with the Client.

General Caveat

The development appraisals included in this Report are indicative and based on a wide range of variables which are subject to change as and when scheme designs are refined, and also in response to changes in market and economic conditions. The appraisal methodology is inherently sensitive to changes in the assumed inputs where small changes to the key variables could have a significant impact on the residual output.

There are numerous geopolitical and economic tensions across the world causing uncertainty at present. There is the potential for unpredictable escalation which could produce a significant impact on global trade, economies and property values. Experience has shown that consumer and investor behaviour can quickly change during fluctuating market conditions. It is important to note that the conclusions set out in this report are valid as at the date of this report only. Where appropriate, we recommend that the advice in this report is closely monitored, as we continue to track how markets respond to the current environment.

The results should be interpreted with this caveat in mind and the appraisals should not be interpreted or relied upon as formal valuations prepared in accordance with the current RICS Valuation - Global Standards (the “Red Book”). In addition, we highlight the following points:

Market Context

There have been a number of policy changes since the new government administration; the announcement of John Healy as Chancellor was the first change – an appointment which reassured the bond markets. Early measures have been deliberately tangible and comparatively cheap (such as the £2 cap on single bus fares in England). On housing, the ambition is larger - the biggest council housebuilding programme since the Second World War, with the £39 billion Social and Affordable Homes Programme reportedly to be steered towards local authorities and unused public land unlocked for social and council homes.

The English Devolution and Community Empowerment Act 2026 is already on the statute book, with regional leaders expected to receive a share of some national taxes, including potentially income tax from 2028, allowing mayors to borrow against those income streams. For property taxation, the near-term picture is one of continuity. Burnham has ruled out scrapping council tax or stamp duty, or merging them into a single property tax, at this stage.

While economic growth has been positive, fiscal constraints have not eased. Government debt sits near 100% of output, borrowing costs are above most advanced economies, and the tax burden is heading for record levels.

The risk to inflation has re-emerged as a result of the increased hostilities between the US and Iran, with little visibility of a resolution. The renewed hostilities mean that Q3 and Q4 inflation could run higher and push back the return to the MPC's target until mid-2027.

The economy proved more resilient through the conflict-affected second quarter than the surveys had implied. The ONS's first estimate showed GDP growing 0.4% in Q2 2026, easing from 0.6% in Q1 but well ahead of the flat outturn confidence surveys has implied. For now, a number of forward-looking indicators have turned positive. The S&P Global UK Composite PMI rebounded to 52.1 in July from 49.3 in June, ending two consecutive months of contraction.

CPI rose to 2.9% in the 12 months to July 2026, up from 2.6% in June, the first increase in the annual rate since March. CPIH rose to 3.1% from 2.8%.

At its meeting ending 29th July, the MPC voted to hold Bank Rate at 3.75%, a fifth consecutive hold, but with the hawkish minority growing for a third successive meeting. Markets now price Bank Rate on hold for the remainder of the year, with the next decision on 17th September. The gilt market has stayed under pressure as the ceasefire unwound. The 10-year yield stood at approximately 5.08% on 18th August, near its Iran highs, having been above 5% for much of the past month. Elevated swap rates continue to pass through to borrowers. The 5 year SONIA Swap is now at 4.4%.

The continued global geopolitical volatility in addition to the changes in domestic government has meant both swap rates remain elevated and buyer sentiment is weak. This is reflected in the mortgage market, where we've seen high street lenders begin to raise their fixed mortgage rates on the back of rising swap rates. Overnight Index Swap (OIS) market which mortgage rates are based on has risen materially, with the 2-year SONIA swap rate now at 4.33%, increasing by 30bps since the beginning of July. Turning to demand, macroeconomic uncertainty continues to dampen buyer appetite, though the picture has stabilised somewhat, as mortgage approvals rose 3% to 58,200 in June.

Residential transaction volumes have steadied at a subdued level. With mortgage approvals still running around 10% below a year ago, we expect transactional activity to remain subdued in the short term. House price growth has slowed sharply. UK house prices rose 2.0% in the year to June, down from a revised 3.0% in the 12 months to May.

Until there is a more stable outlook for both inflation and borrowing costs, activity and sentiment will remain subdued, especially in London and the South East, where affordability pressures are most severe.

There is an imbalance between supply and demand in the rental market which is unlikely to improve in the short to medium term. The 2% increase in income tax on rental income from April 2027 announced in last November's Budget and the implementation of the Renters' Rights Act from 1st May will only further contribute to a continuation of this downward trend over the next few years. This will create more space for institutional investors to step in and provide future supply in the maturing Build to Rent (BTR) segment, although the supply response has been hampered by viability issues. The recently launched National Housing Bank backed by the government aims to accelerate house building, via debt, equity and grants to developers and investors.

In recognition of the potential for property market conditions to change in response to wider political, legislative and economic changes and uncertainty, and the impact that such could have on development appraisal variables, we highlight the importance of the date of our assessment and the market context in which it has been prepared.

Build Costs

Inflationary pressures affecting build costs have eased to some extent with the BCIS forecasting an increase in tender prices of 16% over the next five years. Nevertheless, the build costs and any inflationary assumptions

that have been applied in this appraisal/assessment remain susceptible to changes which could have a material bearing on viability and/or residual land values.

Further, the build costs in the appraisal assume that appropriate cost allowances have been made to reflect all statutory and construction regulations including, but not limited to Planning, Building regulations, The Building Safety Act 2022 and the Building Safety Levy (England) Regulations 2025.

Development Finance

Development finance costs have increased and are fluctuating due to increases in interest rates, SONIA, swap rates and a tightening in lending by the banking sector. The higher cost of development finance is impacting on viability and residual land values which could be exacerbated by any further increases in the cost of debt.

Development Programme

The development programme in the viability appraisal is indicative only and assumes that all regulatory approvals, including amongst others, Planning and Building Control and specifically the additional approvals required under the Building Safety Act 2022, will all be achieved within the assumed programme period. Any changes to the development programme could have a material impact on scheme viability and/or residual land values.

Data Centres

We highlight the growth in demand for data centres, largely being driven by AI and emerging evidence of land values which are materially higher than employment and, in some cases, other uses. Unless we make specific reference to data centres, we have expressly disregarded this use in our appraisals and highlight that should the property/site attract such a use, this could have a very significant impact on the residual value. We further highlight that data centre use is regarded by some Local Authorities as falling within B8 Use Class, whilst by others it is regarded as Sui Generis.

Sensitivity Analysis

As a matter of prudence, we recommend that where not already provided, sensitivity analyses should be carried out to test the effects of variations to key inputs including but not necessarily limited to Gross Development Value/Net Development Value, build costs, development finance and development programme to inform risk and decision making, prior to any investment commitments.

Given the wider market volatility, it is also recommended that changes in costs, values and programme are closely monitored and the impacts on development viability are kept under frequent, ongoing review.

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1. Introduction

Instructions and Purpose of Report

1.1. The emerging Local Plan Review 2026-2043 is currently being prepared under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012. Following the withdrawal of the Draft Submission Plan (2020) from examination in October 2024, Solihull Metropolitan Borough Council (the Council) commenced preparation of a replacement Local Plan, including a Call for Sites exercise and an Issues and Options consultation, which concluded in March 2026.

1.2. The Council is currently considering consultation responses, updating its evidence base (to which this report will form part) and progressing preparation of the next iteration of the Plan. Accordingly, this Local Plan Viability Assessment (LPVA) has been prepared to support and inform the emerging Local Plan Review 2026-2043 at the Regulation 18 stage, assisting the Council in testing the viability implications of emerging planning policies, development requirements and site allocations as the Plan progresses through subsequent stages of preparation

1.3. This report undertakes viability Appraisal and Scenario testing of proposed policies and site allocations of the Draft Local Plan, so as to:

"*ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan*."

Paragraph: 002 Reference ID: 10-002-20251216

Revision date: 16 12 2025.

1.4. The approach taken is one of:

- testing a number of key sites considered important to the delivery of housing numbers in the Draft Local plan, and,
- a representative sample of site typologies,
- by way of a detailed cumulative assessment of all the draft plan policies, and infrastructure requirements in order to satisfy the NPPF viability and deliverability tests (see below), over the Plan period.

1.5. We have prepared this LPVA in accordance with all relevant industry guidance and recommended best practice for undertaking an LPVA. We have had full regard to the need to ensure objectivity and professional integrity in the viability process (RICS Professional Standard: *Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England*, March 2021, republished April 2023).

1.6. C&W is an RICS regulated firm with a considerable track record of assessing financial viability, informed by extensive experience in the development industry working for developers, housebuilders, Registered Providers ('RPs'), landowners, local authorities and other public sector bodies. This LPVA is based on an accepted industry methodology utilising the residual approach and uses up-to-date, local information.

Assumptions and Information Relied On

1.7. In preparing this LPVA we have relied on information made available to us by the Councill as detailed in this report.

1.8. If there are changes to the proposed scheme during the planning process and/or the information relied on, and/or any of the information proves to be inaccurate, this could impact on the assumptions adopted in the LPVA and the resultant conclusions. We request that any changes are made known to us for review at the earliest opportunity and we reserve the right to amend our assumptions in the event of such changes.

1.9. We have assumed that all matters likely to affect the LPVA have been disclosed to us, where it would not be reasonable for us to establish such facts during the course of our normal investigations.

1.10. If any of the assumptions adopted and referred to in this report and/or the viability appraisal are incorrect, the relevant matter(s) should be referred back to us for review and we reserve the right to amend our assumptions in such circumstances.

Report Status

1.11. This LPVA has been prepared based on information available as at the date of publication stated on the cover of this report in the context of prevailing economic and property market conditions. The input assumptions and conclusions are valid at the date of publication.

1.12. Should there be a material change to economic and/or property market conditions, and/or legislative or policy changes prior to determination of the planning application, the LPVA assumptions and conclusions should be reviewed and updated as necessary.

Report Authors

1.13. This LPVA has been prepared and reviewed by:

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2. Mandatory Conduct and Reporting Requirements

2.1. C&W is a firm regulated by the RICS. In line with RICS requirements, we have had regard to the relevant RICS professional standards and guidance in preparing this LPVA. We summarise the relevant standards and guidance in Sections 3 and 4 of this report.

RICS Professional Standard

2.2. This LPVA has been prepared in accordance with the RICS Professional Standard *Financial Viability in Planning: Conduct and Reporting* (1st edition) (May 2019, republished April 2023). This document sets out mandatory requirements on conduct and reporting in relation to LPVAs for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at. It also aims to support the government's reforms to the planning process announced in July 2018 and any subsequent updates.

2.3. Sections 2.1 to 2.14 of the Professional Standard set out the fourteen mandatory reporting and process requirements for all LPVAs prepared on behalf of, or by applicants, reviewers, decision-makers and plan-makers. We confirm that this LPVA has been carried out in accordance with Sections 2.1 to 2.14. The mandatory reporting requirements are set out under the sub-headings below and expanded on where relevant in this LPVA.

Section 2.1: Objectivity, Impartiality and Reasonableness Statement

2.4. We confirm that this LPVA has been carried out by RICS and RTPI members and that we have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information.

2.5. We further confirm that the RICS and RTPI members are suitably qualified practitioners with sufficient skills, expertise and knowledge to provide a robust and objective LPVA. The RICS and RTPI members have extensive experience in advising on LPVAs across the Midlands and up-to-date knowledge of the planning system gained through previous viability experience and work alongside our local and national Planning Teams.

Section 2.2: Confirmation of Instructions and Absence of Conflicts of Interest

2.6. The terms of engagement for this instruction are appended to the rear of this report.

2.7. We confirm that we have no current, anticipated or previous recent involvement with the subject site or the parties to the instruction. We confirm that, to the best of our knowledge, no conflict of interest, or risk of conflict of interest, arises in preparing the advice requested.

2.8. However, we do not consider that any conflict of interest, or risk of conflict of interest, arises as a result of the interests which we have disclosed. We therefore confirm that, to the best of our knowledge, no conflict of interest, or risk of conflict of interest, arises in preparing the advice requested.

2.9. If any of the parties in this LPVA identified a conflict of interest, we would immediately stand down from the instruction or assess if the conflict could potentially be robustly managed.

Section 2.3: No Contingent Fee Statement

2.10. In preparing this LPVA, no performance-related or contingent fees have been agreed.

Section 2.4: Transparency of Information

2.11. This LPVA has been prepared in full knowledge that it may be made publicly available in the future. Where we believe that there is information which is commercially sensitive that we have relied upon in preparing the LPVA, we have stated so in the report.

2.12. We request that permission is obtained prior to this report being made public to ensure commercially sensitive and/or personal information does not infringe other statutory regulatory requirements.

Section 2.6: Justification of Evidence

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2.13. All inputs into this LPVA have been reasonably justified as explained in further detail throughout this report. We have aimed to provide thorough detail regarding our approach and assumptions to limit the need for clarifications and subsequent negotiations with the LPA's appointed reviewer following submission of this report.

2.14. It is noted that where the appointed reviewer disagrees with elements of the submitted LPVA, the parties should always seek to resolve differences of opinion where possible.

Section 2.10: Engagement

2.15. We confirm that we will advocate reasonable, transparent and appropriate engagement between the parties at all stages of the viability process.

Section 2.11: Non-technical Summaries

2.16. A non-technical summary is provided at the beginning of this report which includes the key figures and issues that support the conclusions drawn from this LPVA.

Section 2.13: Inputs to Reports Supplied by Other Contributors

2.17. We believe that all contributors to this report are regarded as competent and we understand that they are aware of the RICS mandatory requirements and that they must comply with the requirements.

Section 2.14: Timescales

2.18. We confirm that adequate time has been allowed to produce this LPVA having regard to the scale of this particular project.

2.19. We further confirm that this LPVA has been carried out in accordance with Section 4 - Duty of Care and Due Diligence of the Professional Standard and that full consideration has been given to the matters referenced in Section 4.

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3. Viability Guidance and Approach to Financial Viability Assessment

3.1. Further to the mandatory RICS reporting requirements, within this section we summarise the other key national standards and guidance pertaining to viability and how we have approached the LPVA for the subject site in light of this guidance.

Current Viability Standards and Guidance

3.2. In July 2018, the government published a revised National Planning Policy Framework ('NPPF') and Planning Practice Guidance for Viability ('PPGV') which have since been updated on several occasions, most recently the NPPF in August 2026. These documents set out the key principles which should be considered when assessing the viability of development at the plan-making and decision-taking stages.

3.3. In response, the RICS has published two documents; the aforementioned RICS Professional Standard (May 2019, republished April 2023) and the RICS Professional Standard: *Assessing Viability in Planning Under the NPPF 2019 For England* (March 2021, republished April 2023) ('the RICS standards'). The former sets out the mandatory LPVA requirements on conduct and reporting as covered in Section 3. The latter primarily provides best practice and guidance for carrying out and interpreting the results of LPVAs under the NPPF and PPGV.

3.4. We have had regard to the relevant national guidance and RICS standards in preparing this LPVA. It is noted, however, that despite the recent updates to the guidance and standards, there still remains some ambiguity and subjectivity in terms of the assessment of key inputs in the LPVA, such as the BLV.

3.5. The most pertinent aspects of the guidance and standards are summarised under the sub-headings below and expanded on where relevant in this LPVA.

Application of the Red Book and Related RICS Guidance

3.6. The RICS standards confirm that LPVAs are not valuations as such, but contain significant valuation content which is within the jurisdiction of the RICS Valuation - Global Standards ('the Red Book') and other RICS mandatory statements/professional guidance. All RICS members carrying out LPVAs must therefore adhere to these provisions.

3.7. The RICS standards further advise that all LPVAs for planning purposes are carried out under the NPPF / PPGV which is regarded as the 'authoritative requirement' in the Red Book. This means that the government's technical requirements on the assessment of viability take precedence over any other RICS professional standards and guidance, including any valuation-based requirements in the PPGV which take precedence over any other valuation basis or approach set out in the standards, however Red Book professional standards still apply.

3.8. RICS members undertaking LPVAs for planning purposes must therefore adhere to:

- Statutory and other authoritative requirements (including the NPPF and the PPGV);
- The RICS Professional Standard Financial Viability in Planning: Conduct and Reporting; and
- PS 1 and PS 2 of the Red Book.

3.9. We confirm that we have complied with these requirements in preparing this LPVA for planning purposes.

3.10. With regards to PS 1 and PS 2 of the Red Book, we acknowledge in summary the following points of compliance in respect of this LPVA:

- This LPVA is prepared for assessing the viability of development to assist with planning matters, either plan/policy making, or decision taking. The LPVA therefore constitutes an exception from valuation technical and performance standards ('VPS') 1 – 6 of the Red Book, and is not a formal valuation and should not be relied upon as such;
- We confirm that all individuals who have contributed to this LPVA have acted in accordance with the RICS Rules of Conduct;
- We have had full regard to the need to act independently and objectively at all times, in a

professional and ethical manner free from any undue influence, bias or conflict of interest; and

- We collectively have sufficient professional qualifications, current knowledge of the relevant markets, and the experience, skills and understanding to undertake the LPVA competently.

3.11. In accordance with the requirements of PS 2 of the Red Book relating to disclosures where the public has an interest, we confirm that:

- Relationship with client and previous involvement in this specific asset or mandate: Our previous involvement is detailed in Section 3.
- Rotation policy: we do not have a rotation policy applied to the production of LPVAs.
- Period of time as signatory: we do not have a retained ongoing role with the applicant in performing LPVAs.

3.12. The production of an LPVA for planning purposes is excluded from VPS 1 – 6 of the Red Book under two of the identified exceptions; Performing a Statutory Function and Preparing to Act as an Expert Witness. This LPVA and the advice provided do not constitute a formal valuation and should not be relied upon as such.

3.13. As well as the above requirements, there are other RICS guidance/standards which are relevant to preparing LPVAs and which we have had regard to where appropriate, including *Valuation of Development Property* (October 2019) and *Comparable Evidence in Real Estate Valuation* (October 2019).

Viability Principles

3.14. As set out in the RICS Professional Standard (March 2021 as updated in April 2023), LPAs will have objectives to secure appropriate contributions from development to meet the community and infrastructure needs within their local area. The RICS standards further state that other stakeholder expectations need to be considered as part of the viability process; namely developers who will expect to make a suitable return, and landowner expectations which are crucial in ensuring the voluntary release of land for development.

3.15. The purpose of an LPVA is to estimate whether a proposed development, when accounting for policy compliant levels of developer contributions, can provide:

- A minimum reasonable return to the landowner (based on the EUV plus a premium); and
- A suitable return to the developer.

3.16. If the LPVA illustrates that the scheme is not viable with full policy requirements, the decision-maker will need to consider whether to adjust the developer contributions, having regard to all the particular circumstances in the individual case including whether the relevant policies allow for policy requirements to be relaxed on viability grounds so as to not preclude development from coming forward.

3.17. The RICS standard (March 2021 as updated in April 2023, paragraph 2.3.14) advises that the decision-maker will need to:

> *"make their judgements bearing in mind the two major policy imperatives of ensuring maximum development contributions and the delivery of land for development".*

3.18. The RICS standard (March 2021 as updated in April 2023, paragraph 2.4.6) further states that a proper understanding of viability is essential to ensure that:

- Land is realistically priced and released for development to achieve plan delivery;
- All reasonable costs of construction related to the development have been accounted for; and
- Developers can obtain appropriate market risk-adjusted returns for delivering development.

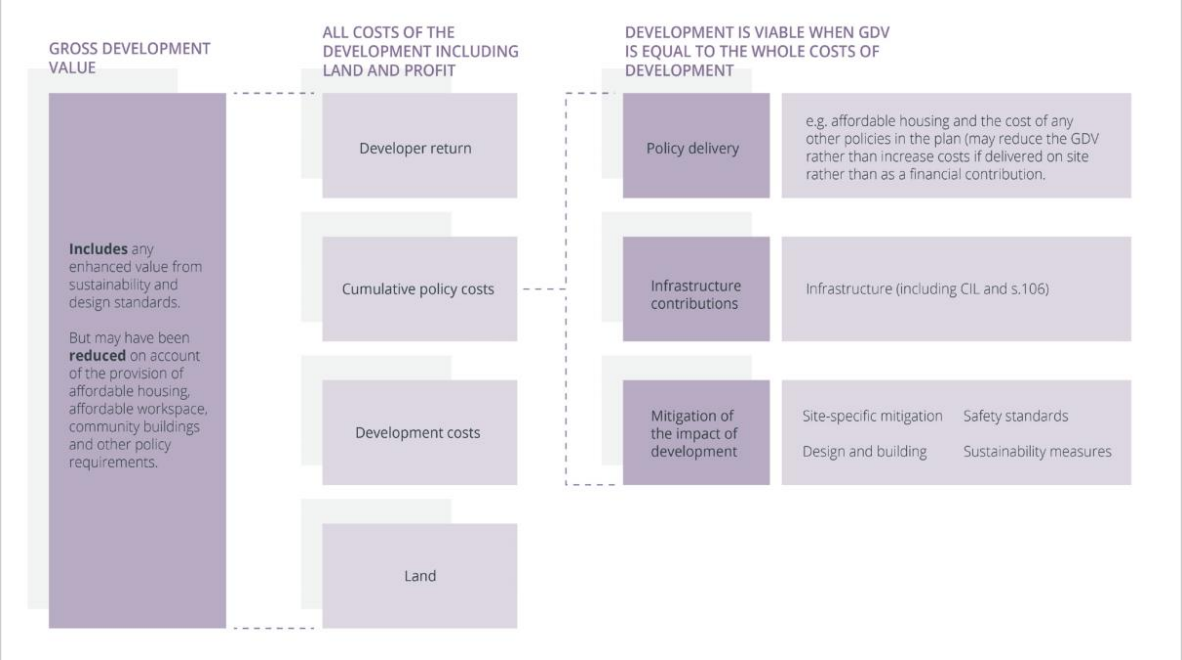
Viability Framework

3.19. The PPGV (Paragraph 11) defines an LPVA as follows:

> *'Viability assessment is a process of assessing whether a site is financially viable, by*

looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return'.

3.20. The LPVA process reflects a residual appraisal framework as shown in the diagram below and further explained in the *Valuation of Development Property* (October 2019, republished April 2023) RICS Professional Standard:



Source: RICS Professional Standard *Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England* (March 2021)

LPVA Methods and Inputs

3.21. Section 4 of the RICS Professional Standard sets out the methods which can be adopted when preparing an LPVA, based on two variations of the residual method; the basic residual and the discounted cash flow model. Detailed guidance on the application of both variations is contained in the *Valuation of Development Property* (October 2019, republished April 2023) RICS Professional Standard. The method utilised should be proportionate to the complexity of the site and the quality of evidence underpinning the inputs.

3.22. In preparing this LPVA, we have adopted the residual approach which is an accepted methodology for assessing site viability and is the standard approach adopted by developers when preparing appraisals/bids to acquire sites for development. The residual methodology also accords with the recommended approach in the PPGV.

3.23. There are two approaches that can be adopted when using the residual method as set out in the RICS standard (March 2021 as updated in April 2023, paragraph 3.10.1). The first involves subtracting the total development costs required to deliver the scheme, including an allowance for the developer's profit, from the assumed Gross Development Value ('GDV') of the scheme to arrive at a residual land value. No allowance is made for underlying inflation throughout the duration of the scheme[1]. The residual land value is then compared to the BLV to determine the surplus or deficit position, and thus the viability of the proposed development.

3.24. Alternatively, the BLV can be included as a fixed cost in the appraisal and the residual method utilised

[1] The approach to using present day costs and values without any forecasted growth is endorsed in the appeal decision relating to the Cuba Street Site (May 2025) (ref: APP/E5900/W/24/3356375)

to calculate the residual profit when subtracting the total scheme costs (including BLV) from the assumed GDV. The residual profit is then compared to the minimum target developer's profit to assess the viability of the proposed development. We have adopted this approach for the purposes of the LPVA.

3.25. Our residual appraisals have been prepared using Argus Developer software which is extensively used by key practitioners across the industry to ensure a robust and consistent approach to the cash flow modelling.

Standardised Inputs to LPVA

3.26. The NPPF and PPGV (Paragraphs 11-20) outline how an LPVA should be approached and advocate the use of 'standardised inputs' when preparing LPVAs. These inputs include the GDV, build costs, the total cost of all relevant policy requirements, developer's profit and the BLV.

3.27. It follows that when assessing site viability, one key principle is that the nature of the applicant should be disregarded and the assumptions should reflect a "typical" market average position, not the applicant's specific circumstances or assumptions (if these differ from a perceived "typical" market average position). This is further confirmed in Section 5.1 of the RICS Professional Standard (May 2019, republished April 2023) and paragraph 4.2.7 of the RICS Professional Standard (March 2021, republished April 2023).

3.28. We follow these principles within this LPVA and maintain a market-facing approach to assessing viability using inputs which are based on robust evidence and our extensive market experience. This is to ensure that the LPVA is realistic and aims to reflect market principles at the assessment date.

3.29. The PPGV provides some guidance on assessing each of the 'standardised inputs' in the LPVA. Additional guidance and suggested sources of evidence for each input are provided in the RICS Professional Standard (March 2021 as updated in April 2023, section 4.2) as well as the *Valuation of Development Property* Professional Standard.

3.30. To inform our GDV assessment, we have utilised up-to-date, market evidence from existing developments as endorsed by the PPGV (Paragraph 12) and the RICS Professional Standard (paragraph 4.2.11). In determining the development costs, we have considered the RICS Building Cost Information Service ('BCIS') which is recommended in the PPGV (Paragraph 13), the information provided by the applicant, as well as assumptions adopted in relevant planning appeal decisions, expert witness decisions and area-wide and site-specific LPVAs undertaken by a wide range of other private practitioners.

3.31. We have also used our extensive market experience gained across previous viability, valuation, expert witness and land agency work. By way of example, as at December 2023, the North West team had prepared, negotiated and/or assessed in excess of 170 LPVAs over recent years for a total of approximately 46,400 units and equating to a total GDV in the order of £10.4 billion. The team also has a strong track record in submitting detailed viability representations to emerging LPVAs, SPDs etc on behalf of landowner and developer clients.

3.32. In respect of developer's profit, the PPGV (Paragraph 19) suggests a suitable return for the purposes of viability testing at the plan-making stage in the range of 15 – 20% of GDV (excluding overheads) but is silent on developer's profit for site-specific LPVAs. We regard this as an appropriate approach, as the minimum acceptable return for each site should reflect site-specific risks which will not all be known at the plan-making stage, and which will also depend on market conditions at the date of the LPVA.

3.33. The RICS standard suggests that the requirement to refer back to the LPVA when preparing a site-specific LPVA implies that a 'similar test' regarding developer's profit should be used at the application stage. The PPGV (Paragraph 19) does however state that alternative figures can be applied where justified based on the type, scale and risk profile of the planned development. Ultimately, the adopted developer's profit will need to fully reflect the site-specific and market risks.

Benchmark Land Value

3.34. Paragraphs 14 – 18 of the PPGV and Section 5 of the RICS Professional Standard specify the framework and approach to determine the BLV. The primary approach to assess the BLV is the 'Existing Use Value Plus' ('EUV+') method.

3.35. The BLV may be based on Alternative Use Value ('AUV') where appropriate. The PPGV (Paragraph 18) states that plan-makers can set out the circumstances in which the AUV can be used. If this approach is adopted, the criteria in Paragraph 18 of the PPGV must be satisfied including that there is market demand for that use and an explanation as to why the alternative use has not been pursued, particularly if the AUV suggests greater viability and returns.

3.36. One key aim of the revisions to the PPGV in 2018 was to remove any element of 'circularity' from the viability process, whereby previously in some instances, developers were utilising the price paid for land as justification for negotiating down policy requirements.

3.37. It is now clearly stated in the PPGV (Paragraph 2) that:

> *"The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions".*

3.38. Under the guidance, the BLV should be assessed using EUV+ (or AUV where relevant) and should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land, while allowing a sufficient contribution to fully comply with policy requirements (PPGV, Paragraph 14) and reflecting the implications of abnormal costs, site-specific infrastructure costs and professional fees (PPGV, Paragraph 15).

3.39. We have followed these requirements when assessing the BLV for the assessed sites. We set out the full relevant guidance pertaining to the assessment of BLV in Section 7 of this report, together with our adopted approach.

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4. The Sites and Approach

Site Allocations and Typologies

4.1. The Draft Local Plan proposes a number of site allocations. For the purpose of viability testing, Solihull Council have asked C&W to review a selection of sites that reflect the profile of sites likely to come forward for development during the Local Plan period, principally as allocations, but also as larger windfall. They range across location (sub-market housing area); size and previous land use.

4.2. The following sites have been tested as typologies (with local plan 'working references'):

- North Solihull Greenfield (<200 dw): Site 5: Chester Road, Fordbridge (c. 4 hectares gross), 100 dwellings. Located around 1 mile east of Fordbridge and 2 miles north of Birmingham Airport.

- North Solihull Previously Developed Land (<200 dw): Site 14: Arran Way (c. 2 hectares gross), 50 dwellings. A low value brownfield site with a commercial existing use. Located within the Smith's Wood area of North Solihull, approximately 7 miles east of Birmingham city centre.

- Mature Suburbs Greenfield (>200dw): Site 16: Land east of Solihull (c. 37 hectares gross), 600 dwellings. A greenfield site off Damson Parkway, and north of Hampton Lane, around 1 mile to the north east of Solihull town centre.

- Mature Suburbs Previously Developed Land (>200 dw): Site 11: Former TRW Site, Shirley (c. 19 hectares gross), 480 dwellings. A large brownfield site currently comprising a business park, including office headquarters and various other buildings and testing facilities. Located on the Stratford Road just south of Shirley High Street, approximately 2 miles west of Solihull. Note, During the preparation of this viability study, Site 11 has been granted a hybrid planning permission for residential, car showroom and C2 residential care use, however the site has been retained within the viability study as a typology to illustrate an example of former employment land being brought forward for residential use, located in the Mature Suburbs.

- Mature Suburbs Greenfield (<200dw): Site 18: Sharmans Cross Road (c. 3 hectares gross), 100 dwellings. The site consists of an area of undeveloped recreational open space on which the housing will be developed. The site is located around 1 mile west of Solihull town centre.

- Mature Suburbs Brownfield (<200dw): Site 17: Land at Moat Lane (c. 5 hectares gross), 150 dwellings. The site, currently an industrial estate, is some 0.75 miles to the south of the Jaguar Land Rover site, and around a mile north of Solihull town centre.

- Rural Greenfield (>200 dw): Site 8: Land at Hampton Road, Knowle (c.13 hectares gross), 300 dwellings. A greenfield site to the north of Knowle.

- Rural Greenfield (<200 dw): Site 2: Frog Lane, Balsall Common (c. 5.3 hectares gross), 110 dwellings. Located to the south of Balsall Common, approximately 6 miles east of Solihull and 12 miles south east of Birmingham.

- Rural Previously Developed Land (>200dw): Site 22: Trevallion Stud, Balsall Common (c. 10 hectares gross), 300 dwellings. A partially brownfield site occupied by paddock lands with associated buildings and open space, located approximately 5 miles east of Solihull and 11 miles south east of Birmingham.

- Rural Previously Developed Land/Greenfield (<200 dw): Site 6: Meriden Road, Hampton-in-Arden (c. 7 hectares gross), 100 dwellings. A predominantly brownfield site occupied by an industrial storage yard, alongside undeveloped farmland. Located around half a mile east of Hampton-In-Arden and 3.5 miles east of Solihull.

4.3. C&W have also been asked to test the following "generic" typologies:

- "Windfall Sites"

- Retirement Housing

4.4. In summary, the sites tested (typologies and site specific testing) are set out by context, below.

	North Solihull		Mature Suburbs		Rural Area	
	Strategic 200+	**Smaller ≤199**	**Strategic 200+**	**Smaller ≤199**	**Strategic 200+**	**Smaller ≤199**
Greenfield	N/A	Site 5	Site 16	Site 18	Site 8	Site 2
Previously Developed Land	N/A	Site 14	Site 11	Mid Value - Site 17 High Value - Windfalls	Site 22	Site 6

The Policies to be tested

4.5. This report carries out a Viability Assessment for each site, to consider the cumulative impact of national and local standards, local policies (including the adopted Local Plan), proposed policies, infrastructure and other development costs on viability, at the specific sites, highlighted above. This will inform the Council in preparing the Submission Draft Local Plan.

4.6. The Draft Local Plan includes a number of policies that may have a potential material impact on development viability. The schedule below sets out these policies and how they have been considered in the study

Policy Assumptions	***Detail***	***How tested***
Policy P4 'Meeting Housing Needs'		
Policy SMBC/HO3 'Affordable Housing'	All developments of 10 or more residential units, 0.5ha or more, or which have a maximum combined gross floor space of >1,000sqm[2] should be:	Effect on Gross Development value, dependent on tenure and size
Policy SMBC/HO3 - Tenure scenarios	**Test one scenario:** i – Proposed policy (Green Belt) ii – Proposed Policy (Non-Green Belt) **Green Belt:** 50% affordable housing – 65% of which is social rent (26% of total) and 35% of which is shared ownership (14% of total). Non Green Belt: 40% affordable housing - 65% of which is social rent (26% of total) and 35% of which is shared ownership (14% of total).	Effect on Gross Development value, dependent on tenure and size

[2] As updated in the Planning Practice Guidance: Paragraph: 023 Reference ID: 23b-023-20190901

<table>
<tr><th>Policy Assumptions</th><th>Detail</th><th>How tested</th></tr>
<tr><td>Policy P4a - Mix scenarios (for affordable housing)</td><td><u>One scenario tested:</u>
This is based on the Draft HEDNA report, which recommends an affordable housing mix as follows:
<table><tr><td colspan="2">SOCIAL RENT (65%)</td></tr><tr><td>27.5%</td><td>1-bedroom maisonettes/apartments (2 person home)</td></tr><tr><td>32.5%</td><td>2-bedroom houses (4 person home)</td></tr><tr><td>27.5%</td><td>3-bedroom houses (5 person home)</td></tr><tr><td>12.5%</td><td>4-bedroom houses (6 person home)</td></tr><tr><td colspan="2">SHARED OWNERSHIP (35%)</td></tr><tr><td>12.5%</td><td>1-bedroom maisonettes/apartments</td></tr><tr><td>47.5%</td><td>2-bedroom houses/apartments</td></tr><tr><td>32.5%</td><td>3-bedroom houses</td></tr><tr><td>7.5%</td><td>4-bedroom houses</td></tr></table></td><td>Effect on Gross Development value, dependent on tenure and size</td></tr>
<tr><td rowspan="2">Policy P4c ‘Market Housing’</td><td>Where the Council issues a development brief for a site this will include details of the likely profile of household types requiring market housing, e.g. multi-person, including families (y%), single persons (y%) and couples (z%), as identified by the latest Strategic Housing Market Assessment.</td><td rowspan="2">Market Housing mixes considered at variance to that which the market would otherwise provide, will have the effect of reducing the GDV of the site from that which would otherwise be achieved based on the “optimum” market mix. This will vary from site to site, and will be explained in more detail in Sections 3 and 4.</td></tr>
<tr><td><u>Test one scenario:</u>
i) likely DLP policy on suburban sites (>25 units)

<u>Likely DLP policy[3]</u>
Borough-wide:
1-2 bed: 30% (minimum)
3-bed: 50%
4-bed: 20% (maximum)</td></tr>
<tr><td>Policy SMBC/HO4: Self and Custom House Building</td><td>The Council will encourage developers to make a contribution to Self and Custom Build Housing on residential sites of 300 units or more.</td><td>Not tested as not a requirement</td></tr>
<tr><td colspan="2">NPPF TR1 - Vision-led approach to planning for transport</td><td></td></tr>
<tr><td>Public transport, cycleways/footpaths contributions</td><td>Seek to improve accessibility by sustainable transport modes where accessibility is inadequate.</td><td>Through S106 allowance.</td></tr>
</table>

[3] Based on the PBA (2016) ‘Strategic Housing Market Assessment Part 2 Objectively Assessed Need for Affordable Housing’: http://www.solihull.gov.uk/Portals/0/Planning/LPR/SHMA_Part_2_Affordable_Housing_and_Housing_Mix_2016.pdf

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Policy Assumptions	*Detail*	*How tested*
	See past Section 106 negotiations.	After analysis of recent applications and the S106 secured (but subject to change as mostly Outline applications not yet with PP), and discussion with Solihull MBC, a Section 106 allowance has been made as follows: £18,000/dw: Sites 2,6,8,11,16,17,18,22 £10,000/dw: Sites 5,14, reflecting these being North Solihull sites and less extensive education contributions being required In addition to the above are the cost of smaller specific Infrastructure tariff-based costs, as follows. - NPPF TRQ - Travel Plans & Monitoring (£200 per dwelling) - SMBC/D2 - CCG and UHB Healthcare Contributions (£1,000 per dwelling) - SMBC/D2 - West Midlands Police (£150 per dwelling)
Policy SMBC/D2: Infrastructure Provision and Developer Contributions		
Highway improvements, travel planning, traffic regulation orders, parking	SMBC Travel Plan SPD adopted in 2024 (Travel Plan Guidance for Residential Developments – April 2024) SMBC Travel	Through S106 allowance. (See Above)
Policy SMBC/D2: Infrastructure Provision and Developer Contributions		
Highway improvements, travel planning, traffic regulation orders, parking	Seek to ensure highway safety and minimise delays for all road users; take evidence-based approach to car parking provision. See past Section 106 negotiations.	Through S106 allowance. (See Above)
Part L and Part S of Building Regulations		
Future Homes Standard	New Part L due to come into force from April 2027.	Refer to Section 6

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Policy Assumptions	*Detail*	*How tested*
	Approved Document L: Energy and greenhouse gas emissions (2026) - GOV.UK	
Statutory Biodiversity Net Gain – Environment Act 2021		
Biodiversity net gain – on-site delivery or purchase of off-site credits.	Seek 10% net gain of biodiversity and enhancements in accordance with Environment Act 2021. See past Section 106 negotiations.	Allowance of £1,500 per dwelling Biodiversity net gain (BNG) area-based exemption evidence annex
NPFF Chapter 18. Managing flood risk and coastal change		
NPPF Policy PM13 (ii) and Policy CC1(c) - Water consumption	Water consumption rate of 110l per person per day. Not been tested or implemented in previous Local Plan. Evidence to support in Water Cycle Study and has been tested here.	From the experience of C&W, the over costs inherent in achieving this standard are negligible and so have not been specifically tested.
NPPF Policy F8 - Drainage	Promotes use of SUDS. Greenfield run-off rates required on sites over 1 hectare (or equivalent on brownfield sites prior to development). See past Section 106 negotiations.	Refer to site specific abnormals infrastructure cost allowance (6.4), below
NPPF Chapter 14. Achieving well-designed places		
BCIS rates (local)	We have prepared build cost rates on a site by site consideration and related this to BCIS.	Refer to Section 6, regarding constructions costs, below
Secured by Design		From the experience of C&W, the over costs inherent in achieving this standard are negligible and so have not been specifically tested.
Policy SMBC/D2: Infrastructure Provision and Developer Contributions		
Healthcare contributions	Secondary Care – University Hospitals Birmingham	Through S106 allowance. (See Above)
Policy SMBC/D2: Infrastructure Provision and Developer Contributions		
Healthcare contributions	Primary Care – See past Section 106 negotiations, but this may increase after further discussions with NHS partners.	Through S106 allowance. (See Above)
Policy SMBC/D2: Infrastructure Provision and Developer Contributions		

Policy Assumptions	*Detail*	*How tested*
Children's play and open space contributions	See past Section 106 negotiations. Most sites will require provision of at least a LEAP, provision is included in the concept masterplan.	Through S106 allowance (see above), and land given over in indicative masterplans
Replacement playing pitches	Cushman and Wakefield to advise; Includes Site 8.	Through S106 allowance (see above), and land given over in indicative masterplans
Policy SMBC/D2: Infrastructure Provision and Developer Contributions		
Education	Based on past S106 contribution.	Through S106 allowance. (See Above)
SEND provision in new schools	Based on advice from SMBC 'School Place Planning'	Through S106 allowance. (See Above)
Early Years provision in new schools	Based on advice from SMBC 'School Place Planning'	Through S106 allowance. (See Above)
Police	Representations to Local Plan Review	Through S106 allowance. (See Above)
On-site road infrastructure		Refer to site specific abnormals infrastructure cost allowance (6.4), below
Off-site road infrastructure		Refer to site specific abnormals infrastructure cost allowance (6.4), below
Utilities		Refer to site specific abnormals infrastructure cost allowance (6.4), below

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Framing the Typologies

4.7. Solihull Metropolitan Borough Council (Solihull Council) prepared indicative masterplans for each of the site typologies.

4.8. From these C&W calculated approximate net developable areas, and, cross referencing with the indicative dwelling allocation set out in the Draft Local Plan, calculated the implied density of development (dwellings per hectare / dph).

4.9. C&W then calculated an appropriate average dwelling size for the private dwellings consistent with a market typical site "coverages" for the modelled densities. (the average affordable dwelling size being consistently applied as 835 sqft), taking into consideration

- the implied development density,
- the market area represented by each typology,
- the micro market context introduced by the policy scenario regarding the % of 1 and 2 bedroom homes

4.10. C&W then calculated an average £/sqft net sales value for each typology, taking into consideration both:

- the average size of the market dwellings for that typology (as above),
- the market area of the typology.

Generally

4.11. For the purposes of this LPVA, we have assumed that the proposed schemes/typologies will be delivered to a reasonable level of specification and in line with specifications provided at other standard new build residential schemes within the local area. This LPVA further assumes that full planning permission has been secured

Services

4.12. Unless otherwise stated, we have assumed that all required services are available to be connected to the sites. We have further assumed that any abnormal/extra over costs associated with infrastructure/ service works are sufficient to provide all required service connections and have been reflected in the costs provided to us.

Environmental Issues/Ground Conditions

4.13. We have not carried out any investigations into the environmental or ground conditions for the subject site. As such, we cannot confirm that satisfactory environmental / ground conditions exist for the proposed development. Similarly, we are not able to guarantee that the site is not contaminated and has never been subject to contaminative uses.

4.14. We have assumed that any abnormal/extra over costs associated with any abnormal environmental and/or ground conditions have been reflected in the costs provided to us. We have further assumed that the total development costs adopted in the LPVA include all standard and site-specific abnormal/ extra over development costs required to deliver the assumed scheme and address any constraints affecting the site.

Flood Risk

4.15. We have not made enquiries of the Environment Agency website

4.16. We have assumed that any abnormal/extra over costs associated with any abnormal drainage requirements and/or flood risk have been reflected in the costs provided to us.

Highways

4.17. We have assumed that the sites will have the benefit of appropriate rights of way and an acceptable form of access which will be an adopted or private highway. We have further assumed that roads constructed as part of the proposed developments will be built to an adoptable standard and included in the total development costs adopted in the LPVA.

4.18. If any costs have been excluded from the provided costs, we reserve the right to review the cost assumptions should we be provided with further information in respect of site constraints and additional costs.

Title / Tenure

4.19. We have not been provided with a Report on Title or any information in relation to title. For the purposes of this LPVA, we have assumed that the sites are held Freehold with vacant possession and have a good and marketable title.

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5. Residential Market Analysis Commentary

5.1. In order to inform our assessment of potentially achievable revenues for the proposed scheme at the subject site, we have analysed the national and local residential markets as detailed in the following sub-sections.

Introduction

5.2. We have split our comparable evidence based on the nature of the specific sites and have considered the density, location and the standard of the accommodation to be provided. Given that both Sites 5 (Chester Road, Fordbridge) and 14 (Arran Way) fall within the North Solihull area, we have considered the same comparable evidence for both. Likewise, Sites 8 (Knowle) and 16 (East of Solihull) share common comparable evidence, as do Sites 2 and 22 (Balsall Common).

5.3. Sales and marketing evidence for the remaining sites have been collated on a site by site basis.

5.4. This section reviews local and applicable sales and marketing comparables for the sites to be tested. Tables of comparable evidence can be found at the rear of this document, within Appendix A

Moat Lane (Site 17)

5.5. As part of this update, C&W have had consideration to new build schemes which have completed within the vicinity of the site within the past 2 years. The nearest new build schemes to the site are at Imperial House 2-6 Princes Gate (Elevate Property Group) and 737 Warwick House (BPG).

5.6. The completed sales at Imperial House 2-6 Princes Gate are all apartment sales, were all sold between January 2024 and March 2025, achieving an average sales value of around £263,000, around £438 per sq. ft. These apartments are a mix of one, two and three bedrooms with many having balconies and all benefitting from parking. The transacted values for the scheme range from £175,000 to £460,000 with the majority of the apartments selling for between £200,000 and £250,000.

5.7. The completed sales at Warwick House are also all apartment sales, and were sold between March 2024 and February 2025. They achieved average sales values of £192,000, around £395 per sq. ft. All of the apartments in the scheme are one bedroom and are centrally located within Solihull town centre. The apartments range from 409 sq. ft to 527 sq. ft and sales values ranged from £173,000 to £202,495.

5.8. The sales evidence from Princes Gate and Warwick House provides a useful benchmark for modern new build product within Solihull town centre; however, these schemes are not considered directly comparable to the proposed Moat Lane development. Both developments occupy prime town centre locations and comprise high specification apartment-led schemes, benefitting from contemporary design, premium internal finishes, dedicated resident amenity provision and strong accessibility to Solihull's retail, leisure and transport offer. As a result, values achieved at these schemes reflect a premium associated with their location, specification and target market. In contrast, the proposed development at Moat Lane is expected to deliver a more mainstream residential product and does not benefit from the same level of town centre prominence or specification. Consequently, whilst the new build evidence provides an upper benchmark for residential values in the area, greater weight has been afforded to local second hand sales evidence to establish underlying market performance, with an appropriate uplift applied to reflect the new-build nature of the proposed scheme.

5.9. We have therefore also considered a range of second hand sales within approximately 0.25 miles of the site over the last 12 months. This evidence includes apartments, terraced, semi-detached and detached dwellings and indicates sales values generally ranging from around £210 per sq. ft. to £454 per sq. ft., with a blended average of approximately £330 per sq. ft.

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5.10. Having regard to both the premium evidenced by the new build schemes and the lower specification of the second hand stock, we would expect new build dwellings at Moat Lane to achieve values above the second hand evidence but below the higher value town centre developments. The second hand comparables are predominantly older properties and apartments which do not benefit from the design, energy efficiency, warranty protection, modern layouts and specification typically associated with newly constructed dwellings. Conversely, the premium values achieved at Princes Gate and Warwick House are influenced by their prime town centre location, apartment-led nature, high-quality finish and strong proximity to Solihull's retail, leisure and transport amenities. Whilst these schemes demonstrate the upper end of the local market, they are not considered directly reflective of the product likely to be delivered at Moat Lane.

5.11. In our opinion, both schemes offer useful comparable evidence as they provide an example of good quality flatted schemes located within a mile of the Moat Lane site. On this basis, we would assume new build flatted dwellings at the subject site to achieve similar sales values to the comparable schemes of around £400 per sq. ft[A2.1].

5.12. Having regard to the relatively high density of the site (52 dwellings per hectare) and its location, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 954 sq. ft., assuming a mix of 2 bedroom apartments (15%), 2 bedroom houses (15%), 3 bedroom houses (50%) and 4 bedroom houses (20%).

Hampton Road, Knowle (Site 8)

5.13. There are no new build sales within 1 mile of the site, since 2024. An extended search to a 2 mile radius provides four new build sales although these are large homes on individual developments which do not provide a representative sample of achievable values for a residential development scheme.

Middlefield Spring by Taylor Wimpey (2, 3 and 4 bedroom homes) - Barton Drive, Solihull B93 0PE

5.14. Due to the lack of available new build evidence The Middlefield Spring development by Taylor Wimpey represents the most recent comparable scheme given its size and of edge of town location. Recent second hand sales evidence featuring a range of housing types is included within Appendix A – (Site 8).

5.15. The figures for the Taylor Wimpey scheme are confirmed “re-sale” prices and represent a varied mix of dwelling sizes, and transactions from February 2024 to May 2026. The second hand sales consist of 2-4 bed houses and achieved average sales values of £394,000, with an average £/sq ft. value of £498, with sales prices ranging from £270,000 to £550,000.

Blythe Valley

5.16. The Blythe Valley Park scheme is a major mixed-use development located south of Solihull, adjacent to Junction 4 of the M42. The development was promoted by IM Properties, which delivered the strategic infrastructure and have sold serviced residential parcels to housebuilders. The residential element comprises approximately 750 new homes, primarily delivered by Bloor Homes and Crest Nicholson, alongside community facilities, retail provision and extensive areas of open space. The scheme represents one of the principal new-build residential developments in the Solihull market and provides a highly relevant source of comparable sales evidence.

5.17. We have also considered the most recent new build sales evidence at the Blythe Valley scheme, which is located around 3.5 miles south west of Site 8. Average sales values for all housing types have achieved in the order of £383 per sq. ft. The figures for the Blythe Valley scheme are confirmed new build values and represent a varied mix of dwelling sizes, and transactions from February 2024 to May 2026. The sales consist of 2-4 bed houses (including terraced, semi-detached and detached houses) and achieved average sales values of £535,000, with sales prices ranging from £450,000 to £729,950.

5.18. Knowle is considered a superior residential area in comparison to Blythe Valley and we would therefore anticipate Site 8 to achieve a premium to this evidence.

5.19. Considering the evidence available, an average sales value of approximately £480 per sq. ft. overall (as evidenced by the Taylor Wimpey scheme) would seem reasonable.

5.20. Notwithstanding this, we have had reference to the proposed development density (at 37.5 dph) and the proposed Market Housing Mix policy requirement of 30% 1 and 2 bedroom properties. Whilst this is lower than the existing policy requirement, it is still at a level which would exceed what developers would otherwise deliver on a basis unrestrained by planning policy, which would favour a mix based on the majority of units being 3 to 5 bedroom homes.

5.21. Whilst there is evidence that for schemes that have complied with this policy, £ per sq. ft. sales rates for 2 bedroom homes have actually exceeded those of larger homes (by virtue of their smaller size), for the larger sites, such as the subject site, such an implicitly large, absolute representation of 1 and 2 bedroom homes may have several effects, including reducing the potential premiums for larger homes. So, in this location, where there is a notable premium on larger properties, this may result in price discounting in this policy scenario. Despite the attractive location, it is our view that interest in this site amongst premium housebuilders based on both these dwelling mix scenarios will be muted, and most interest will come from volume housebuilders appealing to a mass market and which will be reflected in pricing. To reflect this, we have applied a discount of circa. 15%, reducing the value tone from £480 per sq. ft. to £410 per sq. ft.

5.22. Having regard to the medium density of the site (37.5 dwellings per hectare) and its location, which is not considered to be well suited to apartments, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 995 sq. ft., assuming a mix of 2 bedroom houses (30%), 3 bedroom houses (50%) and 4 bedroom houses (20%).

East of Solihull (Site 16)

5.23. The nearest and most pertinent new build comparables for Site 16 are those included for Site 8 (Hampton Road, Knowle), although there is a notable contextual difference between the sites. Site 8 lies within the Knowle / Dorridge market area, which is distinct from the Solihull Mature Suburbs market within which Site 16 lies.

5.24. On this basis, a figure of around £440 per sq. ft. would likely be reasonable for the East of Solihull Site (Site 16) compared to £480 sq. ft. for Site 8.

5.25. As part of our analysis, we have also considered second hand comparables from the Poppy Fields scheme in Shirley. The scheme comprises a mix of flats and houses as well a retirement living apartments (although it is that the latter have been discounted from our analysis.

5.26. The scheme is located in Shirley to the west of the subject site, in what is considered to be an inferior location. As such, C&W consider that the values achievable on the subject site will be in excess of those at Poppy Fields. In addition, it is noted that the scheme was completed some time ago now and for this reason it is also considered that units on the proposal site will achieve a premium in this regard. New build units are now built to a more energy-efficient standard and therefore, it is considered that a further premium to the more dated stock will be reasonable in this regard.

5.27. Values on the Poppy Fields scheme range from £205,000 and £470,00 per unit, representing an average £ / sqft value of £370 across the sample identified.

5.28. We have also considered the recent sales evidence at Poppy Fields in Shirley, which is a newbuild flatted Retirement Village scheme developed by Lioncourt Homes and located around 3 miles west of Site 16. On average, sales values at this scheme have achieved in the order of £441 per sq. ft. The sales values for the flats range between £162,250 to £470,000 providing a variety of different size comparable evidence.

5.29. Site 16 is considered to be located in a superior residential area to Shirley, and therefore we would anticipate sales values at Site 16 to be higher than the evidence at Poppy Fields, but at a discount to the values in the Knowle/Dorridge area, for which there is a premium.

5.30. Having regard to the relatively high density of the site (45 dwellings per hectare) and its location, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 954 sq. ft., assuming a mix of 2 bedroom apartments (15%), 2 bedroom houses (15%), 3 bedroom houses (50%) and 4 bedroom houses (20%).

North Solihull (Sites 5 (Chester Road) & 14 (Arran Way))

5.31. We have considered recent sales evidence within the North Solihull area and in close proximity to Sites 5 and 14. These are included within Appendix A – (Sites 5 & 14) and summarised as follows

Digby Court - Bellway Homes

- Developer: Bellway Homes
- Address: Pike Drive, North Solihull, B37 7GB
- Housing Mix: A range of 2,3,4 and 5 bedroom dwellings
- Secondary house sales recorded between March 2024 and March 2026
- Average Achieved Sales Price: £258 per sq. ft.

Saxon Gate - Bellway Homes

- Secondary 2, and 3 bedroom houses
- Developer: Bellway Homes
- Address: Marlene Croft, Birmingham, B37 7JP
- Secondary house sales recorded between April 2024 and June 2026
- Average Achieved Sales Price: £284 per sq. ft.

Galia Park - Bellway Homes

- Secondary 2 and 3 bedroom houses
- Developer: Bellway Homes
- Address: Gorse Close, Chelmsley Wood, Birmingham
- Housing Mix: A range of 2 and 3 bedroom dwellings
- Secondary house sales recorded between March 2024 and May 2026
- Average Achieved Sales Price: £282 per sq. ft.

Site 5 (Chester Road, Fordbridge)

5.32. Digby Court is the most comparable development to this site, being located immediately to the south, however, the sales evidence comprises of secondary sales and is generally limited over the last two years with only 11 sales, which cover a variety of property sizes and types. Sales evidence at Digby Court achieved around £258 per sq. ft., although we have also considered both the Saxon Gate and Galia Park schemes, also located in North Solihull, where sales values are closer to £280 per sq. ft. and based upon more recent evidence. Taking this into account, we would expect an overall sales value of £280 per sq. ft. to be reasonable for Site 5, in line with the most recent North Solihull evidence.

5.33. C&W note the significant differences between the values identified within the Northern areas of Solihull and those identified in the Southern / central areas. It is perceived that the value zones identified as part of this exercise differ significantly across the region. As such , C&W consider that the values achievable at the typologies identified will also vary significantly. For example, it is noted that within Site 5 and Site 14, the values are approximately 30% lower than those identified across other regions of the District. This is significant as it demonstrates the impacts that different value zones may have on viability. For example, given the difference in sales values when comparing the north of Solihull to the south, and the lack in variance of build costs, it is expected that there will be significant variances in the viability of identified schemes.

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5.34. As the site is mid density, and having regard to the National Space Standards, we have based our assessment on an average market unit size of 920 sq. ft., assuming a mix of 2 bedroom apartments (10%), 2 bedroom houses (40%), 3 bedroom houses (40%) and 4 bedroom houses (10%).

Site 14 (Arran Way)

5.35. Saxon Gate is the most comparable development to Site 14, and is located approximately 1.5 miles to the south. However, the sales evidence comprises of secondary sales and is generally limited over the last two years with only 5 sales, which cover a variety of property sizes and types. Sales evidence at Saxon Gate achieved around £284 per sq. ft., with an average sales price of £227,500, with property prices ranging from £180,000 to £310,000. The scheme is a mix of terraced, detached and semi-detached properties. We therefore consider this evidence to offer the best guide to sales values, and have adopted a blended rate of £290 per sq. ft. across the properties, which is in line with the most recent available North Solihull evidence.

5.36. Considering the high density of this particular site, and in line with the National Space Standards, we have adopted a blended market unit size of 853 sq. ft., assuming a mix of 1 and 2 bedroom apartments (10% and 25% respectively), 2 bedroom houses (15%), 3 bedroom houses (45%) and 4 bedroom houses (5%).

Site 6 (Meriden Road, Hampton-in-Arden)

5.37. We have considered recent sales evidence within close proximity to the Site which are included within Appendix A – (Site 6) and summarised below

Meriden Gate - Barratt David Wilson Homes

- New-build houses
- Developer: David Wilson Homes
- Address: Swallow Drive/Robin Close, Hampton In Arden, Solihull, West Midlands, B92 0FH.
- Housing Mix: A development featuring a mix of 2 - 5 bedroom homes.
- Average Achieved Sales Price: £492 per sq. ft.

Elysian Gardens - Crest Nicholson

- Secondary House Sales
- Developer: Crest Nicholson
- Address: Meer Stones Road, Welsh Road, Drovers Close, Balsall Common, Coventry, West Midlands.
- Housing Mix: a mix of 1- 4 bedroom homes and apartments.
- Secondary house sales recorded between May 2025 and December 2025
- Average Achieved Sales Price: £365 per sq. ft.

5.38. The evidence within Meriden from the Meriden Gate development suggests sales values in the order of circa. £492 per sqft. The transactional evidence at this development is from new build properties. Accounting for both schemes being within the Hampton-in-Arden's region, we anticipate similar values to be realised than at Meriden Gate.

5.39. Within Balsall Common, the Elysian Gardens development by Crest Nicholson provides a significant amount of secondary sales evidence, with an average of around £362 per sq ft. This evidence is based again on slightly larger units than we have assumed at the Hampton-in-Arden site.

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5.40. Taking the above evidence into account, we expect the subject site to achieve average sales values of £450 per sq. ft for both the 1 and 2 bedroom properties and the 3 and 4 bedroom properties. The proposed site is adjacent to Meriden Gate and therefore values have been benchmarked against these figures, with a discount to reflect the premium associated with larger units.

5.41. Having regard to the medium density of the site (35 dwellings per hectare) and its location, which is not considered to be well suited to apartments, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 995 sq. ft., assuming a mix of 2 bedroom houses (30%), 3 bedroom houses (50%) and 4 bedroom houses (20%)

Site 11 (Former TRW Site. Stratford Road, Shirley

5.42. We have considered recent comparable sales evidence in close proximity to Site 11 which are detailed within Appendix A – (Site 11) and summarised below. The site itself has already experienced residential development with the Lucas Green (Bellway Homes) scheme, alongside an area of the land being owned by Persimmon Homes (albeit none of the comparable evidence from the last two years has derived from this scheme). Despite this, the scale of the Bellway Homes scheme provides a significant amount of new build sales evidence should the remainder of the site be developed.

5.43. Values for the Lucas Green scheme have achieved an average sales value of £389 per sq. ft. across the whole site. These sales values have been achieved between January 2024 and October 2025 and all provide new build sales evidence.

5.44. Sale prices range from £200,000 to £589,995, reflecting a broad mix of dwelling types, tenures and sizes across the development.

5.45. Current development already delivered adjacent to the site is the redevelopment of a for TRW site. Further proposed development will take place adjacent to the site, south of Dog Kennel Lane. This is considered to be a more attractive location as it is bound by greenfield land rather than a main road / other commercial uses. As such a premium has been applied to the values identified across the currently delivered scheme.

5.46. On the basis of the above, C&W consider have therefore, applied a rate of £410 per sq. ft. across the whole site.

5.47. Having regard to the relatively high density of the site (45 dwellings per hectare) and its location, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 954 sq. ft., assuming a mix of 2 bedroom apartments (15%), 2 bedroom houses (15%), 3 bedroom houses (50%) and 4 bedroom houses (20%)

Sharmans Cross Road (Site 18)

5.48. We have considered recent sales evidence within close proximity to Site 18 which are detailed within Appendix A - (Site 18) and summarised below. The comparables identified from the Poppy fields are mainly re-sale transactions.

Poppy Fields by Lioncourt Homes

- New-build houses (Houses and Flats)
- Developer: Lioncourt Homes
- Address: Shirley, Solihull
- All transactions dated February 2024 and March 2026

5.49. We understand the subject site will comprise a mixture of houses and apartments, with a total of circa 100 dwellings anticipated. We have considered the new build sales evidence at Poppy Fields, Shirley which is located just over a mile west of Site 18.

5.50. Whilst Poppy Fields by Lioncourt Homes represents the closest new build housing scheme to the Site, the location of Site 18 is more desirable than Shirley and we would certainly expect a premium to be achieved due to location albeit the amenity provision within a newly developed scheme will impact the sales values of flatted accommodation, and determine if the average sales values fall above or below those at Poppy Fields given its inferior location but amenity provision

5.51. We understand the subject site will comprise a mixture of houses and apartments, with a total of circa 100 dwellings anticipated. We have considered the new build sales evidence at Broadoaks

5.52. Taking these comparables into account, we expect the subject site to achieve average sales values of £380 per sqft for the smaller 1 and 2 bedroom properties and £450 per sqft for the larger 3 and 4 bedroom properties.

5.53. Having regard to the relatively high density of the site (40 dwellings per hectare) and its location, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 954 sq. ft., assuming a mix of 2 bedroom apartments (15%), 2 bedroom houses (15%), 3 bedroom houses (50%) and 4 bedroom houses (20%).

5.54. Whilst the above sales values are based on a market facing dwelling mix, in testing this typology site, we have had regard to the density of the proposed scheme and as a result of that, the average sizes of the dwellings. Given that there is an apparent premium in the area for larger sized homes, it is our view that the density of this site is higher than what would likely be delivered in the open market, leading to a marginally smaller sized dwelling mix. Taking account of this, we have applied a circa. 5% discount to these sales values within our modelling in this report, reflecting an average of £340 per sqft for the smaller 1 and 2 bedroom properties and £380 per sqft for the 3 and 4 bedroom units.

Balsall Common (Site 2 (Frog Lane) & Site 22 (Trevallion Stud))

5.55. We have considered recent new build sales evidence at the Elysian Gardens scheme by Crest Nicholson, located within Balsall Common and in close proximity to both Sites 2 and 22. This evidence has been included at Appendix A and is summarised below

Elysian Gardens - Crest Nicholson

- Secondary House Sales
- Developer: Crest Nicholson
- Address: Meer Stones Road, Welsh Road, Drovers Close, Balsall Common, Coventry, West Midlands.
- Housing Mix: a mix of 1- 4 bedroom homes and apartments.
- Secondary house sales recorded between May 2025 and December 2025
- Average Achieved Sales Price: £364 per sq. ft.

5.56. The most recent comparable second-hand evidence at Elysian Gardens is around a year old, with sales values for all house types reflecting just over £362 per sq. ft. overall. At this point, the comparables at Elysian Gardens are dated, having been delivered in 2019. Whilst these units are still under NHBC warranties, these have significant reduced sing the initial units were occupied. It is therefore expected that any new-build stock will therefore achieve a premium in this regard, especially given the energy efficiencies of new-build properties.

5.57. Furthermore, the average sizes of the comparable evidence are in excess of what we have assumed within our modelling of the Sites, and we have therefore adopted a slight premium to this evidence in considering appropriate sales values.

Site 2

5.58. We have applied a premium to the evidence at Elysian Gardens in our assessment of Site 2, based on the fact that the unit sizes are in excess of what we would envisage. We have adopted sales values of £390 per sq. ft. for the 1 and 2 bedroom properties and £425 per sq. ft. for the 3 and 4 bedroom properties respectively. We have based our assessment on an average unit size of 600 sqft for the 1 and 2 bedroom properties combined and 1,000 sqft for the 3 and 4 bedroom properties combined.

5.59. Having regard to the medium density of the site (35 dwellings per hectare) and its location, which is not considered to be well suited to apartments, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 995 sq. ft., assuming a mix of 2 bedroom houses (30%), 3 bedroom houses (50%) and 4 bedroom houses (20%).

Site 22

5.60. For Site 22, whilst again the unit sizes at Elysian Gardens are slightly in excess of what we would envisage, we consider the typology site density of 47.5, alongside the proposed policy cap on 4 bedroom units to have a negative impact upon value, and therefore consider these factors to have somewhat of a balancing effect.

5.61. Whilst it is still considered that units at Site 22 will achieve a premium when compared to those at Elysian Gardens, due to increased density of this scheme and the policy cap on 4 bedroom houses, the premium associated with these units has been tempered when compared to others. This is because we would expect units of a higher density to achieve a lower £ / psf value than those on a scheme which are of a lower density. That being said, it is noted that given the age of the comparables identified at Elysian Gardens, any current delivery will be subject to a premium

5.62. Based on the above, a premium has been applied to the proposed scheme (site 22) when compared to Elysian Gardens. The premium adopted is lower than that considered on Site 2 to reflect the locational differences on the site.

5.63. As such we have adopted sales values of £370 per sq. ft. for the 1 and 2 bedroom properties and £400 per sq. ft. for the larger 3 and 4 bedroom properties.

5.64. Having regard to the relatively high density of the site (47.5 dwellings per hectare) and its location, as well as at the requirements of the National Space Standards, we have based our assessment on an average unit size of 954 sq. ft., assuming a mix of 2 bedroom apartments (15%), 2 bedroom houses (15%), 3 bedroom houses (50%) and 4 bedroom houses (20%).

Summary

5.65. On the basis of the market analysis above, we summarise the achievable (average) £/sqft sales value for each of the subject sites and typologies, assuming a market facing dwelling size mix

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Table 6.1 New Build Sales Values Assumptions (£/sqft)

Site Name	C&W Assumption regarding £/sq. ft. (average net) for New Build Housing	Average Size of Private Dwellings	Density (dwellings per hectare)
Site 5 – Chester Road, Fordbridge (North Solihull Greenfield)	£280	920 sq. ft.	39
Site 14 – Arran Way (North Solihull PDL)	£290	853 sq. ft.	60
Site 16 – East of Solihull (Mature Suburbs Greenfield)	£440	954 sq. ft.	45
Site 18 – Sharmans Cross Road (Mature Suburbs Greenfield)	£410	954 sq. ft.	40
Site 11 – Former TRW, Shirley (Mature Suburbs PDL)	£410	954 sq. ft.	45
Site 17 - Moat Lane, Solihull (Mature Suburbs PDL)	£400	954 sq. ft.	52
Site 8 – Hampton Road, Knowle (Rural Greenfield)	£480*	995 sq. ft.	37.5
Site 2 – Frog Lane, Balsall Common (Rural Greenfield)	£415	995 sq. ft.	35
Site 22 – Trevallion Stud, Balsall Common (Rural PDL)	£368	954 sq. ft.	47.5
Site 6 – Meriden Road, Hampton-in-Arden (Rural PDL)	£450	995 sq. ft.	35

5.66. The analysis undertaken above has looked to establish appropriate residential value for the identified strategic sites across Solihull. Since our original viability study was undertaken in 2020, values across have increased. Housing data demonstrates that across all housing type prices have increased by over 20% between January 2020 and September 2026.

5.67. To establish more localised across the strategic site areas, C&W have also undertaken a detailed market analysis for each of the sites. We have chosen to rely on the most directly comparable market evidence for each of the sites rather than applying are / value zone wide values. This approach ensures that values are reflective of market realities and ensures that policy writing can be updated effectively.

5.68. C&W note that across the Local Plan area the variance in residential values varied by c.£150 / sq. ft. this variance is considered to be reflective of the different market zones identified across the area.

5.69. It is also note that in comparison to the comparable evidence identified, the proposed sites are typically of a higher density with dph ranging from 37.5 (as is typical with the majority of greenfield comparable schemes identified) and 45 dph even on larger greenfield sites. To appropriately consider this within the evidence identified, C&W have made appropriate changes to the comparables considered.

5.70. Furthermore, it is noted that since C&W's original submission in 2020 that minimal development has come forwards across Solihull. The most notable development which has been delivered recently include Lucas Green which is a 450 unit scheme south of Solihull completed by Bellway. Completions on this scheme have started from 2109 which several of the units being actively marketed across at the time of reporting. As such, much of the data relied upon is from second-hand transactions. Where possible, analysis of this data has been confined to high-quality instances with appropriate adjustments being made. This has provided a robust and evidence-based database of comparables which residential values can be reliably sourced from

5.71. Looking at Sites 5 and 14 in isolation, these are located in the North Solihull Area which is a considerably lower value area than the remainder of the sites, reflected by the difference in average price per sq. ft.

5.72. Assuming a market facing mix, Site 8 (rural location) is considered the highest in value, featuring a relatively low density and smaller average size when compared with Site 6 (also rural). The two remaining rural sites (2 and 22) are both located in the Balsall Common area, which, having regard to comparable evidence, is considered to sit between Sites 8 and 6 in terms of value. Due to a considerable difference in site density, we have adopted slightly different average sales values for Sites 2 and 22 respectively.

5.73. Of the Mature Suburbs sites, Site 18 is considered to reflect the highest sales values, given the strength of its location, with even non new build dwellings comfortably achieving in the order of £370 per sq. ft. Whilst Site 16 is located in close proximity to Site 8, it lies in a different market area of marginally lower value. This site also has a higher density than Site 8, in an area where there is a premium on lower density, more exclusive schemes. Site 11 is of similar density to site 16, but is in a slightly lower value area (between Shirley and Monkspath) and the £/sq. ft. rates reflect this. Site 17 is considered to be the lowest in terms of value of the Mature Suburbs sites, as a result of both the higher density and the relatively lower value market area.

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6. Financial Viability Assessment - Appraisal Assumptions

6.1. The NPPF and PPGV advocate the use of "standardised inputs" in respect of the key cost and value elements in an LPVA prepared using the residual approach. As stated in Section 4 of this report, we follow this principle whilst maintaining a market-facing approach to assessing viability utilising inputs which are based on robust evidence and our extensive market experience.

6.2. In line with recommended guidance for viability testing, the assumptions adopted in this LPVA reflect market-based assumptions for the proposed development rather than assumptions which are necessarily specific to the particular circumstances of any landowners or site promoters.

Gross Development Value

6.3. Open market sales values were considered in the previous section and are summarised below per site.

Site Name	C&W Assumption regarding £/sq. ft. (average net) for New Build Housing	Average Size of Private Dwellings	Density (dwellings per hectare)
Site 5 – Chester Road, Fordbridge (North Solihull Greenfield)	£280	920 sq. ft.	39
Site 14 – Arran Way (North Solihull PDL)	£290	853 sq. ft.	60
Site 16 – East of Solihull (Mature Suburbs Greenfield)	£440	954 sq. ft.	45
Site 18 – Sharmans Cross Road (Mature Suburbs Greenfield)	£410	954 sq. ft.	40
Site 11 – Former TRW, Shirley (Mature Suburbs PDL)	£410	954 sq. ft.	45
Site 17 - Moat Lane, Solihull (Mature Suburbs PDL)	£400	954 sq. ft.	52
Site 8 – Hampton Road, Knowle (Rural Greenfield)	£480*	995 sq. ft.	37.5
Site 2 – Frog Lane, Balsall Common (Rural Greenfield)	£415	995 sq. ft.	35
Site 22 – Trevallion Stud, Balsall Common (Rural PDL)	£368	954 sq. ft.	47.5
Site 6 – Meriden Road, Hampton-in-Arden (Rural PDL)	£450	995 sq. ft.	35

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Standard Build Costs

6.4. We have assessed the standard build costs for the proposed scheme by referring firstly to the BCIS database in accordance with standard industry practice, and then by adopting market-facing assumptions based on our widespread experience of residential build costs on other development sites gained through previous valuation, viability and expert witness instructions.

6.5. We have also utilised our dialogue with a wide range of active regional and national volume housebuilders in respect of standard build costs to further inform our assumptions, as well as the advice of expert quantity surveyors and our analysis of build costs in developer land bids submitted for site acquisitions.

6.6. Below we provide a definition of standard build costs which has been previously agreed between valuers and experts to clearly define the standard build costs, and to ensure that there is no double-counting of cost items in the standard costs and abnormal / extra over costs which a site would encounter:

a) Standard strip foundations 1050mm deep from finished floor level comprising 900mm deep excavation, 225mm thick non-reinforced concrete strip foundations (600mm wide to external and party walls and 450mm wide to internal loadbearing walls), 450mm deep of 300mm wide trench block, 375mm deep of 100mm wide concrete blocks, and 375mm deep of 102mm wide engineering or facing bricks;

b) Ground bearing un-reinforced concrete ground floor slabs 150mm thick power floated and laid on 1200g damp proof membrane on EPS rigid insulation 150mm thick on compacted hardcore bed 150mm thick;

c) Standard brick and block super-structure for the relevant house type compliant with current building regulations;

d) Standard concrete interlocking roof tiles;

e) Standard gravity drainage and service connections from properties to the back of adoptable footpaths without reinforcement or diversion;

f) Standard surface treatment to the remainder of the plot curtilages of the dwelling including standard flag pathways, standard 240mm thick private drive construction with tarmac finish (25m2 per property), 150mm deep topsoil to rear gardens and front gardens, landscaping and turf, and standard 1.8m high timber fencing;

g) Standard 340mm thick shared drive construction with tarmac finish (no capping layer);

h) Level plots with no cut and fill, retaining walls, steps or under build;

i) Standard roads and sewers fronting plots, only half of a 5.5m wide 450mm thick road construction with tarmac finish (no capping layer) and one 2m wide 230mm thick footpath construction with tarmac finish to current adoption standards excluding any verge or landscaping;

j) 225mm diameter foul water sewers at a depth of 2.0m, 225mm diameter surface water sewers at a depth of 2.0m, FW and SW manholes 1200mm diameter, 2.0m deep;

k) Standard preliminary and running costs.

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6.7. To inform the assessment of the base build cost, we have obtained cost information from the latest BCIS average prices database which is re-based to the local area. The BCIS is an independent nationally recognised database maintained by the RICS. The information is based on actual construction costs for completed schemes submitted to the BCIS.

6.8. In our experience, benchmarking construction costs against BCIS average prices is standard industry practice for LPVAs and is in accordance with both the PPGV (Paragraph 13) and other industry best practice guidance. Further, the use of BCIS average costs for viability purposes has been confirmed in a number of appeal decisions and Local Plan/CIL examinations (e.g. East Suffolk CIL Charging Schedule Inspectors Report (April 2023), Long Lawford (APP/E3715/W/21/3268629, 2021), Lymington (APP/B1740/W/18/3209706, 2019), Herne (APP/J2210/W/15/3141444, 2017).

6.9. In addition, Sir John Harman's Report entitled 'Viability Testing Local Plans' (June 2012) states that:

> *"For build costs, these should be based on BCIS or other appropriate data, adjusted only where there is good evidence for doing so based on specific local conditions and policies including low quantities of data."*

6.10. We have considered the BCIS cost data from the most recent 5 year 'age of results' sample rather than the BCIS default data which is based on a 15 year sample. This is to ensure that the build costs are based on the most recent data and should therefore be more reflective of the current market and specifications.

6.11. The BCIS figures are inclusive of the base house build cost, preliminary costs and a main contractor's overheads and profit but are exclusive of plot external works, standard estate roads, sewers, plot service connection costs, garages, contingencies and professional fees. These costs must therefore be added to the base build costs to determine the total standard build costs for the subject development.

6.12. The BCIS data is predominantly based on contracts submitted by contractors for smaller schemes often constructed on behalf of local authorities and RPs. As such, the Mean/Median costs do not typically reflect the economies of scale which can be achieved by established regional and national housebuilders on medium and larger sized sites through supply chain efficiencies. The BCIS costs also include a main contractor's overheads and profit and, based on our experience in dialogue with established housebuilders and expert quantity surveyors, this cost is not usually incurred by established housebuilders as they typically carry out the main contractor's function internally.

6.13. Sometimes the Lower Quartile cost can be used to overcome the above issues, or the Mean/Median cost with the necessary adjustment/deductions to bring the cost to a market-facing position for the particular scheme in question. Irrespective of the methodology adopted, the key focus is on ensuring that the actual build cost figure utilised is appropriate for the scheme in question.

6.14. On this basis, having regard to the scheme size and the assumed good standard of sales specification, we have adopted the Lower Quartile figure for sites that we consider of a size that would attract a national volume housebuilder, and the Median figure for other sites.

6.15. We have taken a view of the total build cost (excluding abnormal costs) on a site by site basis, taking into account the size and location of the site, and the likely type of developer.

- Sites 5 (100 dwellings), 8 (300 dwellings), 11 (480 dwellings), 17 (150 dwellings) and 22 (300 dwellings) are all of a scale that would attract a volume housebuilder, and so the build costs are based on the BCIS Lower Quartile.

- Sites 2 and 6 (110 and 100 dwellings), are also of a scale that would attract a volume housebuilder, though the typologies are in a rural high value area, so we have allowed for design and specification overcosts, and hence adopted the BCIS Median.

- Site 14 (50 dwellings) is in the North Solihull Regeneration Area, where development of sites is being led by the North Solihull Partnership (a partnership including Solihull Council and Bellway Homes). We have adopted an intermediate figure between the Lower Quartile and Median values, reflecting the relatively small size of the site whilst assuming that it will be delivered through the mechanisms of the North Solihull Partnership.

- The scale of Site 16 (600 dwellings) would suggest two (or possibly more) development outlets, one which may be occupied by a premium housebuilder, the other by a volume housebuilder. On the basis of its location within a high value area, we have allowed for design and specification overcosts, and hence adopted the BCIS Median.

- Site 18 (100 dwellings) is of a scale that would attract a volume housebuilder, though the density (over 50 dph) would require for the inclusion of apartments, and so we have adopted a figure consistent with the BCIS Median.

6.16. We have then deducted 5% to remove the embedded main contractor's overheads and profit (in line with the latest average reported by the BCIS of 5.3%[4]) on the assumption that the developer of the site will carry out this function internally

6.17. This results in the following base build costs for the site typologies.

Dwellings	Site 2 110	Site 5 100	Site 6 100	Site 8 300	Site 11 480	Site 14 50	Site 16 600	Site 17 150	Site 18 100	Site 22 300
Base Build (Benchmark to BCIS)	£1,690	£1,519	£1,690	£1,519	£1,519	£1,605	£1,690	£1,519	£1,690	£1,519
(Adjust for Sub Contactors Profit @ 5%)	£84.50	£75.95	£85	£76	£76	£80	£85	£76	£85	£76
Adjusted Base Build (£/sqm)	**£1,606**	**£1,443**	**£1,606**	**£1,443**	**£1,443**	**£1,524**	**£1,606**	**£1,443**	**£1,606**	**£1,443**
Adjusted Base Build (£/sqft)	**£149**	**£134**	**£149**	**£134**	**£134**	**£142**	**£149**	**£134**	**£149**	**£134**

6.18. We have then made standard market-facing allowances of £20,000 per unit for plot external works, standard estate roads and sewers and £3,000 per unit for plot service connection costs.

6.19. Having assessed standard build costs for a wide range of residential development sites for viability, valuation and expert purposes in conjunction with highly experienced cost consultants, and having reviewed many developer appraisals for land acquisitions, this allowance is within the range that we would expect based on the revenues and pace of sale which we have assumed.

Garages

6.20. The assessment of total standard build costs outlined above does not account for the provision of garages.

6.21. C&W has referenced a comprehensive study into parking by Homes England, *Parking: What Works Where; Second Edition* (2026), which notes the following.

[4]https://online.bcis.co.uk/News/Article/3495?year=2023&returnUrl=%2FNews%2FArticles%3Fyear%3D2023&returnText=Go%20back%20to%20list%20of%20articles

35-40dph	40-50dph	50-75dph
Integral Garages Detached Garages Tandem Parking Garage Courts Hardstanding Parking Arrangements	Repeatedly identifies medium-density developments such as: Great Kneighton (48 dph); Barton Park (47 dph); and Marleigh (42 dph) as successful precedents where integral garages form part of a broader parking strategy.	Parking becomes more efficient, and more integrated, coach houses, mews, car ports, courts, communal arrangements become more common
C&W considers that an assumption of 50% of market houses having a garage is reasonable, with an assumed split of: 30% integral, 55% single, 15% double provides a reasonable representation of the variety of garage types likely to be associated with lower-density family housing whilst avoiding an over-reliance on large, detached garage forms.	C&W considers that an assumption that 40% of market houses receive integral garages reflects the expectation that parking provision exists but is restrained and integrated into the built form rather than dominating the public realm	This density is still likely to be considered family housing neighbourhoods and so some garages may still need to be assumed – hence an allowance of 20% is considered reasonable

6.22. Based on our market experience and the advice of expert cost consultants regarding the appropriate costs for residential garages, as well as costs provided to us by active developers, we have made the following market-facing allowances for garages, alongside estimates of size based on advertised trade figures [5]:

- integral £6,000 (16.5 sqm)
- detached single £8,000 (18 sqm)
- detached double £16,000 (36 sqm)

6.23. These figures are presented in the table below regarding garage numbers and costs per site (based on 40% affordable housing for comparison).

[5] Standard Garage Sizes In The UK: How To Choose The Right One | Chart Garages; FAQ Garage Plans

Dwellings	Site 2	Site 5	Site 6	Site 8	Site 11	Site 14	Site 16	Site 17	Site 18	Site 22
	110	100	100	300	480	50	600	150	100	300
DENSITY	**34**	**38**	**34**	**38**	**45**	**63**	**45**	**52**	**40**	**48**
GARAGE NUMBERS & BY TYPE										
Garages (Dw with)	33	30	30	90	115	8	144	23	30	72
Integral	10	9	9	27	115	8	144	23	9	72
Detached	18	17	17	50					17	
Double	5	5	5	14					5	
GARAGE UNIT COSTS										
Integral	£5,800	£5,800	£5,800	£5,800	£5,800	£5,800	£5,800	£5,800	£5,800	£5,800
Detached	£7,800	£7,800	£7,800	£7,800	£7,800	£7,800	£7,800	£7,800	£7,800	£7,800
Double	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000	£16,000
TOTAL GARAGE COSTS										
Integral	£57,420	£52,200	£52,200	£156,600	£668,160	£43,500	£835,200	£130,500	£52,200	£417,600
Detached	£141,570	£128,700	£128,700	£386,100	£0	£0	£0	£0	£128,700	£0
Double	£79,200	£72,000	£72,000	£216,000	£0	£0	£0	£0	£72,000	£0
GARAGE SIZE (SQM)										
Integral	17	17	17	17	17	17	17	17	17	17
Detached	18	18	18	18	18	18	18	18	18	18
Double	36	36	36	36	36	36	36	36	36	36
TOTAL GARAGE AREA (SQM) BY SITE										
Integral	163	149	149	446	1,901	124	2,376	371	149	1,188
Detached	327	297	297	891	0	0	0	0	297	0
Double	178	162	162	486	0	0	0	0	162	0
Total sqm	**668**	**608**	**608**	**1,823**	**1,901**	**124**	**2,376**	**371**	**608**	**1,188**

Future Homes Standard

6.24. The assessment of total standard build costs outlined above includes the costs associated with the updated Part L of the Building Regulations which came into effect in June 2022 and requires a 31% reduction in CO2 emissions from new homes compared to previous standards, but does not account for the new Future Homes Standard ('FHS') that is due to come into force from March 2027.

6.25. Under the FHS, gas boilers will no longer be permitted and all developments will need to plan for air source heat pumps or low carbon heat networks. The other key change is a much larger requirement for solar PV with panels required to be sized to around 40% of the ground floor area**6**. This means that FHS costs per unit will increase as building size increases due to the requirement for a greater number of PV panels to comply with the standards.

[6] https://www.gov.uk/government/consultations/the-future-homes-and-buildings-standards-2023-consultation/the-future-homes-and-buildings-standards-2023-consultation

6.26. The enhanced energy efficiency requirements represent an additional development cost for all new homes. The government Final Stage Impact Assessment (March 2026) suggests the following average additional costs for complying with the uplifted standards[7]:

	Preferred Option
Detached house	£5,160
Semi-detached house	£5,600
Mid-Terraced house	£5,690
Low Rise Flats (<11m)	£5,300
Mid-Rise Flats (11-18m)	£2,210
High Rise Flats (>18m)	£1,550
Weighted Average (based on assumed build mix)	**£4,350**

Source: DLUHC (2021)

6.27. The Impact Assessment states that the cost analysis was carried out in Q2 2025 and is intended to reflect costs that might be incurred by a housebuilder completing more than 1,000 homes per year. The Impact Assessment has a caveat that the costs are based on these and a series of other assumptions and that variations in design, location and delivery method could result in a cost range of +/- c. 30% or more.

6.28. We are generally seeing FHS costs in the region of c. £5-6 psf based on developer data and expert QS assessments. We have adopted the mid-point of this range for the purposes of the LPVA.

Contingency and Professional Fees

6.29. We have made appropriate market-facing allowances for contingency and professional fees of 3% and 8% respectively.

6.30. These allowances have been determined having regard to our understanding of the allowances typically made by developers for similar sized and types of residential schemes and the allowances we have seen adopted in other site-specific and area-wide LPVAs, as well as wider work across Red Book valuations and expert witness instructions.

6.31. The professional fee allowance is assumed to cover the cost of professionals including:

- Architect
- Landscape architect
- Engineer (civil and structural)
- Traffic engineer
- Legals (draft S106 agreement etc.)
- Topographical survey
- Site investigations
- Ecological reports
- NHBC or other building warranty costs
- Planning application fee
- Building regulations application fee.

6.32. The above list is not exhaustive and represents an example of some of the professional fees that would be incurred in developing the subject site.

[7] https://assets.publishing.service.gov.uk/media/69c16a87bb0dfe55b83e4bd3/Future_Homes_Standards_Impact_Assessment.pdf

Marketing, Sales Costs and Legal Fees

6.33. We have assumed appropriate market-facing costs to dispose of the completed housing units which include marketing, sales costs and legal fees.

6.34. In order for the housing units to be sold at the pace of sale we have assumed, it is imperative that appropriate full marketing is undertaken. All housebuilders sell new homes on a similar basis, using show homes, a marketing suite and full-time sales staff.

6.35. Typical examples of marketing costs include but are not limited to:

- Sales office
- Salaries and commission for sales staff
- Cars/travel/mobile phones
- Show home(s) and related costs
- Advertising/media/promotion
- Site signage/boards
- Brochure design and production.

6.36. We have made an allowance of 3% of market housing GDV for marketing and sales costs. In our experience, having regard to the allowances made in other area-wide and site-specific LPVAs, developer land bids, expert witness submissions and Red Book valuations, this is a reasonable figure to assume will be spent on marketing and sales costs for a site of this size to maintain a realistic pace of sale.

6.37. Legal fees on completion of sales of all units are set at £650 per plot. This is a standard allowance for a scheme of this nature.

Finance

6.38. We have adopted a cautious market-facing finance rate of 7.5% which is assumed to be inclusive of all arrangement, monitoring and exit fees.

6.39. In our opinion, this reflects a robust assumption in current market conditions based on our experience of assessing a wide range of residential development sites for valuation, viability and expert witness purposes, on behalf of numerous local, regional and national housebuilders and developers.

Site-Specific Abnormal, Infrastructure and Extra Over Development Costs

6.40. The total 'all in' standard build costs assessed above exclude any non-standard site-specific abnormal and extra over development costs required to deliver the proposed scheme. These costs must be included in the LPVA to determine the total development costs. Site-specific abnormal/extra over costs are, by their nature, specific to this particular development and therefore cannot be benchmarked to other schemes for comparison purposes.

6.41. A sum of £27,500 per dwelling has been allowed, for strategic infrastructure (e.g. primary and secondary access roads, utility connections and infrastructure, open space), for Sites 8, 11, 16 and 22, the four larger sites. This is based on our market experience and the advice of expert cost as well as costs provided to us by active developers.

Building Safety Levy

6.42. The Building Safety Levy comes into force in October 2026. The levy rate is derived from the government guidance and is as follows for Solihull MBC as of September 2026.

Previously Developed Land	Non Previously Developed Land
£17.56 psm	£35.12 psm

6.43. The levy is calculated on the total market housing floorspace including garages and the total sum

therefore varies depending on the quantum of affordable housing in each appraisal scenario.

Community Infrastructure Levy and S106

Section 106

6.44. Solihull MBC began implementing CIL in July 2016. There have been a number of changes since then in the CIL Regulations, most notably in 2019 when the pooling restrictions were lifted from Section 106.

6.45. As of 2020 the following types of infrastructure items were expected to be funded by Section 106:

- Highway works to mitigate direct impact of development
- Pedestrian, cycle and bus facilities on or off site
- Travel planning
- Secondary education facilities
- Training, skills and apprenticeship skills funding
- Improvements to existing primary healthcare provision or community centres
- On site flood mitigation measures

6.46. The latest Infrastructure Funding Statement (2024/25) demonstrates continuing use of S106 for transport infrastructure, education provision and environmental mitigation, but with notable prominence to biodiversity enhancements, environmental monitoring and open-space improvements.

6.47. After analysis of recent applications and the S106 secured (but subject to change as mostly Outline applications not yet with PP), and discussion with Solihull MBC, a Section 106 allowance has been made as follows:

- £18,000/dw: Sites 2,6,8,11,16,17,18,22
- £10,000/dw: Sites 5,14, reflecting these being North Solihull sites and less extensive education contributions being required

6.48. Clearly the timing of the requirement of such infrastructure, particularly large capital items such as schools and strategic highway infrastructure, will have a notable effect on viability, and as the timing of such payments is site specific the modelling has taken a cautious approach, with regards timing, as below.

6.49. The following payment schedule has been used:

- 10%, on Start on Site (Construction Phase)
- 65%, 12 months after the date of start on site (Month 17)
- 25%, 24 months after the date of start on site (Month 29)

Community Infrastructure Levy

6.50. In accordance with CIL Regulation Solihull MBC index-links its CIL rates so they rise or fall in line with inflation. Since 2020 this has been calculated using the RICS Building Index for CIL. The 2026 residential rates are as follows:

- Mature Suburbs: £110.70/sqm
- Rural Area: £221.40/sqm

6.51. As regards scheduling of CIL contributions, Table 1 of the Community Infrastructure Level (CIL) Instalments Policy (July 2016) is referenced, as below.

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Table 1. Proposed Instalments for payment of CIL

Total CIL Liability (or for each phase of development if applicable)	No. of Instalments	Payment periods from commencement of development
< £20,000	1	100% payable with 60 days
£20,000 to £40,000	2	• 50% payable within 60 days • 50% payable within 120 days
£40,000 to £100,000	3	• 30% payable within 60 days • 35% payable within 120 days • 35% payable within 180 days (or upon completion of development if earlier)
>£100,000 to £250,000	4	• 25% payable within 90 days • 25% payable within 180 days • 25% payable within 270 days • 25% payable within 360 days (or upon completion of development if earlier)
> £250,000	4	• 25% payable within 120 days • 25% payable within 240 days • 25% payable within 360 days • 25% payable within 480 days (or upon completion of development if earlier)

6.52. On this basis we have allowed for payments along the following monthly periods by site.

Dwellings	Site 2	Site 5	Site 6	Site 8	Site 11	Site 14	Site 16	Site 17	Site 18	Site 22
	110	100	100	300	480	50	600	150	100	300
CIL 1 25% 120D	17	17	17	17	17	17	17	17	17	17
CIL 2 25% 240D	21	21	21	21	21	21	21	21	21	21
CIL 3 25% 360D	25	25	25	25	25	25	25	25	25	25
CIL 4 25% 480D	29	29	29	29	29	29	29	29	29	29

Development Phasing & Period

6.53. The schedule below sets out our assumptions regarding development phasing,

- Pre-development Lead in Period of 12 months
- Construction of 3 market dwellings per month per development point, with Sites 8,11 16 and 22 having up to two development points due to their scale
- Sales Period based on 3 completions per month
- Sales Period begins 6 months after start of construction period

6.54. On this basis we have allowed for the following development monthly periods (from start on site to final sale) by site.

Site & Dwellings	Site 2 110	Site 5 100	Site 6 100	Site 8 300	Site 11 480	Site 14 50	Site 16 600	Site 17 150	Site 18 100	Site 22 300
Lead in	12	12	12	12	12	12	12	12	12	12
Construction Period	22	20	20	42	60	10	72	30	20	42
Construction Start	13	13	13	13	13	13	13	13	13	13
Construction End	35	33	33	55	73	23	85	43	33	55
Sale Start	19	19	19	19	19	19	19	19	19	19
Sale Period	22	20	20	42	60	10	72	30	20	42
Sale End	41	39	39	61	79	29	91	49	39	61

6.55. For all sites, infrastructure phasing starts with the construction phase, but is weighted towards the start of the construction programme, over a period of three years. This has the effect of having a proportionally greater effect on the smaller schemes, though does reflect that certain elements of infrastructure (such as major utilities connections) are likely to be required early on in a scheme irrespective of its size

6.56. The sales period is based on annual completion records of SMBC for sites of over 40 net dwellings, with first completions from the monitoring year 2022 to 2023 through to the present, so figures are as representative as possible to the ongoing slowdown in sales rates in light of increasing affordability pressures in the market place.

Developer's Profit

6.57. A significant factor in undertaking LPVAs for development purposes is the level of return which a developer might reasonably require from undertaking the development and on what basis the proposed scheme could be funded and financed. The developer's profit margin is a reflection of risk, and will depend on both the prevailing market conditions including macro-economic and political risks, and also the site-specific risks in respect of development and sales including the location, scheme size and complexity, market competition, development timescales and demand for the completed scheme.

6.58. For the purposes of this Study, we have adopted a developer's profit of 20% of market housing GDV. This profit level is considered to be fully justifiable having regard to the risk profile of the subject scheme and current market conditions as detailed below.

6.59. The adopted profit is also in line with the guidance in the PPGV and recent Planning Inspectorate / Examiner decisions and is therefore well supported,

6.60. We have adopted a much lower profit level of 6% of GDV for the other affordable housing units as we have assumed that these units will be transferred to an RP upon completion. Accordingly, this means that there is a guaranteed end sale at a known value which significantly reduces the sales risk and a lower profit level is therefore justified.

Land Acquisition Costs

6.61. We have calculated Stamp Duty Land Tax in accordance with the latest statutory rates. We have assumed a standard allowance for legal fees and agent's fees totalling 1.8% inclusive of VAT.

Residual Land Value

6.62. Based on our assumed inputs and adopting the full policy requirements in the appraisal, this generates the following residual land values.

Site Reference & Typology	Site 2 – Frog Lane, Balsall Common (Rural Greenfield)	Site 5 – Chester Road, Fordbridge (North Solihull Greenfield)	Site 6 – Meriden Road, Hampton-in-Arden (Rural PDL)	Site 8 – Hampton Road, Knowle (Rural Greenfield)	Site 11 – Former TRW, Shirley (Mature Suburbs PDL)	Site 14 – Arran Way (North Solihull PDL)	Site 16 – East of Solihull (Mature Suburbs Greenfield)	Site 17 - Moat Lane, Solihull (Mature Suburbs PDL)	Site 18 – Sharmans Cross Road (Mature Suburbs Greenfield)	Site 22 – Trevallion Stud, Balsall Common (Rural Greenfield PDL)
Dwellings	110	100	100	300	480	50	600	150	100	300
Value £/sqft	£415	£280	£450	£410	£410	£290	£440	£400	£410	£390
Density (dph)	35	39	35	38	45	60	45	52	40	48
Affordable Policy	50%	40%	50%	50%	40%	40%	50%	40%	40%	50%
Care Home included	-	-	-	-	-	-	YES	-	-	YES
Gross Development Value	£32,149,013	£20,087,200	£31,691,250	£86,622,750	£145,199,040	£9,819,400	£176,291,300	£44,268,000	£30,249,800	£76,942,425
Costs (before profit)	£26,683,680	£16,672,376	£26,303,737	£71,896,822	£120,515,163	£8,150,102	£146,729,777	£36,742,433	£25,107,334	£64,270,213
Profit	£5,465,332	£3,414,824	£5,387,513	£14,725,868	£24,683,877	£1,669,298	£29,561,523	£7,525,567	£5,142,466	£12,672,212
Total Costs	£30,567,905	£21,736,538	£28,487,686	£86,527,965	£138,624,789	£10,783,180	£173,387,207	£39,254,543	£28,105,573	£76,942,425
Residual Land Value	£1,581,108	-£1,649,338	£3,203,564	£94,785	£6,574,251	-£963,780	£2,904,093	£5,013,457	£2,144,227	-£190,238
Net Developable Acres	7.41	6.38	7.20	20	26	2	33	7	6	7
Gross Acres	14.83	9.90	11.00	32			64		10	11
£/ Dev. Acre	£213,289	-£258,517	£444,939	£4,794	£249,025	-£465,594	£87,631	£709,117	£345,843	-£26,422
£/Gross Acre	£106,644	-£166,600	£291,233	£2,951			£45,203		£225,708	-£17,294

6.63. The final element of the LPVA is to compare the calculated residual land value to the BLV to assess the viability of the proposed development. We explain our approach to determining the BLV in the following section.

7. Assessment of Benchmark Land Value

Approach

7.1. We have framed the Benchmark Land Values in accordance with the PPGV and RICS standards.

7.2. The RICS Professional Standard (paragraph 2.3.4) states that *"landowner expectations are a very important element in the voluntary release of land for development".* At the same time, the PPGV and RICS standard (paragraph 2.1.5) are clear that the BLV should not be assumed to equate to Market Value, and should instead reflect the 'minimum return' at which a reasonable landowner would be willing to sell their land for development.

7.3. The PPGV (Paragraph 15) further states that:

> *"There may be a divergence between BLVs and market evidence; and plan-makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners".*

7.4. Recognising this possible divergence between BLV for planning purposes and prices paid in the market, the PPGV (Paragraph 6) states that *"under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan".* The PPGV (Paragraph 6) further emphasises the importance for landowners and developers *"to have regard to the total cumulative cost of all relevant policies when agreeing a land price".*

7.5. As set out in Section 4 of this report, the PPGV essentially requires that the BLV should account for the following factors:

- A minimum return to a reasonable landowner;
- The site-specific development costs including abnormal and infrastructure costs; and
- A sufficient contribution to fully comply with policy requirements.

7.6. The guidance also recognises that the developer needs to make a minimum reasonable risk-adjusted return and as such there is evidently potential for tension and trade-offs in seeking to achieve the aspirations of landowner, developer and LPA, as the return of one party affects the ability to achieve the desired return of the others. There is, therefore, a need to "strike a balance". Where viability is constrained, the reality is that a site cannot deliver the return requirements of all three parties whilst also reflecting the full site abnormal costs in the BLV. In such circumstances, the BLV assessment and the appropriate level of landowner premium is arguably even more challenging to establish.

7.7. In determining the BLV for the tested site typologies, we have applied our professional judgement, and we have considered relevant market evidence to inform the assessment of EUV and landowner premium. We have allowed what we consider to represent a sufficient premium to incentivise a reasonable landowner to release their land for development whilst also allowing a sufficient contribution to fully comply with policy requirements as required by the PPGV.

7.8. We have also had regard to the typology specific costs including the abnormal and extra over costs required to deliver the proposed scheme and we have reflected the implications of these costs in the minimum premium applied to calculate the BLV in accordance with the guidance. It is however important to note that for all sites, there remains in the market a minimum value below which a landowner will not be incentivised to release their site for development. If deducting the full abnormal costs tips the BLV past the point of providing a sufficient incentive and leads to low land values which mean landowners will not sell, then this conflicts with the PPGV.

7.9. This approach accords with the recent appeal decision relating to Land at Pennpark, Modbury, Devon (ref: APP/K1128/W/24/3347514) (January 2025) whereby the Inspector considered how the PPGV (Paragraph 15) requirement to "reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees" when establishing BLV should be approached.

7.10. The Inspector (paragraph 60) stated that:

> *"It is correct that the PPG does not explicitly state that abnormal costs should be deducted from the BLV figure, but it does require that these costs should be reflected in the BLV. To reflect the abnormal costs it is reasonable to deduce that there should be some reduction to BLV as a consequence"*

7.11. He went on to state that (paragraph 61):

> *"It is my view that the choice of demolition costs to be deducted from the BLV is arbitrary from the Council, with no clear reasoning as to why this was the abnormal cost used rather than others possible. To ensure an incentive for the owner of the site to sell for the proposed development, a lesser deduction could have been chosen, so that the net BLV is sufficiently greater than the EUV".*

7.12. The Inspector therefore clearly recognised that whilst abnormal costs should be reflected in a reduced BLV, the costs cannot be deducted if this tips the BLV to a level that is too close to the EUV and not sufficient to incentivize a sale.

7.13. We believe that our approach supports the approach to viability advocated in the PPGV, which aims "*to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission*" (PPGV, Paragraph 11). If this balance is not maintained and landowners are not sufficiently incentivised to bring land forward, they may choose to withhold their land to retain the existing use or pursue another alternative use, and/or wait for a change in planning policy where requirements are deemed as less onerous for example. The BLV must equate to a landowner's reasonable expectation of value

Existing Use Value

7.14. Our approach for both greenfield and previously developed land is based on the Existing Use Value based approach

7.15. In order to the determine the BLV, we have assessed the EUV of the land which represents the first component of the calculation in accordance with the PPGV and RICS standards.

7.16. The EUV represents the value of the site in its existing use, ignoring any hope value and prospect of future change to that use. The RICS standard states that the EUV may however include permitted development or change of use within the same planning use class, but only where this does not necessitate any refurbishment or redevelopment works to the existing buildings or site works. The RICS standard further suggests that where possible and appropriate, the market comparison approach will be used to determine the EUV

Greenfield

7.17. Strutt & Parker Regional Pricing Data cited in Farmers Weekly (Farmland in your area 2025: West Midlands - Farmers Weekly) suggested an average rate per acre of £10,000 in the West Midlands, and up to around £11,500/acre[8] based on holdings of 100 acres (40.5 hectares) or more. Given Solihull's excellent access, and the preponderance of Grade 2 land around Solihull we have erred towards the top end of the range.

Greenfield Landowner Premium

7.18. Having established the EUV of the land, we have then assessed the premium to the landowner which represents the second component of the BLV calculation. The premium is defined as *"the minimum return that would persuade a reasonable landowner to release the land for development, rather than exercise the option to wait or any other options available to the landowner"* (RICS Professional Standard, paragraph 5.3.2).

7.19. The assessment of landowner premium is a matter of judgement and there is no 'one-size-fits-all' approach or specific methodology for defining an appropriate premium. Indeed, the premium required to incentivise release of each site will vary on a site-by-site basis depending on the specific circumstances affecting that particular site.

7.20. This is confirmed in the RICS standard (paragraph 5.3.3) which states that:

> *"There is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement".*

7.21. The RICS standard (paragraph 5.7.9) further states that:

> *"There is no guidance in the PPG (and therefore in this [guidance note]) as to what that minimum return is, nor should there be. It is a feature of real estate markets that each typology and site is unique. The balance between premium and contributions is also unique and fixed amounts would be inappropriate".*

7.22. In determining an appropriate premium, the uplift must incentivise a reasonable landowner to release their site for development and forgo the future returns generated by the current existing use, while allowing a sufficient contribution to fully comply with policy requirements and reflecting the implications of all site-specific costs in accordance with the PPGV and RICS standard.

7.23. When defining the premium, the PPGV (Paragraph 17) further states that:

- Market evidence can include BLVs from other viability assessments.
- Land transactions can be used but only as a cross check to the other evidence; and
- Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners.

7.24. Appendix D of the RICS Professional Standard sets out detailed commentary and guidance on the use and application of market evidence to inform the landowner premium. Key points include:

- If using BLVs from other LPVAs and/or if analysing land transactions, assessors need to have knowledge of, and explain, the factors / circumstances underpinning the assessment of EUV and premium in each comparator. If assumptions concerning information about comparables have been made, these must be clearly stated. The use of assumptions reduces the weight which can be attributed to the evidence; (by the decision-maker). Paragraph D.2.4 states all factors which need to be considered – including date, landowner optionality, state of property, site constraints, competition, uniqueness.
- The weight given to land transaction evidence will be reduced where some circumstances and facts are not known, such as sale terms, planning status, third party arrangements; Where some elements are not known, assumptions can be made but this will have an impact on the quality of that evidence;
- When analysing land transactions, a residual value of the planned development, taking into account GDV, costs of development, contributions and profitability, is required in order to reconcile the land transaction price and the planned development, and to provide a context to the adjustments to be made to the comparable land transaction prices to make them policy compliant; and
- The analysis of transactions should clearly demonstrate how any adjustment for abnormal site costs was undertaken, and how any additional and unusual costs were treated.

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7.25. Based on the available evidence and informed by our professional judgement, we have applied what we consider to be an appropriate premium to incentivise a reasonable landowner to release their site for development whilst also allowing a sufficient contribution to fully comply with policy requirements, and reflecting the site-specific costs.

7.26. For the typologies, most are located on the edge of the existing settlement areas and would accordingly have development expectations as an extension to the existing residential neighbourhood. Again, this would increase landowner expectations of value in comparison to an isolated site with no realistic prospect of development in the short to medium term.

7.27. However, this should be balanced against the abnormal / extra over costs required to deliver the proposed scheme, as well as the policy requirements including the large CIL payment. The implications of these costs should be reflected in the BLV in accordance with the PPGV.

7.28. In the viability context, the premium applied to greenfield land is typically based on a multiplier of the EUV, with the premium for brownfield land typically based on a percentage increase.

7.29. Based on recent appeal decisions and other site-specific and area-wide LPVAs that we have reviewed, the premiums assumed and accepted for greenfield land typically range between 10 – 25 x EUV, and for brownfield land and existing buildings typically range between 20% – 50% of EUV. The upper end of the range will typically reflect sites with lower abnormal costs and/or lower policy requirements and/or higher value areas and vice versa.

7.30. It is however crucial to also have regard to the actual end BLV generated by the applied percentage uplift/multiplier as it is the end value which needs to be judged as to whether this meets the likely minimum return requirement, and which the reasonable landowner would have regard to. This is inferred in the RICS Professional Statement which sets out a requirement to "stand back" and apply a viability judgement to the BLV to reach a rational, reasonable and realistic conclusion.

7.31. This approach is also endorsed by the Inspectors in the examinations of the Bassetlaw Local Plan and the Bassetlaw CIL Charging Schedule in February 2024 (PINS/A3010/429/4 and PINS/A3010/429/5) where the Shinfield approach was adopted in the LPVA/CIL VA (prepared by Nationwide CIL Service) to determine the BLV, by applying 50% of the uplift between the EUV and the gross residual value of alternative use with planning permission (the gross residual value is the maximum potential value of land assuming planning permission but with no planning policy, affordable housing, S106 or CIL cost impacts) to generate BLVs. The applied BLVs reflected a premium of c. 46 x EUV for greenfield land and c. 265% of EUV for brownfield land.

7.32. In justifying their approach, Nationwide CIL Service advised that:

> *"In determining the appropriate premium to the landowner above existing use value in the 'EUV+' approach, we have concluded that adopting a fixed % over existing value is inappropriate because the premium is tied solely to existing value - which will often be very low - rather than balancing the reasonable return aspirations of the landowner to pursue a return based on alternative use as required by the NPPF. Landowners are generally aware of what their land is worth with the benefit of planning permission. Therefore, a fixed % uplift over EUV will not generally be reflective of market conditions and may not be a realistic method of establishing threshold land value".*
>
> "*In our view the % share of uplift method is more realistic to market circumstances than the application of a fixed premium over EUV*".

7.33. Within the Inspectors' reports (February 2024) on both the Local Plan and CIL Charging Schedule, the Inspectors endorsed the adopted approach, specifically in the CIL Examination report it is stated that:

> *"In effect, the increase in the value of the land resulting from permission for development is shared equally between the landowner and the local authority/community, in the form of CIL and other developer contributions. This is in line with guidance in PPG which puts forward EUV+ as an appropriate means of establishing BLV. I have been presented with no cogent evidence that the 50% share is not soundly based and I conclude that it represents an appropriate balance between the desirability of funding infrastructure through CIL and the potential impact on the viability of development".*

7.34. We would also note recent research by Lichfields[9] published in response to the 2024 consultation on the revised draft NPPF which sought to identify the level of BLV/landowner premium required to reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land in accordance with the PPGV, but also allowing sufficient land value to ensure that two other key steps in the planning and development process are achieved, namely:

- The uplift necessary to secure the investment in land promotion (converting the site EUV to its BLV through the securing of planning permission); and
- Funding up-front infrastructure/servicing of plots for housebuilding.

7.35. Lichfields found that:

> *"The cost and value factors shaping the different elements of this calculation will clearly vary between sites…*
>
> *In this regard, our analysis of typologies shows that the different factors will typically suggest BLVs at least to the middle or upper end of the 10-40 times EUV range identified earlier and nothing remotely supports the idea of setting BLV at the lower end…*
>
> *Even before considering landowner expectations, promotion costs are a very high proportion of the total costs for small sites, whilst up-front infrastructure can require significant collateral for larger sites.*
>
> *A crude average across our different drivers and the low and high bookends equates to a BLV of between 23 and 30, but it is obvious that circumstances could accumulate on a site to require a higher level".*

Conclusion on Landowner Premium – Greenfield

7.36. In the 2020 study, we were keen to reflect a level of return proportionate to reasonable expectations and used the net to gross ratio as a proxy to price into landowner expectations. Adopting a £350,000/net acre benchmark (£865,000/ha) this resulted in multipliers as follows based on an existing use value rate at the time of £7,500/acre

Site	Address	Value Area	Description	Gross ha	Gross ac	Net ha	Net ac	Net to Gross	Dw	£/Net ha	£/Net acre	£	£/gross acre	Multiplier
GREENFIELD														
Site 2	Frog Lane, Balsall Common	Rural	Located to the south of Balsall Common, approximately 6 miles east of Solihull and 12 miles south east of Birmingham	6	14.826	3	7.413	50%	110	£864,850	£350,000	£2,594,550	£175,000	23
Site 8	Hampton Road, Knowle	Rural	Land at Hampton Road, Knowle (c.13 hectares gross), 300 dwellings. A greenfield site to the north of Knowle.	13	32.123	8	19.768	62%	300	£864,850	£350,000	£6,918,800	£215,385	29
Site 16	East of Solihull	Mature Suburbs	A greenfield site off Damson Parkway, and north of Hampton Lane, around 1 mile to the north east of Solihull town centre	26	64.246	13	32.123	50%	600	£864,850	£350,000	£11,243,050	£175,000	23
Site 6	Meriden Road	Rural	A predominantly brownfield site occupied by an industrial storage yard, alongside undeveloped farmland. Located around half a mile east of Hampton-In-Arden and 3.5 miles east of Solihull.	4.5	11.0	2.9	7.2	65%	100	£864,850	£350,000	£2,508,065	£227,476	30

[9] https://lichfields.uk/blog/2024/september/20/fool-s-gold-how-a-rigid-approach-to-affordable-housing-and-benchmark-land-values-for-green-belt-could-undermine-housing-delivery

Site	Address	Value Area	Description	Gross ha	Gross ac	Net ha	Net ac	Net to Gross	Dw	£/Net ha	£/Net acre	£	£/gross acre	Multi plier
Site 22	Trevallion stud	Rural (G/F Paddock/ Storage0	A partially brownfield site occupied by paddock lands with associated buildings and open space, located approximately 5 miles east of Solihull and 11 miles south east of Birmingham.	4.5	11.0	2.9	7.2	65%	300	£864,850	£350,000	£2,508,065	£227,476	30
Site 18	Sharmans Cross Road	Mature Suburbs (Undeveloped Open Space)	The site consists of an area of undeveloped recreational open space on which the housing will be developed. The site is located around 1 mile west of Solihull town centre.	3.8	9.5	2.5	6.2	65%	100	£864,850	£350,000	£2,162,125	£227,509	30
Site 5	Chester Road, Fordbridge	North Solihull	Located around 1 mile east of Fordbridge and 2 miles north of Birmingham Airport.	4.0	9.9	2.6	6.4	65%	100	£395,360	£160,000	£1,027,936	£104,000	14

7.37. On the basis of our adopted EUV rate for agricultural land of £11,500/acre, representing a £4,000/acre increase from the £7,500/acre adopted in 2020, it is arguably appropriate to revise the Benchmark Land Values.

7.38. To scope the effect of this, we have first increased £/net acre expectations in reference to the increase in the in existing use value.

7.39. We have increased these by £50,000 to £400,000/net acre to ensure either a multiplier of at least 15 existing agricultural land value or £200,000/gross acre (which ever the higher).

7.40. So, for example:

- with the lowest (*17 agricultural land value for the two sites with the lowest net to gross ratios), and,
- the highest (*23 agricultural land value for the three sites with the highest net to gross ratios)

Site	Address	Value Area	Description	Gross ha	Gross ac	Net ha	Net ac	Net to Gross	Dwellings	£/Net ha	£/Net acre	£	£/gross acre	Multi plier
GREENFIELD														
Site 2	Frog Lane, Balsall Common	Rural	Located to the south of Balsall Common, approximately 6 miles east of Solihull and 12 miles south east of Birmingham	6	14.826	3	7.413	50%	110	£988,400	£400,000	£2,965,200	£200,000	17
Site 8	Hampton Road, Knowle	Rural	Land at Hampton Road, Knowle (c.13 hectares gross), 300 dwellings. A greenfield site to the north of Knowle.	13	32.123	8	19.768	62%	300	£988,400	£400,000	£7,907,200	£246,154	21
Site 16	East of Solihull	Mature Suburbs	A greenfield site off Damson Parkway, and north of Hampton Lane, around 1 mile to the north east of Solihull town centre	26	64.246	13	32.123	50%	600	£988,400	£400,000	£12,849,200	£200,000	17
Site 6	Meriden Road	Rural	A predominantly brownfield site occupied by an industrial storage yard, alongside undeveloped farmland. Located around half a mile east of Hampton-In-Arden and 3.5 miles east of Solihull.	4.5	11.0	2.9	7.2	65%	100	£988,400	£400,000	£2,866,360	£259,973	23
Site 22	Trevallion stud	Rural (G/F Paddock/ Storage0	A partially brownfield site occupied by paddock lands with associated buildings and open space, located approximately 5 miles east of Solihull and 11 miles south east of Birmingham.	4.5	11.0	2.9	7.2	65%	300	£988,400	£400,000	£2,866,360	£259,973	23

Site	Address	Value Area	Description	Gross ha	Gross ac	Net ha	Net ac	Net to Gross	Dwellings	£/Net ha	£/Net acre	£	£/gross acre	Multiplier
Site 18	Sharmans Cross Road	Mature Suburbs (Undeveloped Open Space)	The site consists of an area of undeveloped recreational open space on which the housing will be developed. The site is located around 1 mile west of Solihull town centre.	3.8	9.5	2.5	6.2	65%	100	£988,400	£400,000	£2,471,000	£260,010	23
Site 5	Chester Road, Fordbridge	North Solihull	Located around 1 mile east of Fordbridge and 2 miles north of Birmingham Airport.	4.0	9.9	2.6	6.4	65%	100	£395,360	£160,000	£1,027,936	£104,000	9

7.41. These multiplier premiums are all at the top end of the10-25*EUV range revealed by our review of recent appeal decisions and other site-specific and area-wide LPVAs

7.42. The resultant benchmark land values are notably higher than those adopted for Greenfield Land in neighbouring Coventry (£170,000/gross acre based on a multiplier of 10 applied to £12,500/acre); Aspinall Verdi, October 2024) and Birmingham (£250,000/net acre – strategic based on a multiplier of 9.4, and £275,000/net acre; paddock (based on a 1.2 multiplier on an existing use value for paddock land of £100,000/gross acre).

7.43. We understand that Local Plan Viability Assessments (LPVA) are being conducted, but not yet published, in support of the preparation of the joint South Warwickshire Local Plan for the neighbouring Stratford and Warwick Districts, and also for neighbouring North Warwickshire Borough. Whilst Bromsgrove District Council has commenced preparation of a new Local Plan, there is not yet any published LPVA.

7.44. On the basis of the above, arguably somewhat lower benchmark land values for the greenfield site typologies are appropriate, particularly those sites 2,6,8,16 and 22, that are proposed to be removed from the Green Belt, which presents an exceptional circumstance, and arguably a multiplier of around ten times (the lower end of the range) agricultural land value is appropriate for these sites.

Previously Developed Land

7.45. We have carefully considered the Benchmark Land Value for Sites 17 (Moat Lane, Solihull) and Site 11 (Former TRW Site, Shirley), both of which have substantial alternative use values for employment development. It should be noted that regarding the PDL typologies, and sites 11 and 17 in particular, one factor that has not been considered as part of this study is any vacant building credit that may be available, which could reduce the amount of affordable housing or CIL required and would therefore, increase the residual land value of the residential appraisal.

7.46. **With regard to Site 11; Former TRW Site, Shirley** (c. 19 hectares gross). Whilst this site is being developed, the site has been retained within the viability study as a typology to illustrate an example of former employment land being brought forward for residential use, located in the Mature Suburbs. The advice of the C&W Industrial Agency is that a site of this size and in this broad location would likely have serviced land value in the order of £1.3 million /acre (say £800,000/acre un-serviced) assuming an Open B consent, and we have based the alternative use value of the site on this rate.

7.47. **Site 17: Moat Lane,** the site, currently an industrial estate of around 5 hectares, is some 0.75 miles to the south of the Jaguar Land Rover site, and around a mile north of Solihull town centre. As with Site 11 (Former TRW Site),the advice of the C&W Industrial Agency is that a site of this size and in this broad location would likely have serviced land value in the order of £1.3 million / acre (say £800,000/acre un-serviced) assuming an Open B consent, and we have based the alternative use value of the site on this rate.

7.48. **Site 14: North Solihull PDL: £160,000/acre.** (c. 2 hectares gross), 50 dwellings. A low value brownfield site with a commercial existing use. Located within the Smith's Wood area of North Solihull, approximately 7 miles east of Birmingham city centre.

Site	Address	Value Area	Site Size (hectare)	Site Size (acres)	Alternative Use Value £/acre (Serviced)	Alternative Use Value £/acre (Net of Infrastructure)	Benchmark Land Value
11	Former TRW Site, Shirley	Mature Suburbs	19	46.949	£1,300,000	£800,000	£37,559,200
14	North Solihull	North Solihull	2	4.942	£160,000		£790,720
17	Moat Lane	Mature Suburbs	5	12.355	£1,300,000	£800,000	£9,884,000

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8. The Viability Modelling & Analysis

8.1. The PPGV (Paragraph 11) defines an LPVA as follows:

'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return'.

8.2. To recap, the LPVA process reflects a residual appraisal framework as shown in the diagram below and further explained in the Valuation of Development Property (October 2019, republished April 2023) RICS Professional Standard:



Source: RICS Professional Standard Assessing Viability in Planning Under the National Planning Policy Framework 2019 for England (March 2021)

8.3. Section 4 of the RICS Professional Standard sets out the methods which can be adopted when preparing an LPVA, based on two variations of the residual method; the basic residual and the discounted cash flow model. Detailed guidance on the application of both variations is contained in the Valuation of Development Property (October 2019, republished April 2023) RICS Professional Standard. The method utilised should be proportionate to the complexity of the site and the quality of evidence underpinning the inputs.

8.4. In preparing this LPVA, we have adopted the residual approach which is an accepted methodology for assessing site viability and is the standard approach adopted by developers when preparing appraisals/bids to acquire sites for development. The residual methodology also accords with the recommended approach in the PPGV.

8.5. There are two approaches that can be adopted when using the residual method as set out in the RICS standard (March 2021 as updated in April 2023, paragraph 3.10.1).

- The first involves subtracting the total development costs required to deliver the scheme, including an allowance for the developer's profit, from the assumed Gross Development Value ('GDV') of the scheme to arrive at a residual land value. No allowance is made for underlying inflation throughout the duration of the scheme . The residual land value is then compared to the Benchmark Land Value (BLV) to determine the surplus or deficit position, and thus the viability of the proposed development. **We have adopted this approach for the purposes of the LPVA.**

- Alternatively, the BLV can be included as a fixed cost in the appraisal and the residual method utilised to calculate the residual profit when subtracting the total scheme costs (including BLV) from the assumed GDV. The residual profit is then compared to the minimum target developer's profit to assess the viability of the proposed development.

8.6. Our residual appraisals have been prepared using Argus Developer software which is extensively used by key practitioners across the industry to ensure a robust and consistent approach to the cash flow modelling.

Standardised Inputs to LPVA

8.7. The NPPF and PPGV (Paragraphs 11-20) advocate the use of 'standardised inputs' These inputs include the GDV, build costs, the total cost of all relevant policy requirements, developer's profit and the BLV.

8.8. The evidence and analysis regarding benchmark land values is presented in Section 8, above, whilst those relating to the calculation of the Residual Land value, including GDV, build costs, the total cost of all relevant policy requirements, developer's profit is presented in Sections 6 and 7.

Summary Analysis

8.9. Below we present the summary analysis drawing together the residual land values of Section 7, with the Benchmark Land Values of Section 8.

8.10. The residual land value for each of the sites, under the policy testing is then compared to the Benchmark Land Value (BLV) to determine the surplus or deficit position, and thus the viability of the typology

Site Reference & Typology	Site 2 – Frog Lane, Balsall Common (Rural Greenfield)	Site 5 – Chester Road, Fordbridge (North Solihull Greenfield)	Site 6 – Meriden Road, Hampton-in-Arden (Rural PDL)	Site 8 – Hampton Road, Knowle (Rural Greenfield)	Site 11 – Former TRW, Shirley (Mature Suburbs PDL)	Site 14 – Arran Way (North Solihull PDL)	Site 16 – East of Solihull (Mature Suburbs Greenfield)	Site 17 - Moat Lane, Solihull (Mature Suburbs PDL)	Site 18 – Sharmans Cross Road (Mature Suburbs Greenfield)	Site 22 – Trevallion Stud, Balsall Common (Rural Greenfield PDL)
Dwellings	110	100	100	300	480	50	600	150	100	300
Value £/sqft	£415	£280	£450	£410	£410	£290	£440	£400	£410	£395
Density (dph)	35	39	35	38	45	60	45	52	40	48
Affordable Policy	50%	40%	50%	50%	40%	40%	50%	40%	40%	50%
Care Home included	-	-	-	-	-	-	YES	-	-	YES
Residual Land Value	£1,581,108	-£1,649,338	£3,203,564	£94,785	£6,574,251	-£963,780	£2,904,093	£5,013,457	£2,144,227	-£190,238
Net Developable Acres	7.41	6.38	7.20	20	26	2	33	7	6	7
Gross Acres	14.83	9.90	11.00	32			64		10	11
£/ Dev. Acre	£213,289	-£258,517	£444,939	£4,794	£249,025	-£465,594	£87,631	£709,117	£345,843	-£26,422
£/Gross Acre	£106,644	-£166,600	£291,233	£2,951			£45,203		£225,708	-£17,294
Existing Use Value /Alternative Use Value £/acre	£11,500	£11,500	£11,500	£11,500	£800,000	£160,000	£11,500	£800,000	£11,500	£11,500
Agricultural Multiplier	9	-14	25	0	N/A	N/A	4	N/A	20	-2
Matches Alternative Use Value?	N/A	N/A	N/A	N/A	MARGINAL	NO	N/A	MARGINAL	N/A	N/A

8.11. The best performing typologies **(6, and 18)** are the greenfield sites of under 300 dwellings (and thus not requiring significant strategic infrastructure) in the Rural Area and Mature Suburbs. They all perform strongly with significant multipliers (a multiple of 25 for Site 6, and 20 and for Site 18) over the existing agricultural use value.

8.12. The resultant benchmark land values are comfortably higher than those adopted for Greenfield Land in neighbouring Coventry (a multiplier of 10 applied to £12,500/acre); Aspinall Verdi, October 2024). (Note, we understand that Local Plan Viability Assessments (LPVA) are being conducted, but not yet published, in support of the preparation of the joint South Warwickshire Local Plan for the neighbouring Stratford and Warwick Districts, and also for neighbouring North Warwickshire Borough. Whilst Bromsgrove District Council has commenced preparation of a new Local Plan, there is not yet any published LPVA

8.13. Furthermore, **Site 6 is a Greenbelt site**, and its multiplier of 25 is significantly above what might be considered appropriate for one in the existing Greenbelt, as considered below with regard to **Site 2.**

8.14. The next best-performing typology is **Site 2**, a rural greenfield site of fewer than 300 dwellings which, unlike the larger strategic allocations, is not required to support significant strategic infrastructure. The site is located within the Green Belt and is therefore tested against the proposed 50% affordable housing requirement. Despite this policy burden, the appraisal indicates that the typology remains marginally viable, generating a residual land value of approximately £107,000 per gross acre. This equates to around nine times existing agricultural use value and is broadly consistent with benchmark land values commonly adopted in Local Plan viability assessments. Whilst the residual value is only modestly above a benchmark of £100,000 per gross acre, the scale of uplift above existing use value suggests that a reasonable incentive exists for landowners to release land for development. Furthermore, given the site's existing Green Belt designation and the uncertainty associated with securing future allocations through subsequent plan review processes, it is not evident that withholding the land in anticipation of a stronger residential land market would represent a credible alternative strategy for a typical landowner.

8.15. **Site 8** is a Greenbelt site, and is presented as unviable, with the strategic site infrastructure costs required for a site of this size (300 dwellings) and the required 50% affordable housing presenting a viability challenge.

- This is a peculiar viability position to be in as Knowle is a very high value area, yet we have tempered the sales value tone of the site in our testing, as we did in the 2020 Study on the basis of Policy P4c that requires a minimum requirement for 2 bedroom housing of 30% whilst caping 4 bedroom housing at 20%.

- If this policy was amended to remove the effective floor for 2 bedroom dwellings and the cap for 4 bedroom and larger dwellings, then as set out in Section 6 (Residential Market Analysis) the expected value tone would increase from £410/sqft to £480 /sqft. This would increase the GDV by £14 million to £101 million, and the residual land value to £9.2 million from £0.1 million, presenting a multiplier of 25 **and the site would be deliverable**.

8.16. **Sites 16 and 22** present as unviable, despite their location in high value areas.

- As with Site 8 we consider the sales values of **Site 22** is tempered by Policy P4c, and increasing the sales tone by 5% to £415/sqft, disregarding Policy P4c as a sense test would turn it viable, increasing the GDV by around £4 million and the residual land value by around £2.3 million to £2.2 million - £197,000/gross acre – a multiplier of 17 over the existing agricultural use value, **and the site would be deliverable**

- With regard to **Site 16**, we have modelled base build cost on BCIS Median, consistent with the approach we adopted for this site in the 2020 Local Plan Viability Assessment, though on a standback, given the trajectory of BCIS median since 2020, the resultant standard build costs of around £170/sqft (when including plot costs and estate road frontages and associated utilities) are on the high side in C&W experience of national volume housebuilder cost even to a relatively high specification, and a small 5% reduction to £160/sqft increases the residual land value to £9.3 million or £145,000/gross acre – **which is some 13 times the existing agricultural use value, and the site would be deliverable**

8.17. **Sites 11 and 17** are both previously developed land sites in the Mature Suburbs, and despite returning very strong residual land values (£250,000/net acre, and £700,000/net acre) respectively, they present as unviable on the basis of the high alternative use values as employment sites

- With regard to **Site 11**, we have not included any allowance for vacant building credit, which may have the effect of reducing the affordable housing or CIL requirement and thus increasing the residual land value for PDL sites. Cushman & Wakefield are also aware that in January 2019, this particular site achieved a planning consent for up to 570 dwellings, 154 senior living units and up to 145,000 sq. ft. of car dealership and commercial accommodation, **and was delivered**
- Likewise, with regard to **Site 17**, this records the strongest residual land value per acre of all the typologies and **in this respect, we consider the site as being deliverable**, noting that the difference between the modelled residual land value of £5 million and the benchmark land value of £5.6 million is just £600,000, representing just 1% of the scheme costs

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