

# Greater Nottingham Strategic Plan Viability Study

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Joint Planning Advisory Board  
Presentation

24<sup>th</sup> September 2024



## Our approach to viability testing

### Porter PE's role...

- We use viability modelling to identify any financial headroom that can be used for informing GNSP policies that will impact viability
- We review the evidence in line with:
  - The NPPF, para 58, which states using the following *“...recommended approach in national planning guidance, including standardised inputs”*
  - Using *“...appropriate available evidence”*, based on using *“...current costs and values”* .
  - Noting that *“...assessing plan viability ...can only provide **high level assurance.**”*

# Types of Development

Mostly focusing on residential developments

## Gedling

### Rushcliffe & Broxtowe

- Greenfield
- Lower density
- Mainly housing & mixed
- Older person accom.
- Similar resi values (2 zones across area)
- Non-resi: offices, ind/whsg & retail

## City of Nottingham

- Brownfield
- Higher density
- Mainly flats
- Older person accom.
- Student accomm.
- Low resi values (2 zones)
- Non-resi: offices, ind/whsg & retail

# Residential – Potential Policy Costs

Policy impact	Assumptions	Unit
Affordable housing in Broxtowe, Gedling & Rushcliffe	10%, 20% & 30%	75% rented (split equally between Affordable Rent and Social Rent) 25% intermediate (First Homes/Shared Ownership)
Affordable housing in Nottingham City	5%, 10% & 20%	100% social rented
Meeting housing standards: M4(Cat 2)	£950	per flat
	£550	per house
Meeting housing standards: M4(Cat 3 A/B) applied to 1% of dwgs in Rushcliffe	£7,750 / £7,900	per flat
	£10,200 / £22,700	per house
Climate Change, Sustainable Design, Construction, Energy & Managing Flood Risk	+3.9% on build costs	40% carbon reduction on 2013 BRs
	+3% on build costs	63% carbon reduction on 2021 BRs
Biodiversity net gain: 10% in Broxtowe, Gedling and Nottingham / 20% in Rushcliffe	£1,000 / £1,200	per GF dwelling
	£450 / £550	per BF dwelling
Community Infrastructure Levy	Lowest & highest rates	In Gedling and Rushcliffe

# Residential – Potential Other Policy Costs – s106

Local Authority	Employment & Skills Plan	Education	Health	Sports & Green Infrastructure	Transport	CIL
Nottingham	£6 psm where development costs >£1m.	£0 per 1-bed flat; £1,580 per 2-bed flat; £8,150 per 3-bed flat/ house;  £0 student / older person accomm.	£0	£1,709 per 1-bed; £2,471 per 2-bed; £3,378 per 3-bed; £4,929* per 4+ bed dwgs & student flat  £0 older person accomm.	£0	
Broxtowe	n/a	£9,500 per house or 2/3-bed flat; £0 older person accomm. + Sites >100 dwgs £104,600 per 100 dwgs	£550 per dwg	£2,500 per dwg / older person accomm.	£0	Zone 2: £66.97 psm
Gedling						Zone 3: £104.18 psm
Rushcliffe	n/a	£4,600 per house or 2/3-bed flat; £0 older person accomm. + Sites >100 dwgs £104,600 per 100 dwgs	£0			Zone 2 : £40.36 psm  Zone 5: £113.39 psm

## Non-residential – Potential Policy Costs

Policy impact	Unit	Assumptions
Climate Change, Sustainable Design, Construction, Energy & Managing Flood Risk	25% carbon reduction on 2021 BRs in offices > 1,000 sqm	+2% on build costs
	45% carbon reduction on 2021 BRs in ind/whsg > 1,000 sqm	+7% on build costs
	35% carbon reduction on 2021 BRs in all other non-resi > 1,000 sqm	+7% on build costs
Biodiversity net gain: 10%	Per hectare	£15,000
Other Policy Costs through Section 106	Travel plans/improvements, Blue and Green Infrastructure, Landscape and Employment Skills Plans, etc.	+5% on build costs
Community Infrastructure Levy	All retail in Gedling	£89.30 psm
	General retail in Rushcliffe	£56.70 psm
	Supermarkets in Rushcliffe	£113.39 psm

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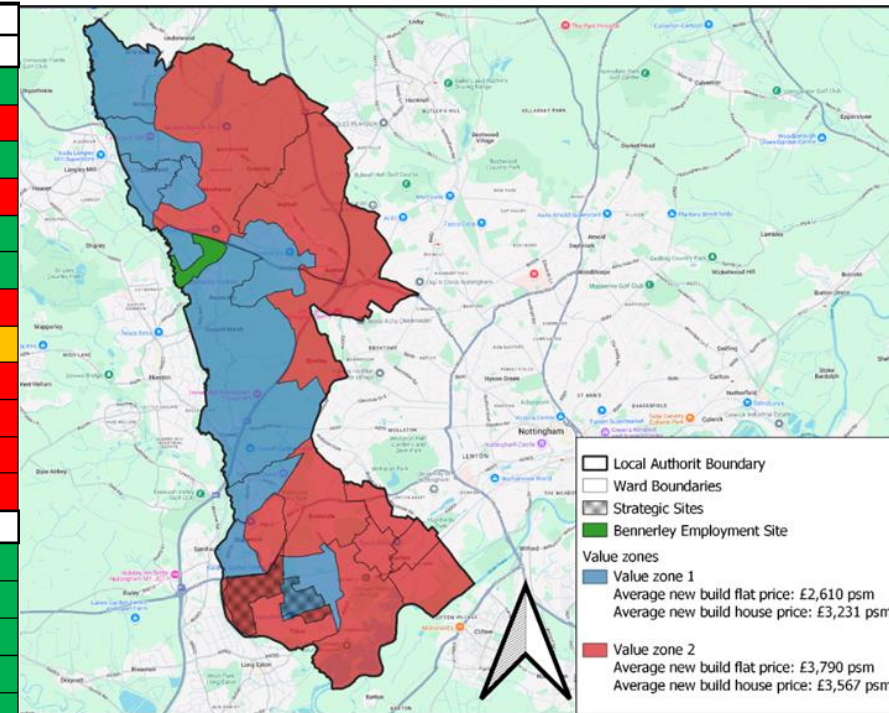
# Viability Testing Results and Recommendations

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# Broxtowe Viability Results

**Table 7.1 Viability and headroom per unit results for Broxtowe borough residential sites**

Wksht	Typology	Land type	10% AH	20% AH	30% AH
<b>Broxtowe borough Value Area 1</b>					
B1	12 Houses @ 35dph BGR VA1	Greenfield	£15,112	£9,191	£3,129
B2	12 Houses @ 40dph BGR VA1	Brownfield			
B3	25 Houses @ 35dph BGR VA1	Greenfield	£17,979	£12,336	£3,872
B4	25 Houses @ 35dph BGR VA1	Brownfield			
B5	60 Houses @ 35dph BGR VA1	Greenfield	£27,274	£20,134	£12,990
B6	100 Houses @ 35dph BGR VA1	Greenfield	£24,447	£17,300	£10,154
B7	100 Houses @ 35dph BGR VA1	Brownfield	£10,811	£3,664	
B8	100 Mixed @ 50dph BGR VA1	Brownfield	£14,678	£7,857	
B9	500 Mixed @ 50dph BGR VA1	Greenfield	£5,127		
B10	12 Flats @ 150dph BGR VA1	Brownfield			
B11	25 Flats @ 120dph BGR VA1	Greenfield			
B12	25 Flats @ 120dph BGR VA1	Brownfield			
<b>Broxtowe borough Value Area 2</b>					
B1	12 Houses @ 35dph BGR VA2	Greenfield	£35,114	£28,518	£21,921
B2	12 Houses @ 40dph BGR VA2	Brownfield	£19,778	£13,183	£6,571
B3	25 Houses @ 35dph BGR VA2	Greenfield	£38,283	£31,964	£22,485
B4	25 Houses @ 35dph BGR VA2	Brownfield	£19,391	£13,072	£3,593
B5	60 Houses @ 35dph BGR VA2	Greenfield	£47,665	£39,681	£31,693
B6	100 Houses @ 35dph BGR VA2	Greenfield	£44,768	£36,778	£28,787
B7	100 Houses @ 35dph BGR VA2	Brownfield	£31,132	£23,141	£15,150
B8	100 Mixed @ 50dph BGR VA2	Brownfield	£37,838	£29,992	£22,426
B9	500 Mixed @ 50dph BGR VA2	Greenfield	£27,553	£19,877	£12,197
B10	12 Flats @ 150dph BGR VA2	Brownfield			
B11	25 Flats @ 120dph BGR VA2	Greenfield	£4,361		
B12	25 Flats @ 120dph BGR VA2	Brownfield			



**Table 7.2 Viability and headroom results for Broxtowe borough for older person accommodation sites**

Wksht	Typology	Land type	10% AH	20% AH	30% AH
<b>Broxtowe borough Value Area 1</b>					
B13	55 Retirement @ 110dph BGR VA1	Greenfield			
B14	45 Extracare @ 90dph BGR VA1	Greenfield			
B15	55 Retirement @ 110dph BGR VA1	Brownfield			
B16	45 Extracare @ 90dph BGR VA1	Brownfield			
<b>Broxtowe borough Value Area 2</b>					
B13	55 Retirement @ 110dph BGR VA2	Greenfield	£2,736		
B14	45 Extracare @ 90dph BGR VA2	Greenfield			
B15	55 Retirement @ 110dph BGR VA2	Brownfield	£4,636		
B16	45 Extracare @ 90dph BGR VA2	Brownfield			

## Recommendations for Broxtowe Borough

- Major housing sites in higher value areas to meet the full policy requirements with 30% AH
- Major residential GF housing sites in lower value areas to meet the full policy requirements with 30% AH
- Major residential BF housing sites in lower value areas to meet the full policy requirements with 20% AH
- Major residential flatted developments (incl older persons) to meet the NPPF minimum requirement for AHs
  - *‘Subject to viability’*

# Gedling Viability Results

Table 7.3 Viability and headroom results for Gedling borough residential sites

Wksht	Typology	Land type	Lowest CIL rate (£66.97 per CIL liable sqm)			Highest CIL rate (£104.18 per CIL liable sqm)		
			10% AH	20% AH	30% AH	10% AH	20% AH	30% AH
Gedling borough Value Area 1								
G1	12 Houses @ 30dph BGR VA1	Greenfield	£10,042	£4,494		£7,196	£1,933	
G2	25 Houses @ 30dph BGR VA1	Greenfield	£12,661	£7,495		£9,741	£4,841	
G3	60 Houses @ 30dph BGR VA1	Greenfield	£21,899	£15,356	£8,809	£18,913	£12,701	£6,487
G4	60 Houses @ 30dph BGR VA1	Brownfield	£9,178	£2,635		£6,192		
G5	100 Houses @ 30dph BGR VA1	Greenfield	£19,072	£12,523	£5,973	£16,086	£9,868	£3,650
G6	500 Mixed @ 50dph BGR VA1	Greenfield						
G7	12 Flats @ 150dph BGR VA1	Brownfield						
G8	25 Flats @ 120dph BGR VA1	Brownfield						
Gedling borough Value Area 2								
G1	12 Houses @ 30dph BGR VA2	Greenfield	£30,049	£23,951	£17,852	£27,284	£21,463	£15,640
G2	25 Houses @ 30dph BGR VA2	Greenfield	£32,965	£27,123	£18,361	£30,045	£24,469	£16,105
G3	60 Houses @ 30dph BGR VA2	Greenfield	£42,290	£34,903	£27,513	£39,304	£32,249	£25,190
G4	60 Houses @ 30dph BGR VA2	Brownfield	£29,569	£22,182	£14,792	£26,583	£19,528	£12,469
G5	100 Houses @ 30dph BGR VA2	Greenfield	£39,393	£32,000	£24,606	£36,407	£29,345	£22,284
G6	500 Mixed @ 50dph BGR VA2	Greenfield	£23,543	£16,446	£9,345	£20,629	£13,856	£7,079
G7	12 Flats @ 150dph BGR VA2	Brownfield						
G8	25 Flats @ 120dph BGR VA2	Brownfield						

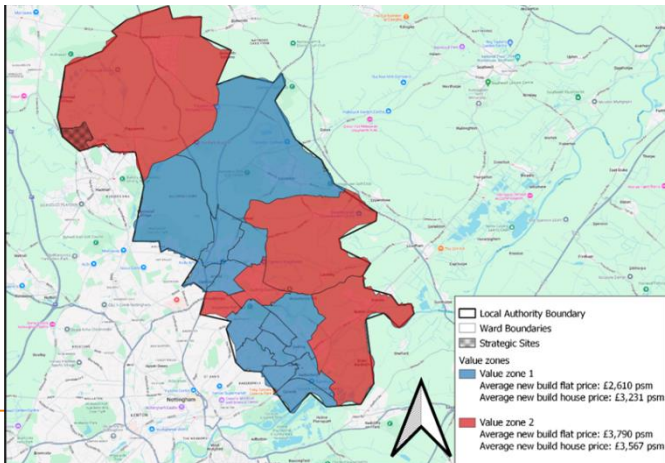


Table 7.4 Viability and headroom results for Gedling borough older person accommodation sites

Wksht	Typology	Land type	Lowest CIL rate (£66.97 per CIL liable sqm)			Highest CIL rate (£104.18 per CIL liable sqm)		
			10% AH	20% AH	30% AH	10% AH	20% AH	30% AH
Gedling borough Value Area 1								
G9	55 Retirement @ 110dph BGR VA1	Greenfield						
G10	45 Extracare @ 90dph BGR VA1	Greenfield						
G11	55 Retirement @ 110dph BGR VA1	Brownfield						
G12	45 Extracare @ 90dph BGR VA1	Brownfield						
Gedling borough Value Area 2								
G9	55 Retirement @ 110dph BGR VA2	Greenfield						
G10	45 Extracare @ 90dph BGR VA2	Greenfield						
G11	55 Retirement @ 110dph BGR VA2	Brownfield						
G12	45 Extracare @ 90dph BGR VA2	Brownfield						

## Recommendations for Gedling Borough

- Major housing sites in higher value areas to meet the full policy requirements with 30% AH
- Major residential housing sites in lower value areas to meet the full policy requirements with 20% AH
- Major residential flatted developments (incl older persons) to meet the NPPF min requirement for AHs
  - *‘Subject to viability’*

# Nottingham City Viability Results

Table 7.5 Viability and headroom results for Nottingham City residential sites

Wksht	Typology	Land type	5% on 10-14 units 10% AH on 15+; 100% Social rent	10% on 10-14 units 20% AH on 15+; 100% Social rent
<b>Nottingham City Value Area 1</b>				
N1	12 Houses @ 50dph NC VA1	Greenfield		
N2	12 Houses @ 50dph NC VA1	Brownfield		
N3	60 Houses @ 50dph NC VA1	Greenfield	£7,885	£1,765
N4	50 Houses @ 60dph NC VA1	Brownfield		
N5	100 Houses @ 50dph NC VA1	Greenfield	£6,687	
N6	100 Mixed @ 80dph NC VA1	Brownfield		
N7	300 Mixed @ 80dph NC VA1	Brownfield		
N8	12 Flats @ 300dph NC VA1	Brownfield		
N9	25 Flats @ 300dph NC VA1	Greenfield		
N10	25 Flats @ 300dph NC VA1	Brownfield		
N11	50 Flats @ 400dph NC VA1	Brownfield		
N12	200 Flats @ 500dph NC VA1	Brownfield		
N13	300 Flats @ 600dph NC VA1	Brownfield		
N14	400 Flats @ 600dph NC VA1	Brownfield		
<b>Nottingham City Value Area 2</b>				
N1	12 Houses @ 50dph NC VA2	Greenfield	£78,572	£70,879
N2	12 Houses @ 50dph NC VA2	Brownfield	£45,628	£37,935
N3	60 Houses @ 50dph NC VA2	Greenfield	£84,913	£75,622
N4	50 Houses @ 60dph NC VA2	Brownfield	£62,057	£52,748
N5	100 Houses @ 50dph NC VA2	Greenfield	£83,450	£74,152
N6	100 Houses @ 80dph NC VA2	Brownfield	£71,774	£62,477
N7	300 Mixed @ 80dph NC VA2	Brownfield	£54,071	£45,264
N8	12 Flats @ 300dph NC VA2	Brownfield		
N9	25 Flats @ 300dph NC VA2	Greenfield		
N10	25 Flats @ 300dph NC VA2	Brownfield		
N11	50 Flats @ 400dph NC VA2	Brownfield		
N12	200 Flats @ 500dph NC VA2	Brownfield		
N13	300 Flats @ 600dph NC VA2	Brownfield		
N14	400 Flats @ 600dph NC VA2	Brownfield		

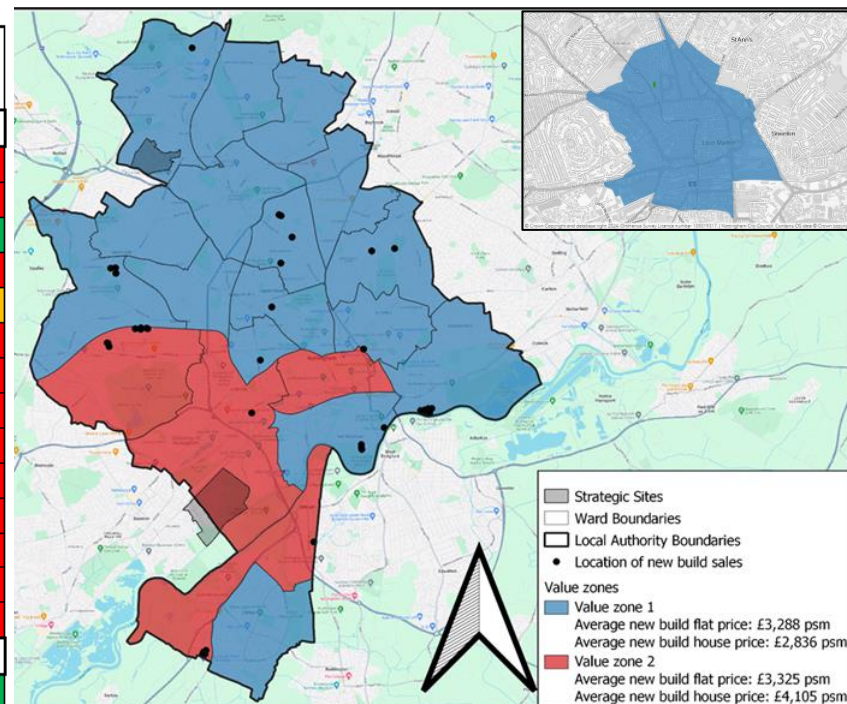


Table 7.6 Viability and headroom results for Nottingham City older person accommodation sites

Wksht	Typology	Land type	5% on 10-14 units 10% AH on 15+; 100% Social rent	10% on 10-14 units 20% AH on 15+; 100% Social rent
<b>Nottingham City Value Area 1</b>				
N15	55 Retirement @ 110dph BGR VA1	Greenfield		
N16	45 Extracare @ 90dph BGR VA1	Greenfield		
N17	55 Retirement @ 110dph BGR VA1	Brownfield		
N18	45 Extracare @ 90dph BGR VA1	Brownfield		
<b>Nottingham City Value Area 2</b>				
N15	55 Retirement @ 110dph BGR VA2	Greenfield	£10,037	£3,928
N16	45 Extracare @ 90dph BGR VA2	Greenfield		
N17	55 Retirement @ 110dph BGR VA2	Brownfield	£2,937	
N18	45 Extracare @ 90dph BGR VA2	Brownfield		

# Nottingham City Viability Results – Student Accommodation

**Table 7.9 Viability and headroom per student flat within student accommodation typologies**

<u>Wksht</u>	Typology	Land type	Full policy level
B1	16 Flats @ 300bph	Brownfield	£117,349
B2	100 Flats @ 800bph	Brownfield	£108,261
B3	200 Flats @ 1000bph	Brownfield	£103,240
B4	320 Flats @ 700bph	Brownfield	£96,923
B5	500 Flats @ 400bph	Brownfield	£88,081

## Recommendations for Nottingham City

- Major housing sites in higher value areas to meet the full policy requirements with 20% AH incl: 100% social rented accomm.
- Major housing developments in lower value areas to meet the NPPF min requirement for AHs
  - *‘subject to viability’*
- Major flatted developments (incl older persons) to meet the NPPF min requirement for AHs
  - *‘subject to viability’*
- Major PBSA developments to meet the full policy requirements with the Nottingham City off-site AH contribution requirements

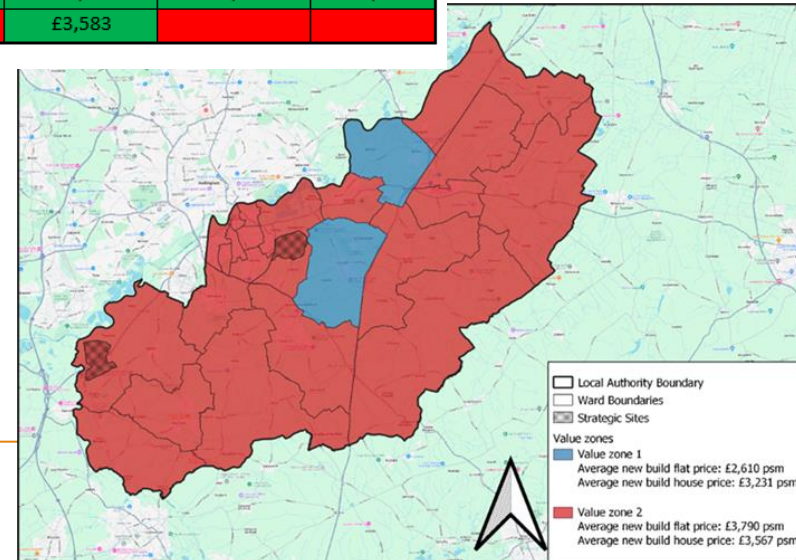
# Rushcliffe Viability Results

Table 7.7 Viability and headroom results for Rushcliffe borough residential sites

Wksht	Typology	Land type	Lowest CIL rate (£45.36 per CIL liable sqm)			Highest CIL rate (£113.39 per CIL liable sqm)		
			10% AH	20% AH	30% AH	10% AH	20% AH	30% AH
Rushcliffe borough Value Area 1								
R1	12 Houses @ 35dph BGR VA1	Greenfield	£16,221	£10,669	£4,964	£11,165	£5,996	
R2	12 Houses @ 40dph BGR VA1	Brownfield						
R3	25 Houses @ 35dph BGR VA1	Greenfield	£18,893	£13,573	£5,594	£13,554	£8,720	£1,469
R4	25 Houses @ 35dph BGR VA1	Brownfield						
R5	60 Houses @ 35dph BGR VA1	Greenfield	£27,389	£20,654	£13,914	£21,930	£15,801	£9,668
R6	100 Houses@ 35dph BGRVA1	Greenfield	£25,043	£18,301	£11,558	£19,583	£13,447	£7,312
R7	100 Mixed* @ 50dph BGR VA1	Brownfield	£17,072	£10,611	£4,151	£12,158	£6,243	
R8	500 Mixed* @ 50dph BGR VA	Greenfield	£6,504			£1,590		
R9	25 Flats* @ 120dph BGR VA1	Brownfield						
Rushcliffe borough Value Area 2								
R1	12 Houses @ 35dph BGR VA2	Greenfield	£36,222	£29,964	£23,704	£31,167	£25,414	£19,659
R2	12 Houses @ 40dph BGR VA2	Brownfield	£21,316	£15,058	£8,798	£16,261	£10,508	£4,686
R3	25 Houses @ 35dph BGR VA2	Greenfield	£39,196	£33,201	£24,207	£33,858	£28,348	£20,082
R4	25 Houses @ 35dph BGR VA2	Brownfield	£20,408	£14,412	£5,418	£15,069	£9,559	
R5	60 Houses @ 35dph BGR VA2	Greenfield	£47,781	£40,201	£32,618	£42,321	£35,348	£28,371
R6	100 Houses@35dph BGR VA2	Greenfield	£45,364	£37,778	£30,192	£39,904	£32,925	£25,945
R7	100 Mixed* @ 50dph BGR VA2	Brownfield	£40,302	£32,886	£25,470	£35,388	£28,518	£21,648
R8	500 Mixed* @ 50dph BGR VA2	Greenfield	£28,929	£21,604	£14,274	£24,015	£17,236	£10,452
R9	25 Flats* @ 120dph BGR VA2	Brownfield	£3,583			£3,583		

Table 7.8 Viability and headroom results for Rushcliffe borough older person accommodation sites

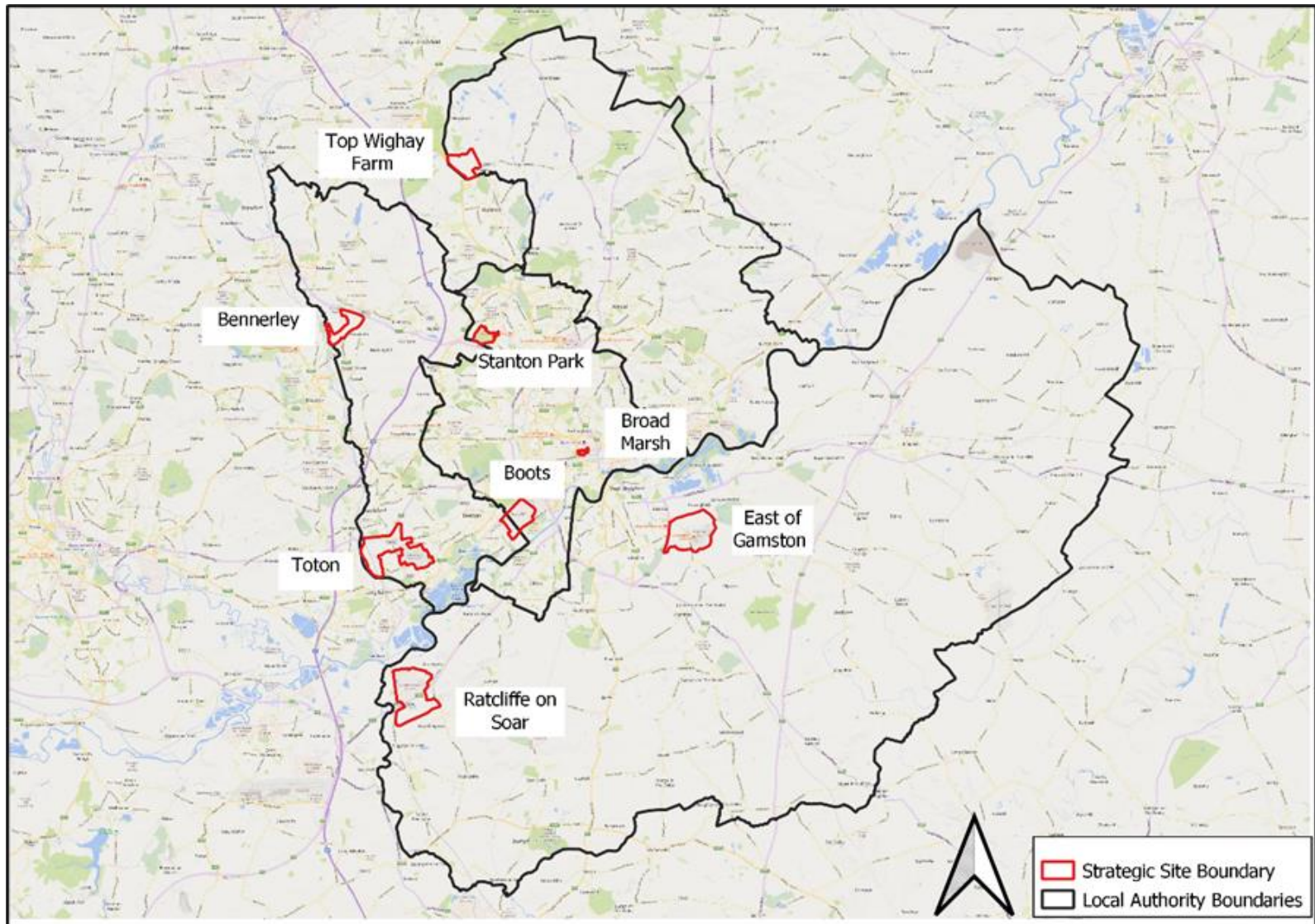
Wksht	Typology	Land type	10% AH	20% AH	30% AH
<b>Rushcliffe borough Value Area 1</b>					
R10	55 Retirement @ 110dph BGR VA1	Greenfield			
R11	45 <u>Extra</u> care @ 90dph BGR VA1	Greenfield			
R12	55 Retirement @ 110dph BGR VA1	Brownfield			
R13	45 <u>Extra</u> care @ 90dph BGR VA1	Brownfield			
<b>Rushcliffe borough Value Area 2</b>					
R10	55 Retirement @ 110dph BGR VA2	Greenfield	£5,401		
R11	45 <u>Extra</u> care @ 90dph BGR VA2	Greenfield			
R12	55 Retirement @ 110dph BGR VA2	Brownfield	£7,404	£1,714	
R13	45 <u>Extra</u> care @ 90dph BGR VA2	Brownfield			



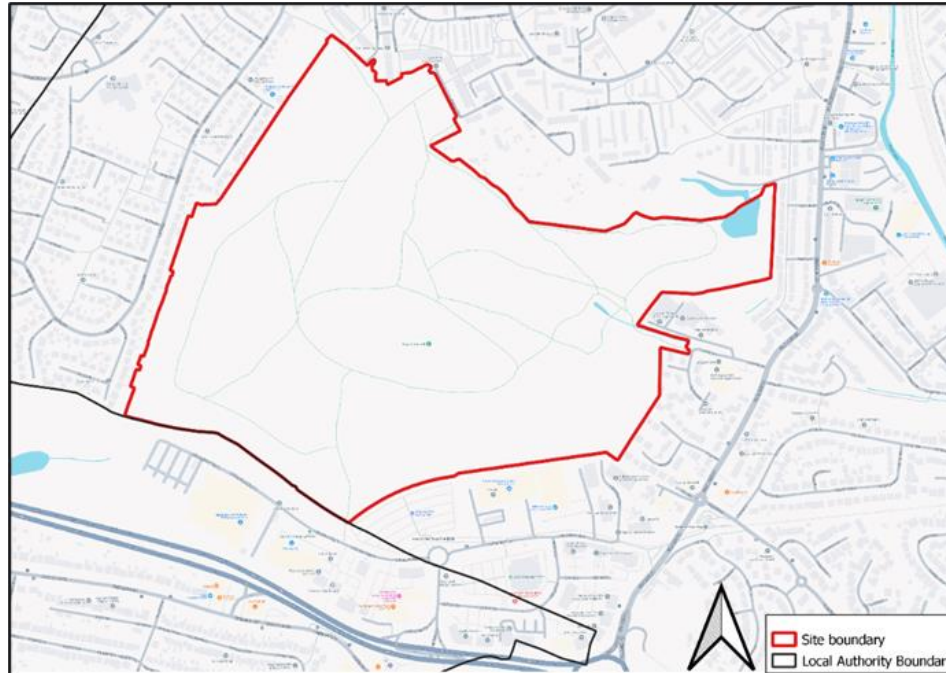
## Recommendations for Rushcliffe Borough

- Major housing sites to meet the full policy requirements with 30% AH rate
- Major flatted developments (incl older persons) to meet the NPPF min requirement for AHs
  - *‘Subject to viability’*

## Key Strategic Sites Viability Results



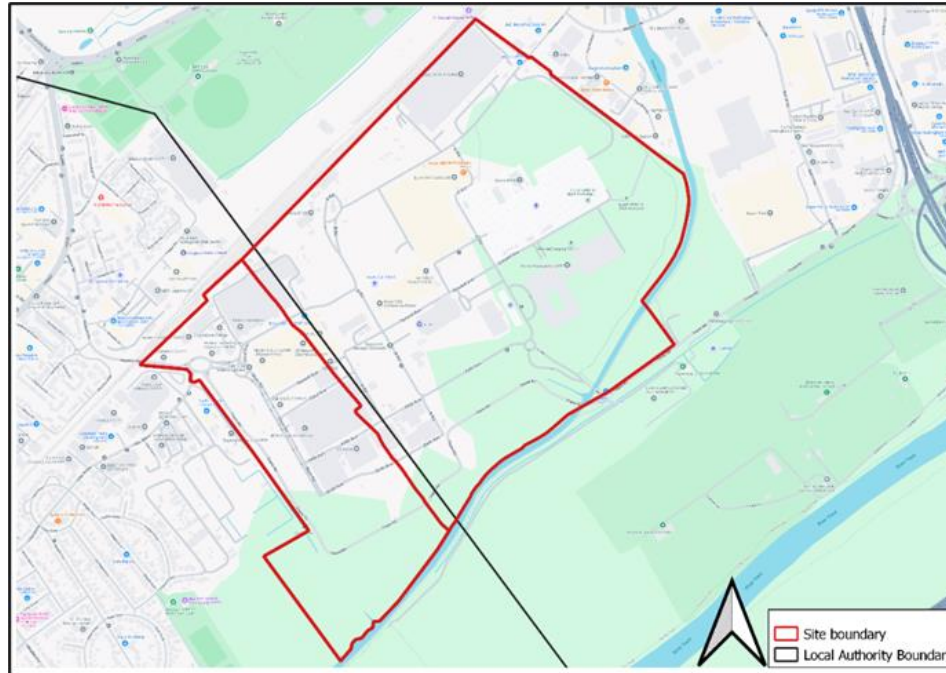
# Stanton Tip (Nottingham City) Strategic Site Viability Results



- Recommendation:
- to meet the NPPF min requirement for AHs
- *‘Subject to viability’*

Scenario	10% AH	20% AH
Base case		
5-year forward sensitivity case	£4,391	

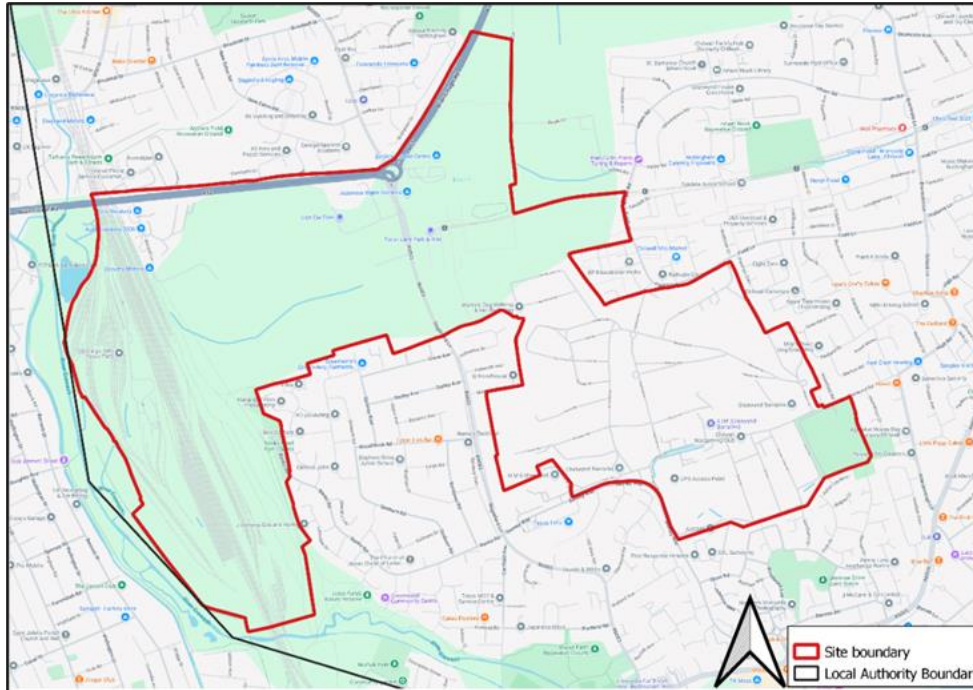
# Boots Campus (Broxtowe/Nottingham City) Strategic Site Viability Results



- Recommendation:
- To meet the full policy requirements with 30% AH

Scenario	10% AH	20% AH	30% AH
Base case	£43,943	£34,604	£25,109
5-year forward sensitivity case	£73,057	£61,515	£49,780

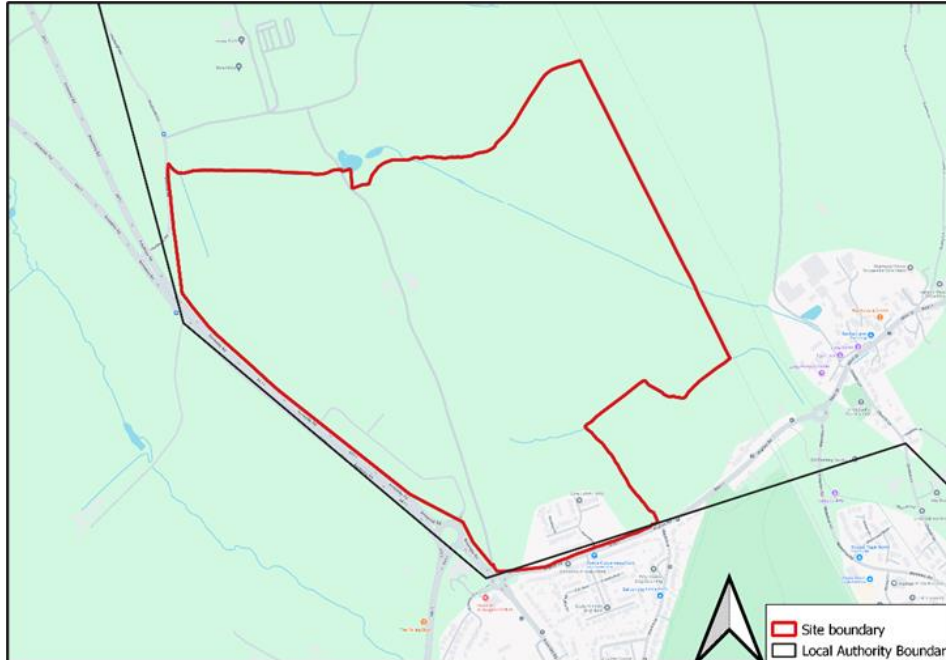
# Toton Strategic Location for Growth & Chetwynd Barracks Strategic Site (Broxtowe) Viability Results



- Recommendation:
- To meet the full policy requirements with 30% AH
- *‘Subject to viability’*

Scenario	10% AH	20% AH	30% AH
Base case	£19,448	£12,711	£5,973
5-year forward sensitivity case	£39,948	£31,591	£23,232

# Top Wighay Farm (Gedling) Strategic Site Viability Results



- Recommendation for 'Extension' site:
- To meet the full policy requirements with 20% AH
- *'Subject to viability'*

Scenario	17.6% AH in both parcels	17.6% + 20% AH (=18.9% AH)
Base case		
5-year forward sensitivity case	£21,265	£20,758

# East of Gamston (Rushcliffe) Strategic Site Viability Results



- Recommendation:
- To meet the full policy requirements with 30% AH
- *‘Subject to viability’*

Scenario	10% AH	20% AH	30% AH
Base case with 4,000 <u>dwgs</u>	£7,215		
5-year forward sensitivity case	£27,717	£19,354	£10,989
Base case with 4,400 dwellings	£8,767	£2,025	
5-year forward sensitivity case	£29,269	£20,906	£12,541

# Greater Nottingham Viability Results - Non-residential

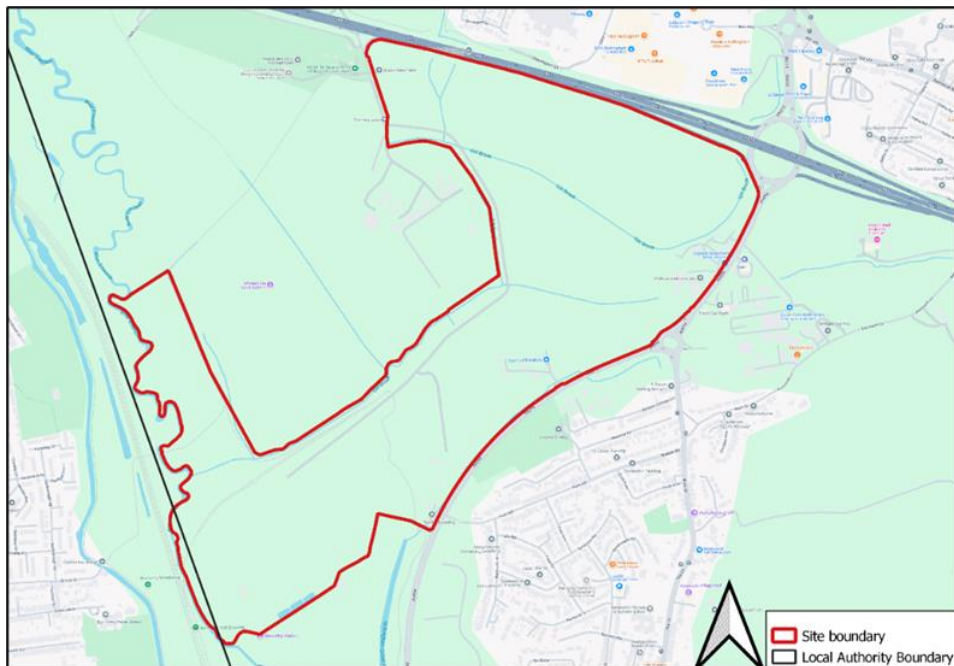
**Table 7.10 Viability and headroom psm in the non-residential site typologies with a 45% reduction in Carbon Emissions target and 5% of build costs for other planning contributions**

Typology	Site area	Floorspace	Headroom	
	Ha	GIA sqm	Per Ha	£/sqm
1: City centre office	0.13	2,000		
2: Out-of-town brownfield office	0.13	500		
3: Small greenfield industrial	0.02	150	£919,182	£141
4: Small brownfield industrial	0.02	150	£675,214	£104
5: Medium greenfield industrial	0.22	1,000		
6: Medium brownfield industrial	0.22	1,000		
7: Medium greenfield warehousing	1.25	5,000		
8: Large/strategic warehousing	2.86	10,000	£652,457	£186
9: Small local convenience – express format	0.04	300	£351,707	£50
10: Budget convenience greenfield	1.57	1,800	£517,313	£450
11: Budget convenience brownfield	1.57	1,800		
12: Larger supermarket	2.71	3,250		
13: Retail warehouse - out-of-town comparison	0.17	500	£1,906,864	£636
14: City centre comparison retail - small format	0.02	150		
15: City centre comparison retail - larger format	0.33	2,000		

# Recommendations for Non-residential in Greater Nottingham

- Retail comparison warehouses to meet the full policy requirements
- Smaller industrial, large strategic warehousing and convenience retail on greenfield sites to meet the full policy requirements
- Smaller industrial, large strategic warehousing and convenience retail on brownfield sites to meet the full policy requirements
  - *‘Subject to viability’*
- Other non-residential uses, including offices & small comparison retail stores to meet the full policy requirements
  - *‘Subject to viability’*

# Bennerley Strategic Employment Site (Broxtowe) Viability Results



- Recommendation:
- To meet the full policy requirements, including carbon reduction targets
- *‘Subject to viability’*

Scenario	Headroom per ha	Headroom psm
Base case		

Scenario	Headroom per ha	Headroom psm
Improved market conditions		



# Thank you

Any questions or further thoughts:

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Tom Marshall : [tom.marshall@porterpe.com](mailto:tom.marshall@porterpe.com)