

Craven District Council - Craven Local Plan Examination Matter 3 Resumed
Affordable Housing need (Policy H2)

Response to Supplementary Report

by

Aspinall Verdi Brownfield Land

ISSUE 3 - VIABILITY – BROWNFIELD SITES

1. Background

- 1.1. At the close of the session on Matter 3, the Inspector requested that the Council produce evidence to support a requirement for affordable housing on brownfield sites.
- 1.2. Based upon the report produced by Aspinall Verdi last week the Council have concluded that a minimum of 25% affordable housing is justified.
- 1.3. SPL fundamentally disagree with this analysis and consider that based on the realistic appraisal, brownfield sites (and certainly those sites between 6 and 10 in designated rural areas) should not be required to provide any affordable housing.
- 1.4. It should be noted that the government policy to allow affordable housing to be sought in designated rural areas is also a discretion and needs to be supported by evidence.
- 1.5. Skipton Properties Limited (SPL) are a local builder who specialise in bringing forward brownfield sites which are generally complicated by reason of ground conditions, contamination, infrastructure requirements (particularly adjoining rivers), demolition, (particularly where old mills are involved), and build costs necessitated by the need to produce quality infill within a village setting.
- 1.6. Given that brownfield land has an existing use value to which 30% uplift is appropriate then coupled with build costs and abnormal costs is generally unlikely to be sufficient to sustain affordable housing. The imposition of such a policy generally does considerably slow down development of such sites because the land owner will not accept less than the threshold/existing use value plus uplift and the developer needs to make a 20% profit given the complications of building on such sites.

2. “Evidence” Submitted by Aspinall Verdi

- 2.1. It is quite clear from the supplementary report that the only ‘most useful evidence’ within the database is 1 brownfield site in the planning system for the development of 16 residential properties.
- 2.2. As far as SPL are aware this relates to an application (yet to be approved and subject to Section 106 Agreement) planning ref 8 / 2017 / 17887 at the top of table 3 of the Council’s letter 3 Statement Appendix 1. It is noted to be part green field site and it is yet to be determined. The price paid equated to £264,000 per acre, which of course is some years ago.
- 2.3. The fundamental point however, is that this is the only application ‘evidence’ which the Council has put forward to support a policy for affordable housing on brownfield sites in the Craven District. In our view this is not evidence.
- 2.4. Neither is Aspinall Verdi’s attempt to calculate the Existing Use Value of car parks and secondary commercial properties identified as allocated sites. This was done by applying Yields of 10% and 12% to the Rateable Value. This is not an established technique for establishing an Existing Use Value of a property and the use of such high Yields is unsupported. For example, we have been informed that the average yield for 102 lots sold at Allsops Auction on 3rd July 2018 was 7.81% (adjusted by

removing some very low yield anomalies). Thereby indicating that Yields over 9% are now uncommon, even on secondary properties.

2.5. Based on this alone therefore, there is no basis for concluding that affordable housing on brownfield sites should be required.

3. SPL Viability Review

3.1. Skipton Properties Limited (SPL) have commissioned Jackson Webb Chartered Surveyors (JWS) to review the brownfield Appraisals which have been submitted by Aspinall Verdi. A comprehensive analysis is contained in Appendix 1. Essentially the broad points to rate are as follows.

3.2. JWS consider that the threshold land value should be in the region of £390,000 per acre for industrial land value in the region and landowners will not sell for less.

3.3. JWS however do not agree that £50,000 for demolition and remediation costs is anything like sufficient on a site which contains an existing mill or development. A more realistic minimum figure is £100,000 per acre.

3.4. Accordingly, the evidence does not support a requirement of 25% affordable housing on brownfield sites of 8 proposed dwellings and particularly since this policy is also predicated upon this requirement being a minimum and only allowing exceptional circumstances as a reason for not delivering affordable housing.

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