

Examination Library Document Reference 111



North Norfolk District Council Plan Wide Viability Assessment

September 2022



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Executive Summary

Purpose of the Study

1.1 The purpose of the Plan Wide Viability Study is to appraise the viability of the North Norfolk District Local Plan in terms of the impact of its policies on the economic viability of the development expected to be delivered during the Plan period. The study considers policies that might affect the cost and value of development (e.g. Affordable Housing and Design and Construction Standards). As a secondary outcome the study considers the potential to accommodate Community Infrastructure Levy Charges in the event the Council wishes to progress this process. The area covered by the study is the North Norfolk District Council administrative area.

1.2 Para 34 of the National Planning Policy Framework 2021 requires that plans should set out Affordable Housing and Infrastructure contributions expected from development but ensure that the level of these contributions does not undermine deliverability of development. An assessment of the costs and values of each category of development is therefore required to consider whether they will yield competitive returns to a willing land owner and willing developer thus enabling the identified development to proceed.

1.3 The study primarily assesses the viability of the proposed policy impacts of the Local Plan. The viability model assesses the value of the relevant category of development (e.g. residential) and all the costs associated with its development as well as the cost of policy impacts like Affordable Housing. The model also makes allowance for returns to both landowner and developer. The outcome of the assessment will be a 'viability margin' expressed as a total sum and as a sum per sq metre. If this figure is positive it demonstrates that the Local Plan and its policies are viable. As a secondary outcome the level of positive viability margin illustrates the potential for additional developer contributions. The level of positive viability expressed on a per sq metre basis therefore informs the potential for contributions via a Community Infrastructure Levy. This information is provided to enable the Council to make informed decisions on the scope for future introduction of the Levy if supported.

Methodology

1.4 The viability assessment comprises a number of key stages as outlined below:

EVIDENCE BASE – LAND & PROPERTY VALUATION STUDY

1.5 Collation of an area-wide evidence base of land and property values for both residential and commercial property

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EVIDENCE BASE – CONSTRUCTION COST STUDY

1.6 Collation of an area-wide evidence base of construction costs for both residential and commercial property

IDENTIFICATION OF SUB-MARKETS

1.7 Sub market identification informed by the valuation evidence gathered at stage one above, Large differences in values across a study area indicate the need to define independent sub areas for viability testing purposes and in turn these will inform the creation of different charging zones for Community Infrastructure Levy Purposes.

POLICY IMPACT ASSESSMENT

1.8 Identification of the policies within the plan, which will have a direct impact on the costs of development and hence the viability of development. Typical policy impacts include affordable housing requirements and sustainable construction requirements.

LAND VALUE BENCHMARKING

1.9 The study generates land value benchmarks to be adopted in the viability assessments that represent a 'reasonable return to the landowner' as required by the NPPF. These benchmarks represent a premium over the existing use value of land based on sharing the uplift in value resulting from planning permission between the landowner (as a profit return) and the Local Authority (as a means of funding developer contributions. This is explained in detail in the methodology section.

VIABILITY APPRAISAL

1.10 Viability assessment for both residential and commercial development scenarios based on a series of typologies which reflect the development likely to emerge over the plan period. The assessments are conducted for both greenfield and brownfield development as it is recognised this can result in significant difference in viability.

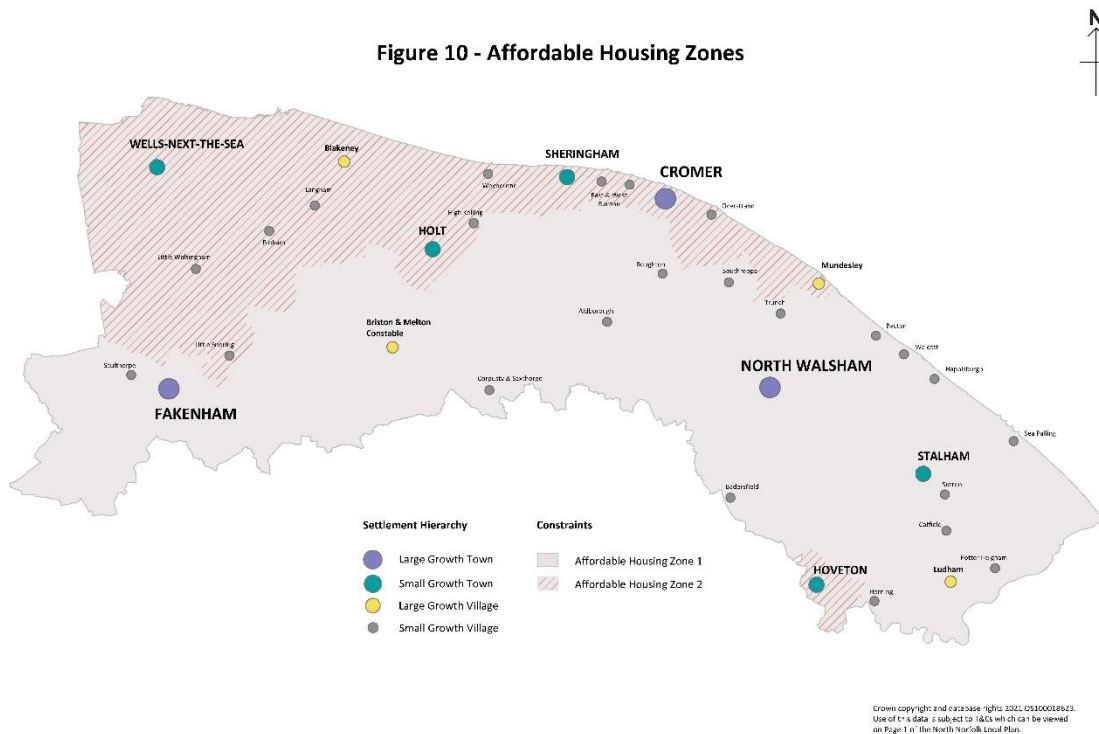
RESULTS

1.11 The viability results for both residential and commercial development typologies have been summarised below. The figures represent the margin of viability per square metre taking account of all development values and costs, plan policy impact costs and having made allowance for a competitive return to the landowner and developer. In essence a positive margin confirms whole plan viability.

Executive Summary

AFFORDABLE HOUSING RATES

1.12 The assessments of residential land and property values indicated that there were significant differences in value across the District to justify the existence of sub-markets. The study acknowledged that the two sub-market areas that support the Council's current affordable housing policy remain robust and are indicated on the plan below.




Affordable Housing Sub-Market Areas

Key Findings – Residential Viability Assessment

1.13 The North Norfolk District Local Plan sets out the strategy to deliver housing over the plan period. The Plan Wide Viability assessment illustrated that firstly, in general terms, housing development proposed in all locations in the North Norfolk District Local Plan are broadly viable but that there is limited potential to accommodate additional contributions (for instance through CIL charges). The assessment of residential land and property values indicated that the Authority did possess significantly different residential sub-markets that warrant differential value assumptions being made in the Whole Plan Viability Assessment and, potentially, a differential rate approach to CIL based on two geographical zones. These are set out in the zone maps at Section 4.

Executive Summary

1.14 The viability results are summarised in the table below. The figures represent the margin of viability per sqm taking account of all development values and costs, plan policy impact costs and having made allowance for a competitive return to the landowner and developer. In essence a positive margin confirms whole plan viability and the level of positive margin represents the potential to introduce additional developer contributions (for instance via CIL charges).

 Maximum Potential Viability per Sqm					
Sub-Market/Base Land Value	Edge Principal Town Large	Edge Principal Town Medium	Edge Service Centre	Village Edge	Village Infill
Zone 1 – 15% Affordable					
Greenfield	£27	£27	£29	£33	£128
Brownfield	-£46	-£47	-£45	-£40	£59
Zone 2 - 35% Affordable					
Greenfield	£103	£96	£95	£108	£103
Brownfield	£12	£3	£2	£9	£12

Affordable Housing Rates

1.15 A series of Affordable Housing Tests were undertaken based on different tenure delivery rates and tenure mixes (which are set out in more detail at paras 4.5-4.7) to identify an appropriate approach to Affordable Housing delivery against the emerging policy background in context with current market values and costs. The comparative tables in Section 5 illustrate the viability of housing development based on 10-15% Affordable Housing Delivery in Zone 1 and 35-40% Affordable Housing delivery in Zone 2.

1.16 The appraisals do not identify any issues that would prejudice the delivery of the emerging strategy and sites in terms of Affordable Housing delivery or other policy cost impacts. The study supports previous conclusions that inform the councils current approach and that the zones remain robust. All sites remain broadly viable based on the adopted assumptions, emerging policy content and that the study identifies that 35% and 15% are appropriate and viable percentages to inform policy development based on the primarily greenfield delivery strategy of the Plan.

Executive Summary

Sheltered & Extra Care Housing

1.17 A separate assessment of C3 Sheltered/C2 Extra Care accommodation for the elderly was undertaken elderly based on 15% Affordable Housing in Zone 1 and 35% Affordable Housing in Zone 2. The results are set out in the table below.

Sub-Market/Base Land Value	Elderly C2/C3 Mixed Housing	Elderly C2/C3 Apartments
Zone 1		
Greenfield	£34	-£67
Brownfield	-£21	-£113
Zone 2		
Greenfield	£112	-£46
Brownfield	£40	-£115

1.18 The results illustrate that the Council's Affordable Housing targets can be viably delivered by retirement development in the higher value zone 2 but that the viability of retirement apartments may be marginal.

Whole Plan Viability Appraisal Conclusions

1.19 The study demonstrates that most of the development proposed by the Local Plan is viable and deliverable taking account of the cost impacts of the Affordable Housing targets and policies proposed by the plan and the requirements for viability assessment set out in the NPPF. It is further considered that only limited margin exists, beyond a reasonable return to the landowner and developer to accommodate CIL charges.

1.20 The commercial viability assessment indicated that only food retail development showed significant viability. All of the remaining commercial use class appraisals indicate negative viability though this does not mean that this type of development is not deliverable. For consistency a full developer's profit allowance was included in all the commercial appraisals. In reality many employment developments are undertaken direct by the operators. If the development profit allowance is removed from the calculations, then much employment development would be viable and deliverable. .

1.21 Taking account of the viability results, the generic nature of the tests, a reasonable buffer to allow for additional site specific abnormal costs, it is not recommended that North Norfolk District Council pursues a CIL charging system in current economic circumstances.

2 Introduction

2.1 The purpose of the study is to assess the overall viability of the emerging Local Plan and to accompany the publication and consultation of the plan.

2.2 In order to provide a robust assessment, the study first uses generic development typologies to consider the cost and value impacts of the proposed plan policies and determine whether any additional viability margin exists to accommodate a Community Infrastructure Levy. The development viability assessments take account of policies in the plan, affordable housing requirements, mandatory requirements to be introduced during the Plan period such as changes to sustainable construction standards through revised Building Regulations to determine whether the proposed plan policies including CIL are viable and will not hinder the delivery of development in the plan period.

The NPPF and Relevant Guidance

2.3 The National Planning Policy Framework 2021 maintains the importance of viability assessment in considering appropriate Development Plan policy. Para 34 states :-

“Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan.

2.4 In tandem with the launch of the revised NPPF, the Government published new Planning Practice Guidance on Viability in July 2018. With respect to ‘Viability and Plan Making’, the guidance states :-

How should plan makers set policy requirements for contributions from development?

“Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).

2 Introduction

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types of site or types of development.

How should plan makers and site promoters ensure that policy requirements for contributions from development are deliverable?

The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers.

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan.”

Should every site be assessed for viability in plan making?

Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.

What is meant by a typology approach to viability?

A typology approach is where sites are grouped by shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development.

2 Introduction

The characteristics used to group sites should reflect the nature of sites and type of development proposed for allocation in the plan.

Average costs and values can be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Comparing data from existing case study sites will help ensure assumptions of costs and values are realistic and broadly accurate. In using market evidence it is important to disregard outliers. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment.

Why should strategic sites be assessed for viability in plan making?

It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites.

2.5 The NPPF remains the primary Statutory advice on considering viability issues in planning supported by specific guidance in the National Planning Practice Guidance on Viability. However there are two non-statutory guidance notes that still have some relevance - The Local Housing Delivery Group produced 'Viability Testing Local Plans' in June 2012 and the RICS launched 'Financial Viability In Planning' in August 2012.

2.6 'Viability Testing Local Plans', as the title implies, concentrates on area wide and planning policy viability assessment and may be regarded as the more relevant guidance. However there is a good deal of overlap between the two guides and 'Financial Viability In Planning' does have a lot of relevant advice, albeit that the greater focus is on site specific appraisal at development management stage.

2.7 'Viability Testing Local Plans' advises that the cumulative impact of planning policies should be assessed, recognising that any assessment should be seen as providing high level assurance that policies can be delivered in away that is compatible with overall economic viability and should not be seen as any guarantee that every development in the plan period will be viable. The guidance recommends that viability assessment should form part of the Local Plan evidence base and be subjected to test, challenge and debate at Examination.

2.8 The RICS guide 'Financial Viability in Planning' (FVIP) looks into the wider use of viability appraisal in planning beyond assisting in plan making and policy assessment (eg affordable housing contributions, planning obligation contributions and triggers, enabling development appraisal, heritage asset appraisal). The guiding principles of viability appraisal are the same as those outline in VTLP, in particular, both agree that a residual viability appraisal model is the most appropriate means of assessment. Whilst much of the guidance is more relevant to site specific appraisal it does include some relevant advice to Local Plan viability assessment.

3 Methodology

The Process

3.1 There are a number of key stages to Viability Assessment which may be set out as follows.

1) Evidence Base – Land & Property Valuation Study

3.2 Establish an area wide evidence base of land and property values for development in each sub-market area. The evidence base relies on the area wide valuation study undertaken by Heb Surveyors in January 2022.

2) Evidence Base – Construction Cost Study

3.3 Establish an area wide evidence base of construction costs for each category of development relevant to the local area. The study will also indicate construction rates for professional fees, warranties, statutory fees and construction contingencies. The evidence base relies on BCIS Construction Cost data at January 2022.

3) Identification of Sub Market Areas

3.4 The Heb Valuation Evidence considered the existence of potential sub-markets within the study area which might inform the application of differential value assumptions in the Whole Plan testing or inform the creation of differential Charging Zones as part of the progression of a revised Community Infrastructure Levy Charging Schedule.

4) Policy Impact Assessment

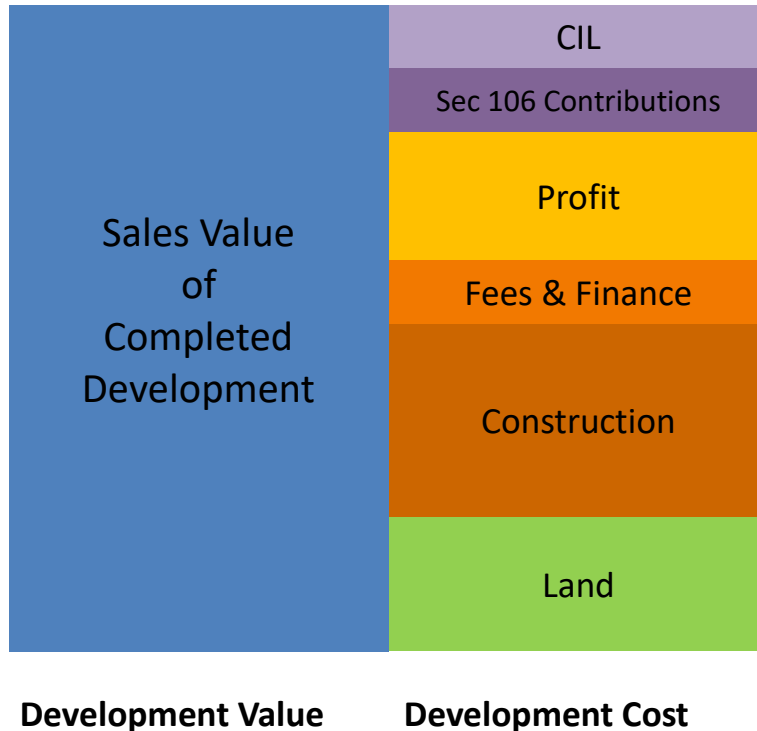
3.5 The study will establish the policies proposed by the plan that have a direct impact on the cost of development and apportion appropriate allowances based on advice from cost consultants, Gleeds, to be factored in the viability assessment. Typically cost impacts will include sustainable construction requirements based on National Housing Standards and BREEAM standards.

3 Methodology

5) Viability Appraisal – Whole Plan Assessment & Generic CIL Tests

3.6 The study employs a bespoke model to assess Local Plan viability in accordance with best practice guidance . The initial generic tests will be based on a series of development typologies to reflect the type of development likely to emerge over the plan period. The purpose of these tests is two-fold – it will firstly assess cumulative impact of the policies proposed by the plan to determine whether the overall development strategy is deliverable. Secondly the model will identify the level of additional margin, beyond a reasonable return for the landowner and developer, which may be available to accommodate CIL charges.

3 Methodology



3.7 The appraisal model is illustrated by the above diagram and summarises the ‘Development Equation’. On one side of the equation is the development value i.e. the sales value which will be determined by the market at any particular time. The variable element of the value in residential development appraisal will be determined by the proportion and mix of affordable housing applied to the scheme. Appropriate discounts for the relevant type of affordable housing will need to be factored into this part of the appraisal.

3.8 On the other side of the equation, the development cost includes the ‘fixed elements’ i.e. construction, fees, finance and developers profit. Developers profit is usually fixed as a minimum % return on gross development value generally set by the lending institution at the time. The flexible elements are the cost of land and the amount of developer contribution (CIL and Planning Obligations) sought by the Local Authority.

3.9 Economic viability is assessed using an industry standard Residual Model approach. The model subtracts the Land Value and the Fixed Development Costs from the Development Value to determine the viability or otherwise of the development and any additional margin available for CIL.

3 Methodology

Viability Assessment Model

3.10 The NCS model is based on standard development appraisal methodology, comparing development value to development cost. The model factors in a reasonable return for the landowner with the established threshold value, a reasonable profit return to the developer and the assessed cost impacts of proposed planning policies to determine if there is a positive or negative residual output. Provided the margin is positive (ie Zero or above) then the development being assessed is deemed viable. The principles of the model are illustrated below.

Development Value (Based on Floor Area) Eg 10 x 3 Bed 100sqm Houses x £2,200per sqm	£2,200,000
Development Costs	
Land Value	£400,000
Construction Costs	£870,000
Abnormal Construction Costs (Optional)	£100,000
Professional Fees (% Costs)	£90,000
Legal Fees (% Value)	£30,000
Statutory Fees (% Costs)	£30,000
Sales & Marketing Fees (% Value)	£40,000
Contingencies (% Costs)	£50,000
Section 106 Contributions/Policy Impact Cost Assumptions/CIL (Strategic Site Testing Only)	£90,000
Finance Costs (% Costs)	£100,000
Developers Profit (% Return on GDV)	£350,000
Total Costs	£2,150,000
Output	
Viability Margin	£50,000
Potential CIL Rate (CIL Appraisal only)	£50 sqm

3.11 The model will calculate the gross margin available for developer contributions. The maximum rate of CIL that could be levied without rendering the development economically unviable is calculated by dividing the gross margin by the floorspace of the development being assessed.

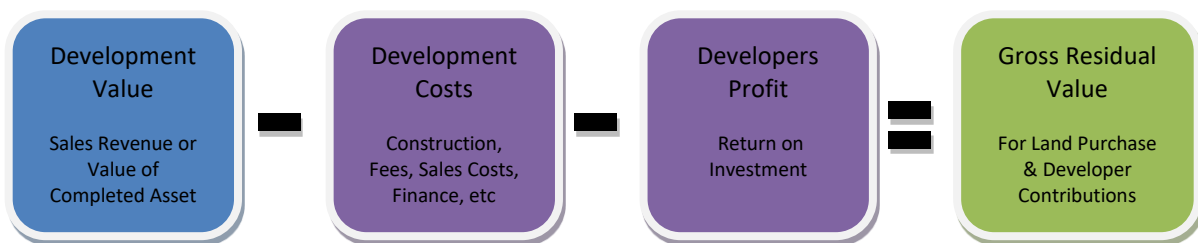
3.12 It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios to reflect affordable housing discounts which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

3 Methodology

Land Value Assumptions

3.13 It is generally accepted that developer contributions (Affordable Housing, CIL and S106), will be extracted from the residual land value (i.e. the margin between development value and development cost including a reasonable allowance for developers profit). Within this gross residual value will be a base land value (i.e. the minimum amount a landowner will accept to release a site) and a remaining margin for contributions.

Stage 1 – Residual Valuation



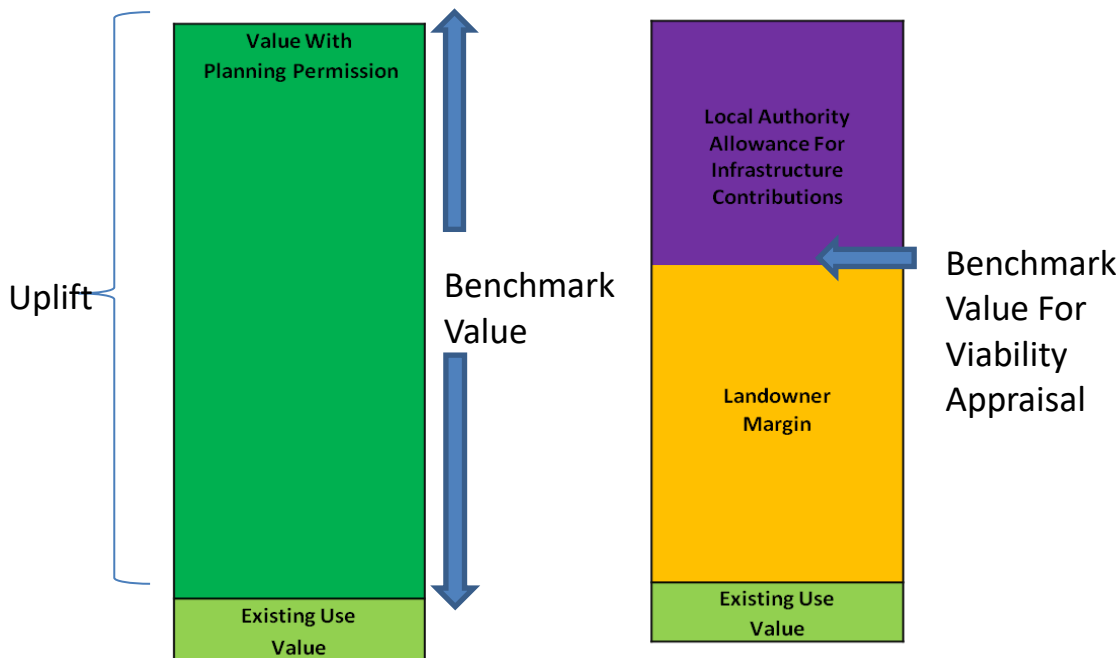
3.14 The approach to assessing the land element of the gross residual value is therefore the key to the robustness of any viability appraisal. There is no single method of establishing threshold land values for the purpose of viability assessment in planning but the NPPF and emerging best practice guidance does provide a clear steer on the appropriate approach.

Stage 2 – Establishing Base Land Value



3 Methodology

Land Value Benchmarking (Threshold Land Values)



3.15 The above diagram illustrates the principles involved in establishing a robust benchmark for land value. Land will have an existing use value (EUV) based on its market value. This is generally established by comparable evidence of the type of land being assessed (e.g. agricultural value for greenfield sites or perhaps industrial value for brownfield sites may be regarded as reasonable existing use value starting points and may be easily established from comparable market evidence)

3.16 The Gross Residual Value of the land for an alternative use (e.g residential use) represents the difference between development value and development cost after a reasonable allowance for development profit, assuming planning permission has been granted. The gross residual value does not make allowance for the impact of development plan policies on development cost and therefore represents the maximum potential value of land that landowners may aspire to.

3.17 In order to establish a benchmark land value for the purpose of CIL viability appraisal, it must be recognised that Local Authorities will have a reasonable expectation that, in granting planning permission, the resultant development will yield contributions towards infrastructure and affordable housing. The cost of these contributions will increase the development cost and therefore reduce the residual value available to pay for the land.

3.18 The appropriate benchmark value will therefore lie somewhere between existing use value and gross residual value based on alternative planning permission. This will of course vary significantly dependent on the category of development being assessed.

3 Methodology

3.19 The key part of this process is establishing the point on this scale that balances a reasonable return to the landowner beyond existing use value and a reasonable margin to allow for infrastructure and affordable housing contributions to the Local Authority.

Benchmarking and Threshold Land Value Guidance

3.20 Benchmarking is an approach which Homes England refer to in 'Investment and Planning Obligations: Responding to the Downturn'. This guide states: *"a viable development will support a residual land value at a level sufficiently above the site's existing use value (EUUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner"*.

3.21 In 2012 the original NPPF recognised that, in assessing viability, unless a realistic return is allowed to a landowner to incentivise release of land, development sites are not going to be released and growth will be stifled. Following this the Local Housing Delivery Group (comprising, inter alia, the Local Government Association, the Homes and Communities Agency and the House Builders Federation) launched 'Viability Testing Local Plans' which provided practical advice in establishing benchmark thresholds at which landowners will release land. It stated :-

"Another key feature of a model and its assumptions that requires early discussion will be the Threshold Land Value that is used to determine the viability of a type of site. This Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development, before payment of taxes (such as capital gains tax)".

Different approaches to Threshold Land Value are currently used within models, including consideration of:

- *Current use value with or without a premium.*
- *Apportioned percentages of uplift from current use value to residual value.*
- *Proportion of the development value.*
- *Comparison with other similar sites (market value).*

We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use values. The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell".

3.22 In July 2018 the Government published guidance on best practice in viability assessment (Planning Practice Guidance for Viability). This guidance essentially reflected principles established by the Harman Report and RICS Financial Viability in Planning. With respect to land value benchmarking the draft guidance stated the following :-

"How should land value be defined for the purpose of viability assessment?"

To define land value for any viability assessment, a benchmark land value should be calculated on the basis of the existing use value (EUUV) of the land, plus a premium for the landowner.

3 Methodology

The premium for the landowner should reflect the minimum price at which it is considered a rational landowner would be willing to sell their land. This approach is often called 'Existing Use Value Plus' (EUV+).

In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage with and provide robust and open evidence to inform this process.

In all cases, benchmark land value should:

- *fully reflect the total cost of all relevant policy requirements including planning obligations and, where applicable, any Community Infrastructure Levy charge;*
- *fully reflect the total cost of abnormal costs; site-specific infrastructure costs; and professional site fees;*
- *allow for a premium to landowners (including equity resulting from those building their own homes); and*
- *be informed by comparable market evidence of current uses, costs and values wherever possible. Where recent market transactions are used to inform assessment of benchmark land value there should be evidence that these transactions were based on policy compliant development. This is so that previous prices based on non-policy compliant developments are not used to inflate values over time.*

What is meant by existing use value in viability assessment?

Existing use value (EUV) is the first component of calculating a benchmark land value. EUV is the value of the land in its existing use together with the right to implement any development for which there are extant planning consents, including realistic deemed consents, but without regard to other possible uses that require planning consent, technical consent or unrealistic permitted development. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types.

How should Existing Use Value be established for viability assessment?

Existing use value (EUV) for the purpose of assessing the viability of plans should be determined by plan makers in consultation with developers and landowners.

When undertaking any viability assessment EUV can be established by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield. Sources of data can include (but are not limited to): land registry records of transactions; real estate licensed software packages; real estate market reports; real estate research; estate agent websites; property auction results; valuation office agency; public sector estate/property teams' locally held evidence.

Determining the existing use value of the land should be based on the assumption that no future planning consents will be obtained, but including the value of any cons

3 Methodology

How should the premium to the landowner be defined for viability assessment?

An appropriate premium to the landowner above existing use value (EUV) should be determined by plan makers in consultation with developers and landowners for the purpose of assessing the viability of plans.

When undertaking any viability assessment, an appropriate minimum premium to the landowner can be established by looking at data from comparable sites of the same site type that have recently been granted planning consent in accordance with relevant policies. The EUV of those comparable sites should then be established.

The price paid for those comparable sites should then be established, having regard to outliers in market transactions, the quality of land, expectations of local landowners and different site scales. This evidence of the price paid on top of existing use value should then be used to inform a judgement on an appropriate minimum premium to the landowner.

Proposed development that accords with all the relevant policies in an up-to-date plan should be assumed to be viable, without need for adjustment to benchmark land values established in the plan making viability assessment. Where a viability assessment does accompany a planning application the price paid for land is not relevant justification for failing to accord with relevant policies in the plan.

NCS Approach to Land Value Benchmarking (Threshold Land Values)

3.23 NCS has given careful consideration to how the Threshold Land Value (i.e. the premium over existing use value) should be established in the light of both the existing and proposed guidance set out above.

3.24 We first adopt an appropriate benchmark for either greenfield or brownfield existing use value dependent on the type of site being assessed. These benchmarks are obtained from comparable market evidence of land sales for the relevant land use in the local area.

3.25 In determining the appropriate premium to the landowner above existing use value in the 'Existing Use Value Plus' 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 existing use value will not generally be reflective of market conditions and may not be a realistic method of establishing threshold land value.

3 Methodology

3.26 We believe that the uplift in value resulting from planning permission should effectively be shared between the landowner (as a reasonable return to incentivise the release of land) and the Local Authority (as a margin to enable infrastructure and affordable housing contributions). The % share of the uplift will vary dependent on the particular approach of each Authority but based on our experience the landowner will expect a minimum of 50% of the uplift in order for sites to be released. Generally, if a landowner believes the Local Authority is gaining greater benefit than he is unlikely to release the site and will wait for a change in planning policy. We therefore consider that a 50:50 split is a reasonable benchmark and will generate base land values that are fair to both landowners and the Local Authority (this became known as the 'Shinfield Approach' after the methodology adopted by the Inspector to establish benchmark land value in 2013 in an affordable housing appeal – ref. APP/X0360/A/12/2179141)

The Threshold Land Value is established as follows :-

Existing Use Value + % Share Of Uplift from Planning Permission = Threshold Land Value
EUV + Premium to Landowner = Benchmark

3.27 The resultant threshold values are then checked against market comparable evidence of land transactions in the Authority's area by our valuation team to ensure they are realistic. We believe this is a robust approach which is demonstrably fair to landowners and more importantly an approach which has been accepted at CIL and Local Plan Examinations we have undertaken.

Worked Example of EUV+ Illustrating Fixed% over Existing Use vs % Share of Uplift

3.28 A landowner owns a 1 Hectare field at the edge of a settlement. The land is proposed to be allocated for residential development. Agricultural value is £20,000 per Ha. The Gross Residual Value of the land with residential planning permission is £1,000,000. Land sales in the area range from £400,000 per Ha to £1 Million per Ha. For the purposes of viability assessment what should this Greenfield site be valued at?

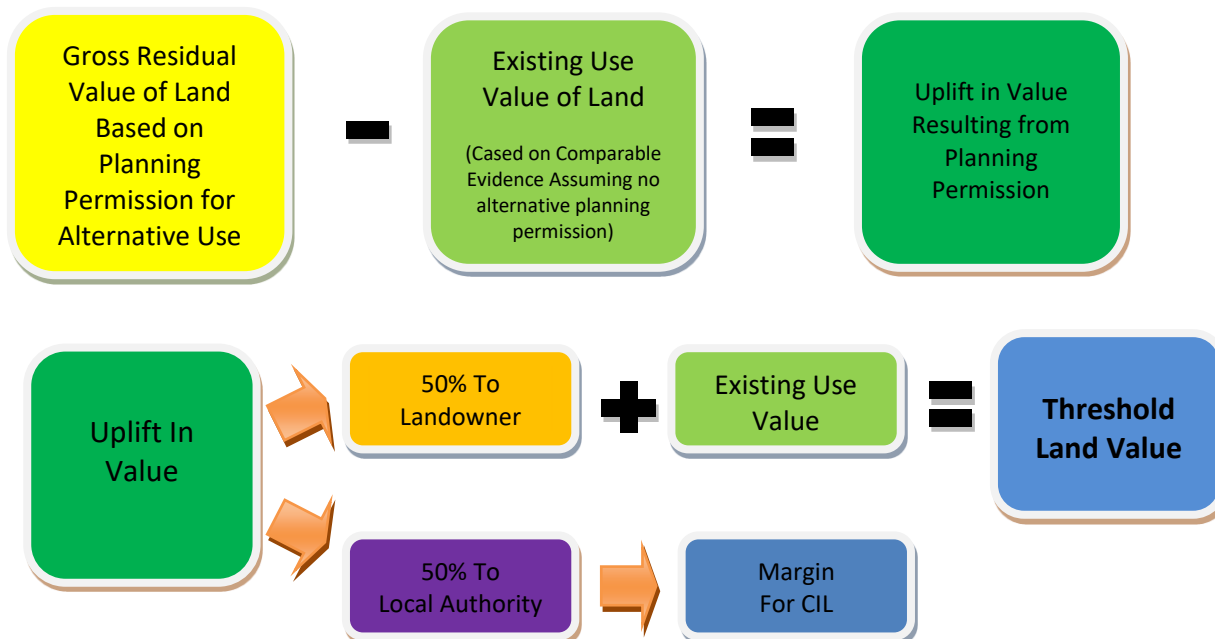
Using a fixed 20% over EUV the land would be valued at £24,000 (£20,000 + 20%)

Using % Share of Uplift in Value the land would be valued at £510,000 (£20,000 + 50% of the uplift between £20,000 and £1,000,000) – realising a market return for the landowner but reserving a substantial proportion of the uplift for infrastructure contribution.

In our view the % share of uplift method is more realistic to market circumstances than the application of a fixed premium over EUV.

3 Methodology

Benchmarking Based on % Share of Uplift in Land Value



3.29 Whilst comparable evidence of policy compliant local land sales with planning permission is useful as a sense check, in our view it is difficult to find two sites that are directly comparable in view of the various factors that will influence the purchase price of land including precise location, abnormal site development cost, lower build cost rates enjoyed by volume housebuilders and the particular business decision of the purchaser.

3.30 The alternative method at the other end of the scale, following the part of the guidance which states *'benchmark land value should fully reflect the total cost of all relevant policy requirements including planning obligations and, where applicable, any Community Infrastructure Levycharge'*, would be to calculate the total cost of all policy targets of the LPA first and determine what is left for the landowner and provided this margin offered some level of premium over EUV, accept it as a benchmark. In effect this would guarantee a positive viability result in every instance as no attempt is made to first establish 'the minimum land value at which a landowner would sell.'

3.31 We believe the purpose of viability appraisal and indeed the intention of the guidance is to ensure the total costs of policy compliance still leave enough room for the developer to make a sensible profit and for the landowner to achieve a reasonable return to induce him to sell.

3 Methodology

3.32 Since developer contributions must be extracted from the uplift in land value resulting from planning permission, unless some attempt is made to create a benchmark land value that reflects this 'reasonable return' to the landowner before the total costs of policy targets are subtracted, then the appraisal would serve no purpose. We consider the EUV + % Uplift method represents a balanced approach between the alternatives outlined above that is fair and reasonable and relies more precisely on the specific development cost and value of the site being assessed.

Brownfield and Greenfield Land Value Benchmarks

3.33 In order to represent the likely range of benchmark scenarios that might emerge in the plan period for the appraisal it will be necessary to test alternative threshold land value scenarios. A greenfield scenario will represent the best case for CIL as it represents the highest uplift in value resulting from planning permission. The greenfield existing use is based on agricultural value

3.34 The median brownfield position recognises that existing commercial sites will have an established value. The existing use value is based on a low value brownfield use (industrial). The viability testing firstly assesses the gross residual value (the maximum potential value of land based on total development value less development cost with no allowance for affordable housing, sec 106 contributions or planning policy cost impacts). This is then used to apportion the share of the potential uplift in value to the greenfield and brownfield benchmarks. This is considered to represent a reasonable scope of land value scenarios in that change from a high value use (e.g. retail) to a low value use (e.g. industrial) is unlikely.

3.35 Actual market evidence will not always be available for all categories of development. In these circumstances the valuation team make reasoned assumptions.

Residential

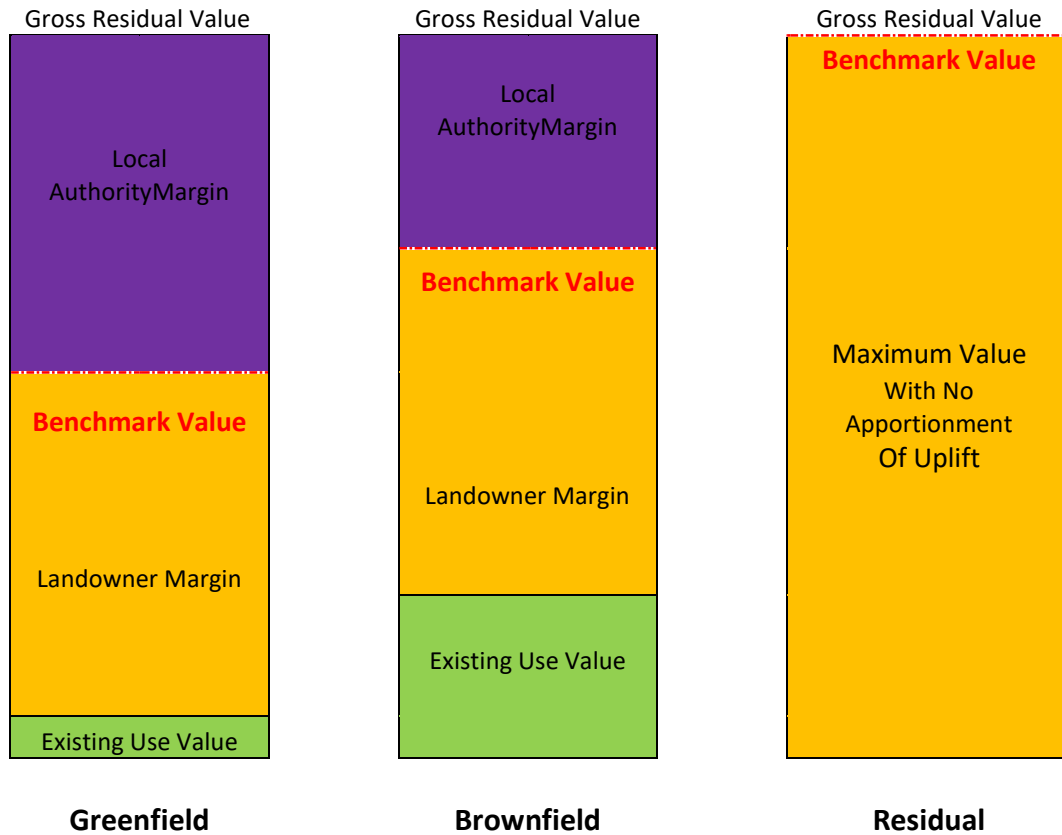
Benchmark 1	Greenfield	Agricultural – Residential (Maximum Contribution Potential)
Benchmark 2	Brownfield	Industrial – Residential

Commercial

Benchmark 1	Greenfield	Agricultural – Proposed Use (Maximum Contribution Potential)
Benchmark 2	Brownfield	Industrial – Proposed Use

3 Methodology

3.36 The viability study assumes that affordable housing land has limited value as development costs form a very high proportion of the ultimate discounted sale value of the property.



3.37 The above diagram illustrates the concept of Benchmark Land Value. The level of existing use value for the three benchmarks is illustrated by the green shading. The uplift in value from existing use value to proposed use value is illustrated by the blue and gold shading. The gold shading represents the proportion of the uplift allowed to the landowner for profit. The blue shading represents the allowance of the uplift for developer contributions to the Local Authority. The Residual Value assumes maximum value with planning permission with no allowance for planning policy cost impacts. This benchmark is used solely to generate the brownfield and greenfield threshold values.

4 Appraisal Assumptions

Development Categories

4.1 In order to ensure that the study is sufficiently comprehensive to inform a Differential Rate CIL system, all categories of development in the Use Classes Order will be considered, including a relevant sample of Sui Generis uses to reflect typical developments in the Bassetlaw District Local plan area, as follows :-

Residential - Based on varying residential development scenarios and factoring in the affordable housing requirements of the Authority. Land values are assessed based on house type plots. Sales values are assessed on per sqm rates.

Commercial - The following categories are considered. Land Values and Gross Development Values are assessed on sqm basis.

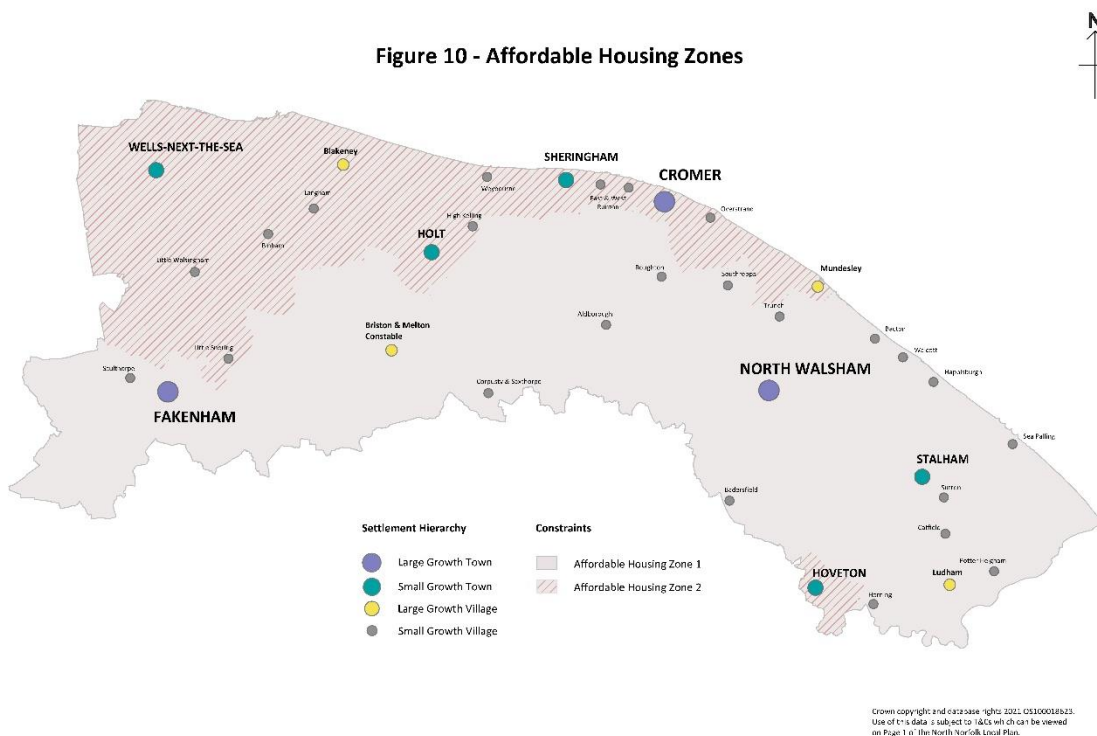
Industry
Offices
Food Supermarket Retail
General Retail
Hotels
Residential Institutions
Institutional and Community
Leisure
Agricultural

Sub Market Areas

4.2 The Heb valuation study considered evidence of residential land and property values across North Norfolk District and concluded that there were sufficient distinctions between sales prices to warrant differential value assumptions being made in the Whole Plan Viability Assessment and, potentially, a differential rate approach to CIL based on geographical zones.

4.3 The sub-market areas are set out in the residential zone map below. The study acknowledged that the two sub-market areas that support the Council's current affordable housing policy remain robust. There were a few anomalies where high value properties abut low value areas but the zoning is intended to represent an overview of the tone of values in an area rather than a street specific analysis and also acknowledges the values of new development that are likely to emerge. That said it is notable that the lower value zone includes some significant areas where higher values have been achieved including within a number of settlements where the Council intends to allocate land.

4 Appraisal Assumptions



Affordable Housing Sub-Market Areas

4.4 The variations in commercial values were not considered significant enough across the District to justify the application of differential assumptions based on sub-market areas or to indicate a differential charging zone approach to CIL should it be considered in the future.

Affordable Housing

4.5 A series of residential viability tests have been undertaken, reflecting affordable housing delivery from 5%-10% in the Lower Value Sub-Market Area and 35-40% in the Higher Value Sub-Market Area. The assessments are based on the minimum standard prescribed by the Government at 25% First Homes and including Low Cost Home Ownership and Affordable Rent products, taking account of the affordable tenure mix with a differential approach adopted dependent on existing greenfield or brownfield land use. The following extract from a generic sample residential viability appraisal model illustrates how affordable housing is factored into the residential valuation assessment. The relevant variables (e.g. unit numbers, types, sizes, affordable proportion, tenure mix etc.) are inputted into the appropriate cells. The model will then calculate the overall value of the development taking account of the relevant affordable unit discounts.

4 Appraisal Assumptions

DEVELOPMENT SCENARIO	Mixed Residential Large Scale				Apartments	20
BASE LAND VALUE SCENARIO	Greenfield				2 bed houses	40
DEVELOPMENT LOCATION	Zone 3				3 Bed houses	80
DEVELOPMENT DETAILS	200 Total Units				4 bed houses	40
Affordable Proportion	30%	30	Affordable Units		5 bed house	20
Affordable Mix	42%	Intermediate	19%	Social Rent	39%	Affordable Rent
Development Floorspace	13,706		Sqm Market Housing		4,560	Sqm Affordable Housing
Development Value						
Market Houses						
14	Apartments	65	sqm	2853	£ per sqm	£2,596,230
28	2 bed houses	75	sqm	3390	£ per sqm	£7,119,000
56	3 Bed houses	90	sqm	3337	£ per sqm	£16,818,480
28	4 bed houses	120	sqm	3122	£ per sqm	£10,489,920
14	5 bed house	164	sqm	2906	£ per sqm	£6,672,176
Intermediate Houses						
		60%	Market Value			
5	Apartments	65	sqm	1718	£ per sqm	£560,786
15	2 Bed house	75	sqm	2034	£ per sqm	£2,306,556
5	3 Bed House	90	sqm	2002	£ per sqm	£908,198
Social Rent Houses						
		40%	Market Value			
2	Apartments	65	sqm	1141.2	£ per sqm	£169,126
7	2 Bed house	75	sqm	1356	£ per sqm	£695,628
2	3 Bed House	90	sqm	1334.8	£ per sqm	£273,901
Affordable Rent Houses						
		50%	Market Value			
5	Apartments	65	sqm	1426.5	£ per sqm	£433,941
14	2 Bed house	75	sqm	1695	£ per sqm	£1,784,835
5	3 Bed House	90	sqm	1668.5	£ per sqm	£702,772
200	Total Units					
Development Value						£51,531,549

It is important to note that the model applies % proportions and further % tenure splits to the housing scenarios which will generate fractional unit numbers. The model automatically rounds to the nearest whole number and therefore some results appear to attribute value proportions to houses which do not register in the appraisal. The fractional distribution of affordable housing discounts is considered to represent the most accurate illustration of the impact of affordable housing policy on viability.

4.6 The following Affordable Housing Assumptions have been agreed for the purpose of the study. The assumptions relate to the overall proportion of affordable housing, the tenure mix between First Homes, Low Cost Home Ownership (Shared Ownership) and Rented Housing (Affordable Rent). Finally the transfer values in terms of % of open market value are set out for each tenure type. The transfer value equates to the assumed price paid by the occupant or registered housing provider to the developer and is assessed as a discounted proportion of the open market value of the property in relation to the type (tenure) of affordable housing. The tests for First Homes were run at both 50% and 70% of OMV to inform the Council of the appropriate discounts to apply.

4 Appraisal Assumptions

Affordable Housing				
	Proportion %	Tenure Mix %		
		First Homes	Shared Ownership	Affordable Rent
Low Value Sub-Market	10-15%	25%	15%	60%
High Value Sub-Market	30-40%	25%	15%	60%
Transfer Values % OMV		70%	70%	50%

4.7 The affordable assumptions were applied to all residential scenario testing. For the smaller unit number tests the proportional and tenure splits result in fractions of unit numbers. In these cases the discounts may be considered to equate to the impact of off-site contributions.

Development Density

4.8 Density is an important factor in determining gross development value and land value. Density assumptions for commercial development will be specific to the development category. For instance the floorplate for industrial development is generally around 50% of the site area to take account of external servicing, storage and parking. Offices will vary significantly dependent on location, town centre offices may take up 100% of the site area whereas out of town locations where car parking is a primary consideration, the floorplate may be only 25% of the site area. Food retailing generally has high car parking requirements and large site areas compared to floorplates.

The land : floorplate assumptions for commercial development are as follows:-

Industrial	2:1
Offices	2:1
General Retail	1.5:1 (shopping parades, local centres etc.)
Food retail	3:1
Leisure	3:1
Hotels	2:1
Residential Institutions	1.5:1
Community Uses	1.5:1

4.9 Residential densities vary significantly dependent on house type mix and location. Mixed housing developments may vary from 10-50 dwellings per Hectare. Town Centre apartment schemes may reach densities of over 150 units per Hectare. We generate plot values for residential viability assessment related to specific house types. The plot values allow for standard open space requirements per Hectare. The densities adopted in the study reflect the assumptions of the Local Authority on the type of development that is likely to emerge during the plan period.

4.10 The density assumptions for house types related to plot values are as follows :-

Apartment	100 units per Ha
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4 Appraisal Assumptions

2 Bed House	40 units per Ha
3 Bed House	35 units per Ha
4 Bed House	25 units per Ha
5 Bed House	20 units per Ha

House Types and Mix

4.11 The study uses the following standard house types as the basis for valuation and viability testing as unit types that are compliant with National Housing standards and meet minimum Local Plan policy requirements. The assessment is intended to provide a 'worst case' scenario as marginally larger unit types are unlikely to command higher plot values and so larger unit types will generally demonstrate improved levels of viability.

Apartment	50 sqm
2 Bed House	75 sqm
3 Bed House	90 sqm
4 Bed House	120 sqm
5 Bed House	150 sqm

4.12 Housing values and costs are based on the same gross internal area. However, apartments will contain circulation space (stairwells, lifts, access corridors) which will incur construction cost but which is not directly valued. An additional construction cost allowance is made of 15% to reflect the difference between gross and net floorspace. For C2 Extra Care/C3 Sheltered Accommodation for the elderly an additional allowance of 30% is made for the provision of communal facilities, wardens accommodation etc that is not directly revenue earning.

Residential Development Scenarios

4.13 The study tests a series of residential development scenarios to reflect general types of development that are likely to emerge over the plan period.

4.14 For residential development, five scenarios were considered. The list does not attempt to cover every possible development in the District but provides an overview of residential development in the plan period.

1. Edge Principal Town Large Scale (Apts, 2, 3, 4 & 5 Bed Housing)	200 Units
2. Edge Principal Town Medium Scale (2, 3 & 4 Bed Housing)	100 Units
3. Edge Service Centre (2, 3 & 4 Bed Housing)	30 Units
4. Village Edge (2, 3 & 4 Bed Housing)	15 Units
5. Village Infill (2 & 3 Bed Housing) Assumes Under 0.5 Ha, No Affordable Housing	9 Units
1. Elderly Mixed Housing (Apartments & 2 Bed Houses)	40 Units
2. Elderly Apartments	40 Units

Commercial Development Scenarios

4 Appraisal Assumptions

4.15 The viability appraisal tests all forms of commercial development broken down into use class order categories. For completeness the appraisal includes a sample of sui generis uses. A typical form of development that might emerge during the plan period, is tested within each use class.

4.16 The density assumptions for commercial development will be specific to the development category. For instance the floorplate for industrial development is generally around 50% of the site area to take account of external servicing, storage and parking. Offices will vary significantly dependent on location, town centre offices may take up 100% of the site area whereas out of town locations where car parking is a primary consideration, the floorplate may be only 25% of the site area. Food retailing generally has high car parking requirements and large site areas compared to floorplates.

4.17 The viability model also makes allowance for net:gross floorspace. In many forms of commercial development such as industrial and retail, generally the entire internal floorspace is deemed lettable and therefore values per sqm and construction costs per sqm apply to the same area. However in some commercial categories (e.g. offices) some spaces are not considered lettable (corridors, stairwells, lifts etc.) and therefore the values and costs must be applied differentially. The net:gross floorspace ratio enables this adjustment to be taken into account.

4.18 The table below illustrates the commercial category and development sample testing as well as the density assumptions and net:gross floorspace ratio for each category. In acknowledgement of consultation responses to initial retail viability work more detailed assessment of retail viability has been undertaken in respect to use and scale of development to reflect the type of general retail (A1-A5) and food supermarket (A1) development considered likely to emerge over the plan period.

Commercial Development Sample Typology				
Unit Size & Land Plot Ratio				
	Unit Size Sqm	Plot Ratio		Sample
		%	Gross:Net	
Industrial	1000	200%	1.0	Factory Unit
Office	1000	200%	1.2	Office Building
Food Retail	3000	300%	1.0	Supermarket
General Retail	300	150%	1.0	Roadside Type Shop Unit
Residential Inst	4000	150%	1.2	Care Facility
Hotels	3000	200%	1.2	Mid Range Hotel
Community	200	150%	1.0	Community Centre
Leisure	2500	300%	1.0	Bowling Alley
Agricultural	500	200%	1.0	Farm Store

4 Appraisal Assumptions

Sustainable Construction Standards

4.19 It is acknowledged that the Code for Sustainable Homes have been replaced by changes to the Building Regulations based on the National Housing Standards. The BCIS cost study rates are considered to reflect current Building Regulation standards. Additional allowances have been made for the proposed introduction of the revised Part L with respect to carbon emissions reduction.. The Commercial Viability assessments are based on BREEAM 'Excellent' construction rates.

Construction Costs

4.20 The study is based on BCIS construction data benchmarked to North Norfolk District Council. The BCIS average building prices studies are statistical analyses of prices and costs sampled from the industry. They represent general price levels and distribution. Pricing levels on individual projects will be distributed within and around the ranges shown. The £/m² Study presents the cost of various types of building based on the contract amount at the commencement of the contract. BCIS building prices used in this study are the cost of the building, excluding external works and contingencies, with preliminaries apportioned by value expressed in £ per m² of gross internal floor area. None of the figures include fees. An additional for external works has been made at 15% for housing development and 10% for apartments in line with industry standards and based on advice from Gleeds Construction Consultants.

4.21 The study adopts median BCIS rates based on general two storey estate housing and 1-2 storey apartments. The costs are considered to reflect National Housing Standards for average house sizes built on typical development sites. The cost rates adopted (as set out below) include an upward adjustment for the adaptable and accessible dwelling standards proposed by the Council.

4.22 The rates also include allowance for improved energy efficiency standards. Part L 2021 Part L 2021 proposes an interim reduction in carbon emissions for dwellings, paving the way for greater reductions and the Future Homes Standard. The initial changes to Part L target a 31% reduction in carbon emissions and how this is achieved will vary depending on the house type and the specific development. As the methods used in achieving the reduction will vary, so will the cost of meeting the new standards, the general consensus in the industry is that the costs will range from £3,000 to £5,000 per residential property, this will also differ depending on the type of Client.

4.23 Based on previous cost studies we have undertaken in association with Gleeds cost consultants, we recommend that a percentage uplift of 3% be applied to dwelling costs to capture the changes to Part L. Utilising a percentage rather than an actual figure will naturally account for

4 Appraisal Assumptions

the differences in costs of say a volume housebuilder achieving the standards compared to a typical developer utilising a traditional main contracting procurement route. This will equate to approx. £43sqm for the house construction rates and £47sqm for apartments.

The base residential construction cost rates are set out within the extract of BCIS at Appendix 2.

Residential Construction Cost Sqm		
Apartments	1627	sqm
2 bed houses	1482	sqm
3 Bed houses	1482	sqm
4 bed houses	1482	sqm
5 bed house	1482	sqm
Extra Care Apts	1679	sqm
Sheltered Housing	1602	sqm

Note An additional £54sqm is added to the base BCIS cost rates and £73sqm to the apartment rates to reflect the Council's policy on Adaptable & Accessible Dwellings and Part L Building Regulation changes

Commercial Construction Cost Sqm	
1016	Factory Unit
2096	Office Building
1583	Supermarket
1448	Roadside Retail Unit
2126	Care Facility
2362	Mid Range Hotel
2762	Community Centre
1059	Bowling Alley
831	Farm Store

Note For Extra Care and Sheltered Accommodation the overall construction cost allowances in the assessments assumes an additional 20% of non-revenue earning built area (for communal lounges, warden accommodation, shared facilities etc)

Abnormal Construction Costs

4.24 Most development will involve some degree of exceptional or 'abnormal' construction cost. Brownfield development may have a range of issues to deal with to bring a site into a 'developable' state such as demolition, contamination, utilities diversion etc. Whole Plan and CIL Viability Assessment is based on generic tests and it would be unrealistic to make assumptions over average abnormal costs to cover such a wide range of scenarios. In reality abnormal cost issues like site contamination are reflected in reductions to land values so making additional generic abnormal cost assumptions would effectively be double counting costs unless the land value allowances were adjusted accordingly.

4.25 It is considered better to bear the unknown costs of development in mind when setting CIL rates and not fix rates at the absolute margin of viability. Nevertheless, for the assessment of strategic or allocated sites, where there is specific evidence of abnormal site constraint costs, these will be factored into the site specific appraisals.

4 Appraisal Assumptions

Policy Cost Impacts & Planning Obligation Contributions

4.26 The study seeks to review Whole Plan Viability and therefore firstly assesses the potential cost impacts of the proposed policies in the plan to determine appropriate cost assumptions in the viability assessments and broadly determine if planned development is viable.

4.27 CIL may replace some if not all planning obligation contributions. The second purpose of the study is to test the maximum margin available for CIL that is available from various types of development. CIL, if adopted, will represent the first 'slice' of tax on development. Planning Obligations may be used to top up contributions on a site specific basis subject to viability appraisal at planning application stage.

4.28 Nevertheless the CIL Guidance contained in the National Planning Practice Guidance indicates that Authorities should demonstrate that the development plan is deliverable by funding infrastructure through a mixture of CIL and planning obligation contributions in the event that the Authority does not intend to completely replace planning obligations with CIL.

4.29 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policy and the residual use of planning obligations for site specific mitigation. In the previous viability study undertaken in 2018 the average S106 contribution per dwelling, based on a survey of historic contributions was determined to be £2300 per dwelling. This figure was based on an analysis of historical contributions over the previous five years on previously large scale allocations. (excluding affordable housing which has been factored in separately), reflecting changes in the s106 regime (on pooling) that came into effect in April 2015 and applied over all of the typologies. In reality, on smaller sites, contributions for open space, education provision etc vary by location and need and in some cases may fall below required thresholds. For this type of high level study this is considered a robust approach, nevertheless it is accepted that a level of judgement as well as analysis is required. The Council acknowledge that current policies may increase the previous allowance. For example, the Council has introduced an additional standard tariff payment of £186 per dwelling across much of the District to mitigate against visitor pressure issues at designated wildlife sites (GIRAMs tariff). As such the overall S106 allowance has been increased.

4.30 The following cost allowances have been adopted in the study across all typologies and modelled sites large and small and are representative of the development anticipated in the plan period:

Residual Planning Obligations for site specific mitigation	£4000 per dwelling £10 per sqm commercial
Nutrient Level Mitigation	£5000 per dwelling
Electric Vehicle Charging Point	£750 per dwelling

4 Appraisal Assumptions

4.31 Costs have been factored into the viability appraisals to reflect the impact of relevant development plan policies and the residual use of planning obligations for site specific mitigation. The cost impact of these mitigation measures may be summarised as follows :-

ACCESSIBILITY STANDARDS - Houses Cat 2 £11sqm x 100% Apartments Cat 2 £16sqm x 100%

The appraisals test the impact of requiring 100% of homes to be built to Category 2 standard for accessibility. For the majority of housing development this is estimated to add £11sqm over National Housing Standards equivalent build cost allowance for houses and £16 sqm for apartments.

BIODIVERSITY NET GAIN

An allowance of £500 per dwelling has been made for 10% biodiversity net gain. This is broadly based on the study undertaken by Defra in 2018 'Biodiversity Net Gain' which estimates £17,757 of cost per Ha to achieve the requirement. This allowance is included in the £4000 per dwelling S106 Contribution allowance outlined in para 4.30.

NUTRIENT NEUTRALITY TARIFF

It is anticipated, following the Written Ministerial Statement on Nutrient Levels in River Basin Catchments, made on March 16th 2022, and accompanying advice from Natural England (NE), that much of the housing in the district will need to be "Nutrient Neutral". Based on research undertaken recently by Norwich City Council it is considered that an allowance of £5000 per dwelling is appropriate fore the anticipated mitigation tariff.

WATER CONSERVATION STANDARDS

The higher optional water standard of 110 lpd is considered to be covered by the adopted construction cost rates and do not require any additional allowance.

ELECTRICAL VEHICLE CHARGING

An allowance of £750 per dwelling has been made to cover the installation of electrical vehicle charging points..

SPACE STANDARDS

The residential unit sizes adopted in the appraisals comply with National Space Standards.

4 Appraisal Assumptions

Developers Profit

4.32 Developer's profit is generally fixed as a % return on gross development value or return on the cost of development to reflect the developer's risk. In current market conditions, and based on the assumed lending conditions of the financial institutions, a 17.5% return on GDV is used in the residential viability appraisals to reflect speculative risk on the market housing units. This is in line with the NPPG on viability assessment introduced by the Government in July 2018 which advises development profit should lie within a 15-20% range. However it must be acknowledged that affordable housing does not carry the same speculative risk as it effectively pre-sold. There is significant evidence of this 'split profit' approach being accepted as a legitimate approach in Whole Plan Viability and Community Infrastructure Levy Examinations and Affordable Housing Sec 106 BC Appeals.

4.31 In line with the NPPG guidance on viability assessment introduced by the Government in July 2018 the profit allowance on the affordable housing element has been set at 6% . It should also be recognised that a 'competitive profit ' will vary in relation to prevailing economic conditions and will generally reduce as conditions improve.

4.32 In the generic commercial development assessments, a 17.5% profit return is also applied. If it is considered that industrial and other forms of commercial are likely to be operator rather than developer led, this allowance may be further reduced to a 5-10% allowance to reflect an allowance for operational/opportunity cost rather than a traditional development risk.

Property Sales Values

4.33 The sale value of the development category will be determined by the market at any particular time and will be influenced by a variety of locational, supply and demand factors as well as the availability of finance. The study uses up to date comparable evidence to give an accurate representation of market circumstances.

4.34 A valuation study of all categories of residential and commercial property has been undertaken by HEB Chartered Surveyors in 2018. A copy of the report is attached at Appendix I.

Residential Sales Values						
Charging Zone	Sales Value £sqm					Retirement
	Apartment	2 Bed	3 Bed	4 Bed	5 Bed	
Zone 1	2800	3000	2800	2800	2800	3600
Zone 2	3300	3550	3450	3450	3450	3900

4 Appraisal Assumptions

Commercial Sales Values Sqm		
		Charging Zones
		Area Wide
Industrial		750
Office		1600
Food Retail	A1	3000
General Retail	A1-A5	1750
Residential Inst		1200
Hotels		3000
Community		1077
Leisure		1450
Agricultural		350

Land Value Allowances - Residential

4.35 Following the land value benchmarking 'uplift split' methodology set out in Section 3 the following greenfield and brownfield existing residential land use value assumptions are applied to the study. The gross residual value (the maximum potential value of land assuming planning permission but with no planning policy, affordable housing sec 106 or CIL cost impacts). An example for Village Edge land in the High Value zone is illustrated in the table below.

Land Value	£20000	Existing Greenfield (agricultural) Per Ha Brownfield (equivalent general commercial) Per Ha Gross Residual Residential Value per Ha	Uplift	50%
	£370,000			
	£3,218,576			

4.36 50% of the uplift in value between existing use and the gross residual value of alternative use with planning permission is applied to generate benchmarked land values per Ha. These land values are then divided by the assumed unit type densities to generate the individual greenfield and brownfield plot values to be applied to the appraisals.

EUV		+	50% of Uplift in Value	=	Threshold Land Value
Greenfield	£20,000	+	50% (£3,218,576 - £20,000)	=	£1,619,288 per Ha
Brownfield	£370,000	+	50% (£3,218,576 - £370,000)	=	£1,794,288 per Ha

4 Appraisal Assumptions

Density Assumptions	Apt	2 Bed	3 Bed	4 Bed	5 Bed
	100	40	35	25	20
LAND VALUES (Plot Values)					
	Apt	2 Bed	3 Bed	4 Bed	5 Bed
Greenfield	£16193	£40482	£46265	£64772	£80964
Brownfield	£17943	£44857	£51265	£71772	£89714

4.37 The complete set of gross residual residential values for all the residential tests from which the benchmarked threshold land value allowances were derived, is set out in the table below.

Gross Residual Land Value per Ha	Zone 1	Zone 2
Edge Principal Town Large Scale	£1623487	£3185532
Edge Principal Town Medium Scale	£1675394	£3227480
Edge Service Centre	£1702566	£322986
Village Edge	£1674695	£3218576
Village Infill	£1727942	£3266806

Land Value Allowances - Commercial

4.38 The approach to commercial land value allowances is the same in principle. Obviously there will be a broad spectrum of residual land values dependent on the commercial use. A number of residual land calculations for commercial categories actually demonstrate negative values – which is clearly unrealistic for the purpose of viability appraisal.

Therefore where residual values are less than market comparable evidence the market comparable is used as the minimum gross residual figure. In the North Norfolk District assessments only retail gross residual values exceeded these market comparable benchmarks.

4.39 The following provides an example threshold land value allowances food supermarket retail

	EUV	+	50% of Uplift in Value	=	Threshold Land Value
Greenfield	£20,000	+	50% (£1,846,552 - £20,000)	=	£933,276 per Ha
Brownfield	£370,000	+	50% (£1,846,552 - £370,000)	=	£1,108,276 per Ha

4.40 The greenfield and brownfield land value threshold allowances are all set out within the commercial viability appraisals but in summary the gross residual values on which they are based may be summarised as follows :-

4 Appraisal Assumptions

Commercial Residual Land Values	Area Wide
Industrial Land Values per Ha	
Residual Land Value per Ha	£370,000
Office Land Values per Ha	
Residual Land Value per Ha	£370,000
Food Retail Land Values per Ha	
Residual Land Value per Ha < 3000sqm	£1,846,552
General Retail Land Values per Ha	
Residual Land Value per Ha	£1,500,000
Residential Institution Land Values per Ha	
Residual Land Value per Ha	£370,000
Hotel Land Values per Ha	
Residual Land Value per Ha	£750,000
Community Use Land Values per Ha	
Residual Land Value per Ha	£370,000
Leisure Land Values per Ha	
Residual Land Value per Ha	£400,000
Agricultural Land Values per Ha	
Comparable Land Value per Ha	£20,000

Fees, Finance and Other Cost Allowances

4.41 The following 'industry standard' fee and cost allowances are applied to the appraisals.

Residential Development Cost Assumptions			
Professional Fees		7.0%	Construction Cost
Legal Fees		0.5%	GDV
Statutory Fees		1.1%	Construction Cost
Sales/Marketing Costs		2.0%	Market Units Value
Contingencies		5.0%	Construction Cost
Planning Obligations		9000	£ per Dwelling
		10	£ per sqm Commercial
Interest	5.0%	12	Month Construction
Arrangement Fee	1.0%	Cost	3-6 Mth Sales Void


5 Viability Appraisal Results

5.1 The results of the residential typology Viability Testing are set out in the tables below. In order to inform the policy position of the Council the residential viability tests were undertaken on the assumption that schemes would deliver between 10-15% Affordable Housing in the low value sub-market area and 35-40% in the high value sub-market area.

5.2 Any positive figures confirm that the category of development tested is economically viable in the context of Whole Plan viability and the impact of planning policies. The level of positive viability indicates the potential additional margin for developer contributions on a per sq metre basis (which could inform CIL rates).

5.3 Each category of development produces a greenfield and brownfield result in each test area. These results reflect the benchmark land value scenario. The first result assumes greenfield development which generally represents the highest uplift in value from current use and therefore will produce the highest potential CIL Rate. The second result assumes that development will emerge from low value brownfield land.

5.4 It should be recognised that the viability tests are necessarily generic and do not factor in site specific abnormal costs that may be encountered on many development sites. The tests produce maximum contributions for infrastructure and therefore if the rates are used to inform additional contributions such as CIL charges, an appropriate 'viability buffer' should be considered to account for additional unforeseen costs and site specific abnormals.

		Maximum Viability per Sqm			
Low Value Sub-Market	Edge Principal Town Large	Edge Principal Town Medium	Edge Service Centre	Village Edge	Village Infill
10% Affordable Housing					
Greenfield	£60	£61	£64	£67	£128
Brownfield	-£10	-£9	-£6	-£2	£59
15% Affordable Housing					
Greenfield	£27	£27	£29	£33	£128
Brownfield	-£46	-£47	-£45	-£40	£59
High Value Sub-Market	Edge Principal Town Large	Edge Principal Town Medium	Edge Service Centre	Village Edge	Village Infill
35% Affordable Housing					
Greenfield	£103	£96	£95	£108	£340
Brownfield	£12	£3	£2	£9	£277
40% Affordable Housing					
Greenfield	£48	£38	£37	£51	£340
Brownfield	-£50	-£61	-£63	-£48	£277

5 Viability Appraisal Results

5.5 The results of the residential viability testing demonstrate that the majority of housing development is viable and deliverable in North Norfolk based on the Council's adopted approach to a primarily greenfield delivery strategy, affordable housing delivery and other policy cost impacts of the Development Plan.

5.6 In the lower value Zone 1 sub-market area, greenfield development can sustain 15% Affordable Housing. Brownfield development indicates more marginal viability at 15% affordable housing delivery levels.

5.7 In the higher value Zone 2 sub-market area, greenfield development can sustain 35% Affordable Housing. Brownfield development indicates more marginal viability at 35% affordable housing delivery levels.

Elderly Accommodation

Sub-Market/Base Land Value	Elderly C2/C3 Mixed Housing	Elderly C2/C3 Apartments
Zone 1		
Greenfield	£34	-£67
Brownfield	-£21	-£113
Zone 2		
Greenfield	£112	-£46
Brownfield	£40	-£115

5.8 The results illustrate that the Council's Affordable Housing targets can be viably delivered by retirement development in the higher value zone 2 but that the viability of retirement apartments may be marginal.

Commercial Development

Sub Market Area/Charging Zone	Maximum Viability Margin Per Sqm	
	General Zone	
	Greenfield	Brownfield
Industrial B1b B1c B2 B8	-£606	-£687
Office B1a	-£1,446	-£1,478
Food Retail A1	£231	£172
General Retail A1 A2 A3 A4 A5	-£432	-£461
Residential Institution C2	-£1,743	-£1,767
Hotel C1	-£851	-£885
Community D1	-£2,429	-£2,458
Leisure D2	-£159	-£218
Agricultural	-£712	

5 Viability Appraisal Results


5.9 Most of the above commercial use class appraisals indicated negative viability and therefore no margin to introduce additional contributions via, for instance, CIL. Only food supermarket retail demonstrated significant positive viability. These results are typical of our experience of most Local Authorities' commercial viability assessments. In order for viability assessment to be consistent between residential and commercial development, full development profit allowances are contained within all appraisals (assuming all development is delivered by third party developers requiring a full risk return). In reality much commercial development is delivered direct by business operators who do not require the 'development profit' element. As such many commercial categories of development are broadly viable and deliverable despite the apparent negativity of the results.

6 Conclusions

Key Findings - Residential Viability Assessment

6.1 The North Norfolk District Local Plan sets out the strategy to deliver housing over the plan period. The Plan Wide Viability assessment illustrated that firstly, in general terms, housing development proposed in all locations in the North Norfolk District Local Plan are broadly viable and, secondly, there is only limited additional margin to accommodate CIL charges in the event the Council wish to pursue CIL. The assessment of residential land and property values indicated that the Authority did possess significantly different residential sub-markets that warrant differential value assumptions being made in the Whole Plan Viability Assessment based on two geographical zones. These are set out in the zone maps at Section 4.

6.2 The viability results are summarised in the table below. The figures represent the margin of viability per sqm taking account of all development values and costs, plan policy impact costs and having made allowance for a reasonable return to the landowner and developer. In essence a positive margin confirms whole plan viability and the level of positive margin represents the limited potential to introduce additional developer contributions such as CIL.

 Maximum Potential Viability per Sqm					
Sub-Market/Base Land Value	Edge Principal Town Large	Edge Principal Town Medium	Edge Service Centre	Village Edge	Village Infill
Zone 1 – 15% Affordable					
Greenfield	£27	£27	£29	£33	£128
Brownfield	-£46	-£47	-£45	-£40	£59
Zone 2 - 35% Affordable					
Greenfield	£103	£96	£95	£108	£103
Brownfield	£12	£3	£2	£9	£12

6.3 The comparative tables above illustrate the viability of housing development based on 15% Affordable Housing Delivery in Zone 1 and 40% Affordable Housing delivery in Zone 2.

6.4 A separate assessment of C3 Sheltered/C2 Extra Care accommodation for the elderly was undertaken elderly based on 15% Affordable Housing in Zone 1 and 35% Affordable Housing in Zone 2. The results are set out in the table below.

6 Conclusions

Sub-Market/Base Land Value	Elderly C2/C3 Mixed Housing	Elderly C2/C3 Apartments
Zone 1		
Greenfield	£34	-£67
Brownfield	-£21	-£113
Zone 2		
Greenfield	£112	-£46
Brownfield	£40	-£115

6.5 The results illustrate that the Council's Affordable Housing targets can be viably delivered by retirement development in the higher value zone 2 but that the viability of retirement apartments may be marginal.

Commercial Viability Assessment

6.6 The initial assessment of commercial land and property values indicated that there were not significant differences in values to justify differential sub-market based assumptions. It can be seen that only food supermarket retail uses demonstrate positive viability. All of the remaining commercial use class appraisals indicate negative viability.

Sub Market Area/Charging Zone	Maximum Viability Margin per Sqm	
	General Zone	
	Greenfield	Brownfield
Industrial B1b B1c B2 B8	-£606	-£687
Office B1a	-£1,446	-£1,478
Food Retail A1	£231	£172
General Retail A1 A2 A3 A4 A5	-£432	-£461
Residential Institution C2	-£1,743	-£1,767
Hotel C1	-£851	-£885
Community D1	-£2,429	-£2,458
Leisure D2	-£159	-£218

6 Conclusions

6.7 It should be stressed that whilst the generic appraisals showed that most forms of commercial and employment development are not viable based on the test assumptions, this does not mean that this type of development is not deliverable. For consistency a full developer's profit allowance was included in all the commercial appraisals. In reality many employment developments are undertaken direct by the operators. If the development profit allowance is removed from the calculations, then much employment development would be viable and deliverable. In addition, it is common practice in mixed use schemes for the viable residential element of a development to be used to cross subsidise the delivery of the commercial component of a scheme.

6.8 The assessment indicates that only food supermarket retail, with CIL potential rate of £172-£231 per square metre, dependent on existing land use provides a margin to introduce non-residential CIL charges. It is therefore recommended on the existing evidence, that in the event that the Council pursue CIL, all non foodretail categories should not be charged.

Viability Appraisal Conclusions

6.9 The study demonstrates that most of the development proposed by the Local Plan is viable and deliverable taking account of the cost impacts of the policies proposed by the plan and the requirements for viability assessment set out in the NPPF. It is further considered that only limited margin exists, beyond a reasonable return to the landowner and developer to accommodate CIL charges.

Housing Units Without Planning Permission Projected in Plan Period	Housing Units	
Zone 1		
Greenfield	4300	87%
Brownfield	640	13%
Zone 2		
Greenfield	1260	89%
Brownfield	150	11%

6.10 The table above illustrates the dwellings estimated over the plan period and the existing type of land use. The table clearly illustrates that the majority of residential development will be on greenfield land and as such the greenfield viability results should guide the application of policies in the Plan. It is acknowledged however that further viability assessment may be required at application stage in respect of affordable housing delivery on brownfield sites.

6 Conclusions

6.11 In conclusion, the assessment of residential development in North Norfolk District has been undertaken with due regard to the requirements of the NPPF and the best practice advice contained in the new NPPG on Viability. It is considered that all sites are broadly viable and deliverable across the entire plan period taking account of the Affordable Housing requirements and all policy impacts of the Local Plan but at this stage there is not a practical opportunity to introduce a Community Infrastructure Levy.

6.12 The study is a high-level assessment of whole plan viability and as such is not intended to represent a detailed viability assessment of every individual site. The study applies the general assumptions in terms of affordable housing, planning policy costs impacts and identified site mitigation factors based on generic allowances. It is anticipated that more detailed mitigation cost and viability information may be required at planning application stage to determine the appropriate level of affordable housing and planning obligation contributions where viability issues are raised. The purpose of the study is to determine whether the development strategy proposed by the Plan is deliverable given the policy cost impacts of the Plan and, secondly, whether it is viable in principle to introduce a Community Infrastructure Levy Charging Schedule.

6.13 It should be noted that this study should be seen as a strategic overview of plan level viability rather than as any specific interpretation of North Norfolk District Council policy on the viability of any individual site or application of planning policy to affordable housing, CIL or developer contributions. Similarly, the conclusions and recommendations in the report do not necessarily reflect the views of North Norfolk District Council.

**Heb Surveyors
Valuation Report
July 2022**

BCIS Construction Cost Data North Norfolk District Council July 2022

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 29-Jan-2022 00:39

> Rebased to North Norfolk (98; sample 15)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,325	725	1,161	1,287	1,443	3,010	1218
810.1 Estate housing							
Generally (15)	1,322	640	1,127	1,274	1,443	4,585	1491
Single storey (15)	1,486	845	1,264	1,438	1,653	4,585	244
2-storey (15)	1,277	640	1,112	1,242	1,395	2,788	1150
3-storey (15)	1,365	828	1,097	1,305	1,531	2,726	92
4-storey or above (15)	2,787	1,359	2,224	2,483	3,735	4,134	5
810.11 Estate housing detached (15)	1,711	985	1,292	1,458	1,722	4,585	21
810.12 Estate housing semi detached							
Generally (15)	1,318	782	1,135	1,287	1,447	2,440	353
Single storey (15)	1,471	977	1,277	1,449	1,624	2,440	73
2-storey (15)	1,280	782	1,128	1,254	1,400	2,230	267
3-storey (15)	1,256	938	1,001	1,240	1,358	1,917	13
810.13 Estate housing terraced							
Generally (15)	1,363	828	1,112	1,291	1,498	4,134	275
Single storey (15)	1,532	1,013	1,304	1,444	1,762	2,145	25
2-storey (15)	1,311	832	1,109	1,253	1,441	2,788	205
3-storey (15)	1,391	828	1,090	1,291	1,567	2,726	43
4-storey or above (10)	3,935	3,735	-	-	-	4,134	2
816. Flats (apartments)							
Generally (15)	1,559	770	1,297	1,481	1,755	5,373	852
1-2 storey (15)	1,479	916	1,260	1,413	1,657	2,651	194
3-5 storey (15)	1,536	770	1,291	1,469	1,741	3,254	558
6 storey or above (15)	1,850	1,142	1,526	1,735	1,974	5,373	97
843. Supported housing							
Generally (15)	1,671	854	1,403	1,550	1,797	3,411	133
Single storey (15)	1,940	1,201	1,550	1,672	2,067	3,411	17
2-storey (15)	1,667	854	1,400	1,515	1,832	2,969	42
3-storey (15)	1,523	857	1,392	1,474	1,682	2,263	46
4-storey or above (15)	1,749	1,052	1,390	1,606	1,790	3,272	25



£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 16-Jul-2022 05:38

➤ Rebased to 1Q 2022 (349) and Norfolk (95; sample 121)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
268. Agricultural storage buildings (50)	779	261	540	723	1,175	1,195	5
282. Factories							
Generally (20)	1,075	247	597	884	1,281	4,036	92
Up to 500m2 GFA (20)	1,362	871	980	1,154	1,708	2,354	13
500 to 2000m2 GFA (20)	1,143	247	632	1,023	1,258	4,036	39
Over 2000m2 GFA (20)	915	440	543	734	1,001	2,339	40
282.1 Advance factories							
Generally (15)	926	436	760	895	1,114	1,507	22
Up to 500m2 GFA (15)	1,034	871	885	1,014	1,107	1,366	7
500 to 2000m2 GFA (15)	1,006	436	844	1,077	1,173	1,507	9
Over 2000m2 GFA (15)	680	508	542	666	802	894	6
282.12 Advance factories/offices - mixed facilities (class B1)							
Generally (20)	1,252	468	759	1,255	1,521	2,354	19
Up to 500m2 GFA (20)	2,077	1,708	-	2,170	-	2,354	3
500 to 2000m2 GFA (20)	1,180	468	1,054	1,296	1,431	1,569	6
Over 2000m2 GFA (20)	1,047	550	714	817	1,321	2,339	10
282.2 Purpose built factories							
Generally (30)	1,165	247	618	991	1,486	4,036	79
Up to 500m2 GFA (30)	1,359	726	942	1,161	1,831	2,085	7
500 to 2000m2 GFA (30)	1,258	247	654	937	1,413	4,036	28
Over 2000m2 GFA (30)	1,075	327	584	999	1,457	2,135	44
282.22 Purpose built factories/Offices - mixed facilities (15)	914	448	735	900	994	1,991	23
284. Warehouses/stores							
Generally (15)	935	369	565	747	1,081	4,294	46
Up to 500m2 GFA (15)	1,713	619	946	1,205	2,033	4,294	8
500 to 2000m2 GFA (15)	859	434	626	770	981	1,511	17
Over 2000m2 GFA (15)	700	369	518	572	805	1,475	21

Appendix 2

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
320. Offices							
Generally (15)	1,960	970	1,399	1,853	2,301	4,755	68
Air-conditioned							
Generally (15)	2,008	1,151	1,681	1,949	2,294	3,376	21
1-2 storey (15)	1,958	1,151	1,646	1,833	2,037	3,376	8
3-5 storey (15)	1,937	1,317	1,544	1,857	2,294	2,625	9
6 storey or above (20)	2,433	1,679	1,995	2,155	2,463	4,347	9
Not air-conditioned							
Generally (15)	1,923	970	1,356	1,823	2,378	3,356	31
1-2 storey (15)	1,989	1,113	1,389	1,853	2,469	3,109	16
3-5 storey (15)	1,833	970	1,353	1,559	2,048	3,356	13
6 storey or above (20)	2,306	1,783	-	2,382	-	2,675	4
344. Hypermarkets, supermarkets							
Generally (30)	1,558	657	1,043	1,377	2,121	2,735	27
Up to 1000m ² (30)	1,994	1,386	-	-	-	2,601	2
1000 to 7000m ² GFA (30)	1,550	657	994	1,377	2,121	2,735	23
7000 to 15000m ² (30)	1,325	-	-	-	-	-	1
Over 15000m ² GFA (35)	1,718	-	-	-	-	-	1
345. Shops							
Generally (30)	1,557	584	840	1,259	2,009	4,096	20
1-2 storey (30)	1,571	584	839	1,223	2,030	4,096	19
3-5 storey (30)	1,296	-	-	-	-	-	1

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
852. Hotels (15)	2,141	1,182	1,722	2,054	2,650	3,072	16

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
442. Nursing homes (25)	1,890	1,138	1,392	1,849	2,189	3,133	28
442.2 Nursing homes long stay (residential homes) (5)	2,031	1,904	-	-	-	2,157	2



£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 16-Jul-2022 05:38

› Rebased to 1Q 2022 (349) and Norfolk (95; sample 121)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
563.1 Bowling alleys (tenpin bowling alleys) (40)	897	-	-	-	-	-	1

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
760. Libraries							
Generally (15)	2,557	1,886	2,248	2,402	2,922	3,534	20
Up to 500m2 GFA (15)	2,572	1,931	2,278	2,402	2,796	3,534	6
500 to 2000m2 GFA (15)	2,620	2,154	2,274	2,786	2,932	3,039	9
Over 2000m2 GFA (15)	2,425	1,886	2,096	2,327	2,674	3,143	5
762. Public Libraries (15)	2,594	1,931	2,248	2,559	2,922	3,534	16
763. School/College/University Libraries (15)	2,408	1,886	-	2,301	-	3,143	4
764. Special libraries (25)	2,643	2,013	-	-	-	3,274	2