

Erewash Borough Council Core Strategy Viability Assessment



Final Report: South West Kirk Hallam Update



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South West of Kirk Hallam

- 1.1 This site was originally for 1,300 dwellings, although the number (2024) has been revised to 1000. The main infrastructure requirement is a relief road (a cost of some £10 million), and there are additional items in the form of education contributions.

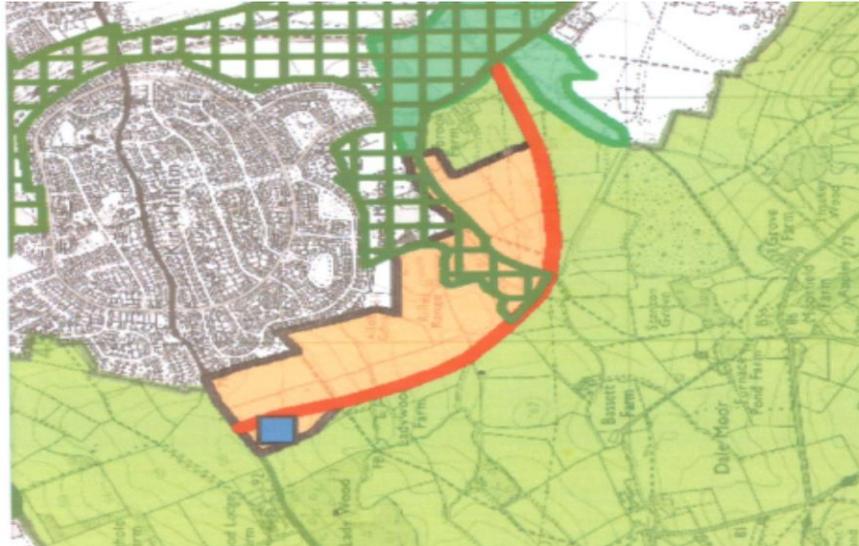
Infrastructure requirements

Item	Item details	Policy	Site/ policy	Estimated total cost
Kirk Hallam Relief Road	Including appropriate crossings	1.5	South West of Kirk Hallam	£10,295,000 (total)
				Phase 1 - £3,860,000
				Phase 2 - £3,910,000
				Phase 3 - £1,316,000
				Phase 4 - £1,209,000

The Council has recently checked the Education contribution as shown below:

SITE SPECIFIC COST CALCULATIONS			
South West Kirk Hallam (Derbyshire County area, 1000 dwellings)			
A	B	C	D
Pupils generated by site (using Table 1)	Spare capacity across normal area	Remaining places for site to provide (A-B)	Cost to provide places (C x relevant cost at Table 2)
Primary			
240	0 (-28 actual)	240 (site responsible for providing)	N/A - providing new primary school- see below
Secondary with Post-16			
280	428	0	£0
SEND			
N/A	N/A	N/A	£727,628.30
Subtotal- school place contributions			£727,628.30
New 1 form primary school			£4,500,000
TOTAL			£5,227,628.30

- 1.2 The site is shown below. The development will be close to the existing settlement of Kirk Hallam. This is a lower value settlement. However the new development is very large and hence it is expected that it will create its own market and respective development values. I have taken account of the information provided by the site promoters in the adopted GDV.



1.3 The density assumed is 30 dwellings per hectare site (and 1,000 dwellings) the developable area is around 33 hectares. The gross area is believed to be around 51 hectares. It is assumed that this will be family housing, including two, three and four bed dwellings.

1.4 The anticipated development mix is shown in the table below:

Anticipated development mix for Kirk Hallam development

Dwelling Type	30 DpH	Total	Homes	Prices	GDV
2 Bed Terraces	15	1000	150	£200,000	£30,000,000
3 Bed Semis	50	1000	500	£250,000	£125,000,000
4 Bed Detached	25	1000	250	£385,000	£96,250,000
5 Bed Detached	10	1000	100	£450,000	£45,000,000
	100		1000		£296,250,000

1.5 The results of the assessment are shown in the table below:

Viability assessment for land South West of Kirk Hallam: Results

% Affordable Housing	Residual Value
0	£39,815,000
10	£28,759,000

20	£17,702,000
30	£6,646,000
40	£-4,410,000

1.6 The screenshot below shows the results for the scheme at 25% Affordable Housing (this is the point at which the scheme becomes viable):

Results

Site: Land South West of Kirk Hallam
 Address: 30 DPH
 Scheme Description: 30 DPH

Site Reference Number: [Blank]
 Application Number: [Blank]
 NLUD Ref. Number: [Blank]
 UPRN or Grid Ref: [Blank]

RESIDUAL before land finance £13,527,000
RESIDUAL after land finance £12,174,000
 Per hectare £369,000
 Per dwelling £12,000
 Per market dwelling £16,000
 Per habitable room £3,000
 Per bedspace £4,000

SCHEME UNITS per ha.
 No. of Dwellings 1000 / 30
 No. of Habitable rooms 3950 / 120
 No. of Bedrooms 3300 / 100
 Total floorspace (m²) 88,700 / 2688
 % Wheelchair Units [Blank]

SCHEME REVENUE £250,938,000
 Contribution to revenue from:
 Market housing £222,188,000
 Affordable Housing £28,750,000
 - Low Cost Sale [Blank]
 - Equity Share [Blank]
 - Shared Ownership [Blank]
 - Intermediate Rent [Blank]
 - Affordable Rent £28,750,000
 - Social Rent [Blank]
 Grant [Blank]
 Capital Contribution [Blank]
 Commercial Elements [Blank]

LAND FINANCE £1,353,000
 Total land finance

AFFORDABLE UNITS

	Low Cost	Equity	Shared	Intermediate	Affordable	Social Rent	Total
Units					250		250
Units %					25%		25%
Hab rooms					25%		25%
Bedrooms							
Persons					25%		25%
Floorspace					25%		25%

SCHEME COSTS £237,411,000
 Contribution to costs from:
 Market housing £176,441,000
 Affordable Housing £44,213,000
 - Low Cost Sale [Blank]
 - Equity Share [Blank]
 - Shared Ownership [Blank]
 - Intermediate Rent [Blank]
 - Affordable Rent £44,213,000
 - Social Rent [Blank]
 Planning Obligations £16,757,000
 Community Infrastructure Levy [Blank]
 Exceptional Development Costs [Blank]
 Commercial Elements [Blank]

PUBLIC SUBSIDY (GRANT)

Whole scheme	£
Per Social Rent dwelling	-
Per Shared Ownership dwelling	-
Per Intermediate Rent dwellings	-
Per Affordable Rent dwelling	-

Alternative Site Values

	£	Against residual
Existing Use Value	11,550,000	£624,000
Acquisition Cost	-	
Value for offices	-	
Value for industrial	-	
Value as hotel site	-	
Value as other alternative	-	

1.7 At 40% Affordable Housing the residual value is negative, although at 30% it is a value of £6,646,000. Taking the nett area of 33 hectares this equates to a value of around £200,000 per hectare.

1.8 Taking the main report's LVB – at £350,000 for this location, an Affordable Housing contribution of 25% is viable.

1.9 I conclude therefore that the revised scheme is viable and deliverable at this level.

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