

# Selby District Council

## Economic Viability Appraisal Appendices



September 2009



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Quality Assurance Record	
Checked By:	
Date:	28 <sup>th</sup> September 2009
Authorised By:	
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## **Appendix 1**

### **Internal Rate of Return**





## Appendix 1 Internal Rate of Return (IRR)

Internal rate of return (IRR) is the rate of return on an investment. The IRR of an investment is the discount rate for which the total present value of future cash flows equals the cost of the investment. In other words, it is the interest rate, which produces a zero Net Present Value (NPV).

The NPV formula is defined as:

$$NPV = I_0 + \frac{I_1}{1+r} + \frac{I_2}{(1+r)^2} + \dots + \frac{I_n}{(1+r)^n}$$

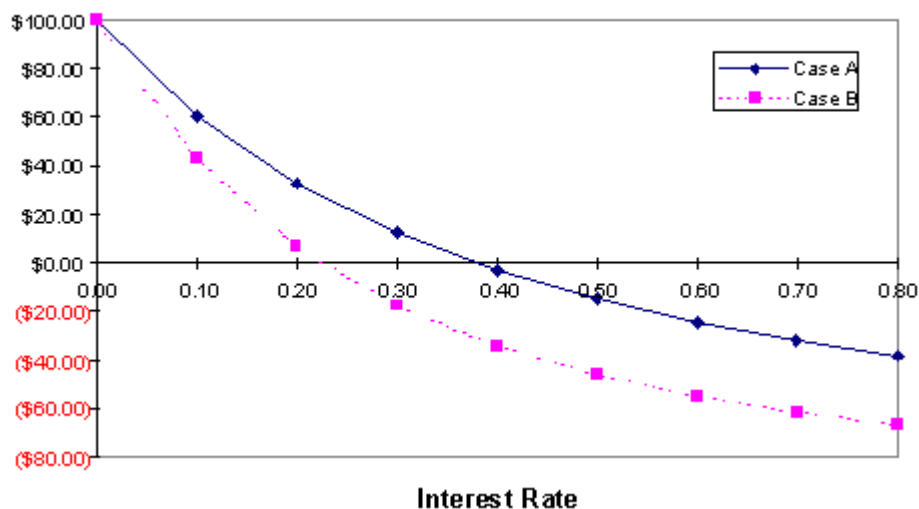
Where

I = Future Cash Flows

r = Interest Rate

The IRR calculation is used to derive the value of the interest rate (r), given a series of net future cash flows (I), which would discount the value of the net future cash flows to zero. The calculation is performed iteratively, where a computer program initially guesses the value of r, and then continuously refines itself, until the equation yields a result at or near zero. Probably the best way to illustrate IRR quickly is with the help of the graph below.

### Total Discounted Cash Flow (DCF)



These curves are based on two different investments cash flow scenarios; Case A and Case B. We have used nine different interest rates, from 0% up to 80%, in steps of 10%. As one would expect, as the interest rate used for calculating NPV of the cash flow stream increases, the resulting NPV decreases. For Case A, an interest rate of 38% produces NPV or Discounted Cash Flow (DCF) of zero, whereas Case B reaches zero with an interest rate of 22%. Case A therefore has an IRR of 38%, Case B an IRR of 22%. Which is the better Investment? Other things being equal, the one with the higher IRR. Would an investment with an IRR of, say 75% be a better investment? The answer is YES. Another way to think of IRR is this: IRR tells one the interest rates required to "wipe out" the value of this investment. For the Case A cash flow, the prevailing interest rate would have to rise to 38% to make this investment worthless or nil. The Case B investment would become worthless if interest rates rose to 22%

**Source website:** [http://searchcrm.techtarget.com/expert/KnowledgebaseAnswer/0,289625,sid11\\_gci1244411,00.html](http://searchcrm.techtarget.com/expert/KnowledgebaseAnswer/0,289625,sid11_gci1244411,00.html) and <http://www.solutionmatrix.com/internal-rate-of-return.html>







## **Appendix 2**

### **Economic Viability Baseline Assumptions**



## Appendix 2 Final Assumptions

### Selby EVA Site Identification.

	Small			Medium			Large		
	High Density	Medium Density	Low Density	High Density	Medium Density	Low Density	High Density	Medium Density	Low Density
<b>Selby</b>	SSHD	SSMD	SSLD	SMHD	SMMD	SMLD	SLHD	SLMD	SLLD
<b>Sherburn</b>	SHSHM	SHSMD	SHSLD	SHMHD	SHMMD	SHMLD	SHLHD	SHLMD	SHLLD
<b>Tadcaster</b>	TSHD	TSMD	TSLD	TMHD	TMMD	TMLD	TLHD	TLMD	TLLD
<b>Northern</b>	NSHD	NSMD	NSLD	NMHD	NMMD	NMLD	NLHD	NLMD	NLLD
<b>North East</b>	NESHD	NESMD	NESLD	NEMHD	NEMMD	NEMLD	NELHD	NELMD	NELLD
<b>East</b>	ESHD	ESMD	ESLD	EMHD	EMMD	EMLD	ELHD	ELMD	ELLD
<b>South East</b>	SESHD	SESMD	SESLD	SEMHD	SEMMD	SEMLD	SELHD	SELMD	SELLD
<b>Central</b>	CSHD	CSMD	CSLD	CMHD	CMMD	CMLD	CLHD	CLMD	CLLD
<b>Southern</b>	StSHD	StSMD	StSLD	StMHD	StMMD	StMLD	StLHD	StLMD	StLLD
<b>Western</b>	WSHD	WSMD	WSLD	WMHD	WMMD	WMLD	WLHD	WLMD	WLLD

Total 90 sites

No amendments required following consultation

<b>Selby</b>	High Density	60 dph	<b>East</b>	High Density	40 dph
	Medium Density	50 dph		Medium Density	35 dph
	Low Density	40 dph		Low Density	30 dph
<b>Sherburn</b>	High Density	55 dph	<b>South East</b>	High Density	40 dph
	Medium Density	45 dph		Medium Density	35 dph
	Low Density	35 dph		Low Density	30 dph
<b>Tadcaster</b>	High Density	55 dph	<b>Central</b>	High Density	40 dph
	Medium Density	45 dph		Medium Density	35 dph
	Low Density	35 dph		Low Density	30 dph
<b>Northern</b>	High Density	40 dph	<b>Southern</b>	High Density	40 dph
	Medium Density	35 dph		Medium Density	35 dph
	Low Density	30 dph		Low Density	30 dph
<b>North East</b>	High Density	40 dph	<b>Western</b>	High Density	40 dph
	Medium Density	35 dph		Medium Density	35 dph
	Low Density	30 dph		Low Density	30 dph

<b>Small</b>	0.25ha
<b>Medium</b>	2ha
<b>Large</b>	3.5ha

Sizes altered following consultation - smaller site size reduced

Densities Reduced following consultation



## Property Sizes

Unit Type	Area sq ft	Area sqm
1 Bed Flat	500	46
2 Bed Flat	650	60
2 Bed TH/SD House	700	65
3 Bed TH/SD House	950	88
Bed TH/SD House	1100	102
5 Bed TH/SD House	1450	135
2 Bed Bungalow	700	65
3 Bed D House	1000	93
4 Bed D House	1250	116
5 Bed D House	1500	139

### General Assumptions

Valuation Date May-09

No Change  
Following  
Consultation

All sites have full planning permission

All sites are clear and ready to develop

For developments less than 50 dwellings min return 25% IRR is viable

For developments more than 50 dwellings min return 20% IRR is viable

Land Values = 25% GDV

Sales Rates – one per month (small sites) two per month (large sites)

Interest Rates – as at May  
2009

All in Build Costs – assumes CSH level 3

Flats = £95 psf

Houses = £85 psf



## **Appendix 3**

### **Dwelling Mix**



## Appendix 3 Dwelling Mix

Site Description	Unit Type	Percentage
Selby	1 bed apartments	20%
High Density	2 bed apartments	60%
60 dph	2 bed TH or SD	20%
		100%
Selby	1 bed apartments	10%
Medium Density	2 bed apartments	20%
50 dph	2 bed TH or SD	50%
	3 bed TH or SD	20%
		100%
Selby	2 bed apartments	10%
Low Density	2 bed TH or SD	15%
40 dph	3 bed TH or SD	25%
	4 bed TH or SD	25%
	4 bed detached	15%
	5 bed detached	10%
		100%

Site Description	Unit Type	Percentage
Sherburn	1 bed apartments	20%
High Density	2 bed apartments	60%
55 dph	2 bed TH or SD	20%
		100%
Sherburn	1 bed apartments	10%
Medium Density	2 bed apartments	20%
45 dph	2 bed TH or SD	50%
	3 bed TH or SD	20%
		100%
Sherburn	2 bed apartments	10%
Low Density	2 bed TH or SD	15%
35 dph	3 bed TH or SD	25%
	4 bed TH or SD	25%
	4 bed detached	15%
	5 bed detached	10%
		100%

Site Description	Unit Type	Percentage
Tadcaster	1 bed apartments	20%
High Density	2 bed apartments	60%
55 dph	2 bed TH or SD	20%
		100%
Tadcaster	1 bed apartments	10%
Medium Density	2 bed apartments	20%
45 dph	2 bed TH or SD	50%
	3 bed TH or SD	20%
		100%
Tadcaster	2 bed apartments	10%
Low Density	2 bed TH or SD	15%
35 dph	3 bed TH or SD	25%
	4 bed TH or SD	25%
	4 bed detached	15%
	5 bed detached	10%
		100%

Site Description	Unit Type	Percentage
Northern	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
Northern	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
Norther	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%

Site Description	Unit Type	Percentage
North East	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
North East	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
North East	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%

Site Description	Unit Type	Percentage
East	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
East	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
East	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%

Site Description	Unit Type	Percentage
South East	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
South East	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
South East	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%

Site Description	Unit Type	Percentage
Central	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
Central	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
Central	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%

Site Description	Unit Type	Percentage
Southern	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
Southern	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
Southern	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%

Site Description	Unit Type	Percentage
Western	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
Western	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
Western	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%







## **Appendix 4**

### **House Price Analysis**



## Private Revenue Assumptions

Unit Type	Value	Area sq ft	Selby		Sherburn		Tadcaster		Northern		North East		East		South East		Central		Southern		Western	
			Values	£ psf	Values	£psf	Values	£psf	Values	£psf	Values	£psf	Values	£ psf	Values	£psf	Values	£psf	Values	£psf	Values	£psf
1 Bed Flat	High	500	£90,000	£180	£85,000	£170	£90,000	£180	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Mid		£80,000	£160	£75,000	£150	£80,000	£160	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low		£65,000	£130	£60,000	£120	£65,000	£130	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Bed Flat	High	650	£110,000	£169	£110,000	£169	£110,000	£169	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Mid		£100,000	£154	£100,000	£154	£100,000	£154	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low		£75,000	£115	£75,000	£115	£75,000	£115	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Bed Bungalow	High	700	£170,100	£243	£154,700	£221	£154,700	£221	£179,900	£257	£165,200	£236	£165,200	£236	£144,900	£207	£165,200	£236	£149,800	£214	£168,000	£240
	Mid		£149,800	£214	£130,200	£186	£130,200	£186	£174,300	£249	£154,700	£221	£154,700	£221	£135,100	£193	£154,700	£221	£140,000	£200	£140,000	£200
	Low		£135,100	£193	£119,700	£171	£119,700	£171	£140,000	£200	£144,900	£207	£144,900	£207	£125,300	£179	£144,900	£207	£130,200	£186	£143,500	£205
2 Bed House	High	700	£110,000	£157	£110,000	£157	£110,000	£157	£110,000	£186	£110,000	£200	£110,000	£179	£110,000	£143	£110,000	£179	£110,000	£150	£110,000	£186
	Mid		£95,000	£136	£95,000	£136	£95,000	£136	£95,000	£171	£95,000	£186	£95,000	£164	£95,000	£129	£95,000	£164	£95,000	£136	£95,000	£171
	Low		£80,000	£114	£80,000	£114	£80,000	£114	£80,000	£150	£80,000	£157	£80,000	£143	£80,000	£114	£80,000	£143	£80,000	£121	£80,000	£150
3 Bed House	High	950	£194,750	£205	£185,250	£195	£194,750	£205	£177,650	£187	£192,850	£203	£185,250	£195	£155,800	£164	£185,250	£195	£160,550	£169	£185,250	£195
	Mid		£178,600	£188	£170,050	£179	£178,600	£188	£172,900	£182	£175,750	£185	£170,050	£179	£146,300	£154	£170,050	£179	£151,050	£159	£168,150	£177
	Low		£160,550	£169	£155,800	£164	£160,550	£169	£163,400	£172	£165,300	£174	£160,550	£169	£136,800	£144	£160,550	£169	£141,550	£149	£158,650	£167
4 Bed House	High	1100	£232,100	£211	£239,800	£218	£222,200	£202	£210,100	£191	£226,600	£206	£205,700	£187	£166,100	£151	£205,700	£187	£170,500	£155	£205,700	£187
	Mid		£207,900	£189	£225,500	£205	£203,500	£185	£191,400	£174	£205,700	£187	£187,000	£170	£154,000	£140	£187,000	£170	£159,500	£145	£189,200	£172
	Low		£172,700	£157	£214,500	£195	£187,000	£170	£172,700	£157	£187,000	£170	£168,300	£153	£140,800	£128	£168,300	£153	£145,200	£132	£170,500	£155
5 Bed House	High	1450	£307,400	£212	£287,100	£198	£281,300	£194	£253,750	£175	£265,350	£183	£253,750	£175	£197,200	£136	£255,200	£176	£201,550	£139	£246,500	£170
	Mid		£279,850	£193	£265,350	£183	£261,000	£180	£226,200	£156	£236,350	£163	£223,300	£154	£187,050	£129	£223,300	£154	£191,400	£132	£221,850	£153
	Low		£226,200	£156	£226,200	£156	£221,850	£153	£208,800	£144	£216,050	£149	£208,800	£144	£176,900	£122	£208,800	£144	£181,250	£125	£207,350	£143

## Revenues Generated from New Social Rented Homes

Unit Type	Value	Area sq ft	Selby		Sherburn		Tadcaster		Northern		North East		East		South East		Central		Southern		Western	
			Values	£ psf	Values	£psf	Values	£psf	Values	£psf	Values	£psf	Values	£ psf	Values	£psf	Values	£psf	Values	£psf	Values	£psf
1 Bed Flat	High	500	£31,500	£63	£29,750	£60	£31,500	£63	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Mid		£28,000	£56	£26,250	£53	£28,000	£56	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low		£22,750	£46	£21,000	£42	£22,750	£46	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Bed Flat	High	650	£38,500	£59	£38,500	£59	£38,500	£59	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Mid		£35,000	£54	£35,000	£54	£35,000	£54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low		£26,250	£40	£26,250	£40	£26,250	£40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Bed Bungalow	High	700	£59,535	£85	£54,145	£77	£54,145	£77	£62,965	£90	£57,820	£83	£57,820	£83	£50,715	£72	£57,820	£83	£52,430	£75	£58,800	£84
	Mid		£52,430	£75	£45,570	£65	£45,570	£65	£61,005	£87	£54,145	£77	£54,145	£77	£47,285	£68	£54,145	£77	£49,000	£70	£49,000	£70
	Low		£47,285	£68	£41,895	£60	£41,895	£60	£49,000	£70	£50,715	£72	£50,715	£72	£43,855	£63	£50,715	£72	£45,570	£65	£50,225	£72
2 Bed House	High	950	£38,500	£41	£38,500	£41	£38,500	£41	£38,500	£41	£38,500	£41	£38,500	£41	£38,500	£41	£38,500	£41	£38,500	£41	£38,500	£41
	Mid		£33,250	£35	£33,250	£35	£33,250	£35	£33,250	£35	£33,250	£35	£33,250	£35	£33,250	£35	£33,250	£35	£33,250	£35	£33,250	£35
	Low		£28,000	£29	£28,000	£29	£28,000	£29	£28,000	£29	£28,000	£29	£28,000	£29	£28,000	£29	£28,000	£29	£28,000	£29	£28,000	£29
3 Bed House	High	1100	£68,163	£62	£64,838	£59	£68,163	£62	£62,178	£57	£67,498	£61	£64,838	£59	£54,530	£50	£64,838	£59	£56,193	£51	£64,838	£59
	Mid		£62,510	£57	£59,518	£54	£62,510	£57	£60,515	£55	£61,513	£56	£59,518	£54	£51,205	£47	£59,518	£54	£52,868	£48	£58,853	£54
	Low		£56,193	£51	£54,530	£50	£56,193	£51	£57,190	£52	£57,855	£53	£56,193	£51	£47,880	£44	£56,193	£51	£49,543	£45	£55,528	£50
4 Bed House	High	1450	£81,235	£56	£83,930	£58	£77,770	£54	£73,535	£51	£79,310	£55	£71,995	£50	£58,135	£40	£71,995	£50	£59,675	£41	£71,995	£50
	Mid		£72,765	£50	£78,925	£54	£71,225	£49	£66,990	£46	£71,995	£50	£65,450	£45	£53,900	£37	£65,450	£45	£55,825	£39	£66,220	£46
	Low		£60,445	£42	£75,075	£52	£65,450	£45	£60,445	£42	£65,450	£45	£58,905	£41	£49,280	£34	£58,905	£41	£50,820	£35	£59,675	£41
5 Bed House	High	700	£107,590	£154	£100,485	£144	£98,455	£141	£88,813	£127	£92,873	£133	£88,813	£127	£69,020	£99	£89,320	£128	£70,543	£101	£86,275	£123
	Mid		£97,948	£140	£92,873	£133	£91,350	£131	£79,170	£113	£82,723	£118	£78,155	£112	£65,468	£94	£78,155	£112	£66,990	£96	£77,648	£111
	Low		£79,170	£113	£79,170	£113	£77,648	£111	£73,080	£104	£75,618	£108	£73,080	£104	£61,915	£88	£73,080	£104	£63,438	£91	£72,573	£104

### Revenues Generated from New Intermediate Homes

Unit Type	Value	Area sq ft	Selby		Sherburn		Tadcaster		Northern		North East		East		South East		Central		Southern		Western	
			Values	£ psf	Values	£psf	Values	£psf	Values	£psf	Values	£psf	Values	£ psf	Values	£psf	Values	£psf	Values	£psf	Values	£psf
1 Bed Flat	High	500	£45,000	£90	£42,500	£85	£45,000	£90	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Mid		£40,000	£80	£37,500	£75	£40,000	£80	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low		£32,500	£65	£30,000	£60	£32,500	£65	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Bed Flat	High	650	£55,000	£85	£55,000	£85	£55,000	£85	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Mid		£50,000	£77	£50,000	£77	£50,000	£77	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Low		£37,500	£58	£37,500	£58	£37,500	£58	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2 Bed Bungalow	High	700	£85,050	£122	£77,350	£111	£77,350	£111	£179,900	£257	£82,600	£118	£82,600	£118	£72,450	£104	£82,600	£118	£74,900	£107	£84,000	£120
	Mid		£74,900	£107	£65,100	£93	£65,100	£93	£174,300	£249	£77,350	£111	£77,350	£111	£67,550	£97	£77,350	£111	£70,000	£100	£70,000	£100
	Low		£67,550	£97	£59,850	£86	£59,850	£86	£140,000	£200	£72,450	£104	£72,450	£104	£62,650	£90	£72,450	£104	£65,100	£93	£71,750	£103
2 Bed House	High	950	£55,000	£58	£55,000	£58	£55,000	£58	£110,000	£116	£55,000	£58	£55,000	£58	£55,000	£58	£55,000	£58	£55,000	£58	£55,000	£58
	Mid		£47,500	£50	£47,500	£50	£47,500	£50	£95,000	£100	£47,500	£50	£47,500	£50	£47,500	£50	£47,500	£50	£47,500	£50	£47,500	£50
	Low		£40,000	£42	£40,000	£42	£40,000	£42	£80,000	£84	£40,000	£42	£40,000	£42	£40,000	£42	£40,000	£42	£40,000	£42	£40,000	£42
3 Bed House	High	1100	£97,375	£89	£92,625	£84	£97,375	£89	£177,650	£162	£96,425	£88	£92,625	£84	£77,900	£71	£92,625	£84	£80,275	£73	£92,625	£84
	Mid		£89,300	£81	£85,025	£77	£89,300	£81	£172,900	£157	£87,875	£80	£85,025	£77	£73,150	£67	£85,025	£77	£75,525	£69	£84,075	£76
	Low		£80,275	£73	£77,900	£71	£80,275	£73	£163,400	£149	£82,650	£75	£80,275	£73	£68,400	£62	£80,275	£73	£70,775	£64	£79,325	£72
4 Bed House	High	1450	£116,050	£80	£119,900	£83	£111,100	£77	£210,100	£145	£113,300	£78	£102,850	£71	£83,050	£57	£102,850	£71	£85,250	£59	£102,850	£71
	Mid		£103,950	£72	£112,750	£78	£101,750	£70	£191,400	£132	£102,850	£71	£93,500	£64	£77,000	£53	£93,500	£64	£79,750	£55	£94,600	£65
	Low		£86,350	£60	£107,250	£74	£93,500	£64	£172,700	£119	£93,500	£64	£84,150	£58	£70,400	£49	£84,150	£58	£72,600	£50	£85,250	£59
5 Bed House	High	700	£153,700	£220	£143,550	£205	£140,650	£201	£253,750	£363	£132,675	£190	£126,875	£181	£98,600	£141	£127,600	£182	£100,775	£144	£123,250	£176
	Mid		£139,925	£200	£132,675	£190	£130,500	£186	£226,200	£323	£118,175	£169	£111,650	£160	£93,525	£134	£111,650	£160	£95,700	£137	£110,925	£158
	Low		£113,100	£162	£113,100	£162	£110,925	£158	£208,800	£298	£108,025	£154	£104,400	£149	£88,450	£126	£104,400	£149	£90,625	£129	£103,675	£148





## **Appendix 5**

### **Economic Viability Summary Appraisal Results**







## Baseline Position

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	22%	24%	46%
20%	7%	19%	26%
30%	8%	16%	24%
40%	5%	14%	19%
50%	3%	3%	6%

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	24%	24%	48%
20%	16%	13%	29%
30%	8%	18%	26%
40%	4%	16%	20%
50%	3%	3%	6%

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	26%	24%	50%
20%	13%	27%	40%
30%	9%	18%	27%
40%	6%	18%	24%
50%	3%	4%	7%

## Section 106 = £0

70% Social Rented 30% Intermediate

Affordable Housing	Green	Amber	Total
0%	37%	23%	60%
10%	26%	27%	52%
20%	19%	29%	48%
30%	9%	28%	37%
40%	7%	17%	24%

50% Social Rented 50% Intermediate

Affordable Housing	Green	Amber	Total
0%	37%	23%	60%
10%	23%	26%	49%
20%	21%	29%	50%
30%	11%	27%	38%
40%	7%	20%	27%

30% Social Rented 70% Intermediate

Affordable Housing	Green	Amber	Total
0%	37%	23%	60%
10%	29%	23%	52%
20%	14%	27%	41%
30%	14%	28%	42%
40%	7%	26%	32%





## 70% Social Rented 30% Intermediate

Change in Build Cost	Level of Affordable Housing											
	10%			20%			30%			40%		
	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total
5% Increase	19%	23%	42%	8%	20%	28%	0%	0%	0%	0%	0%	0%
15% Increase	2%	17%	19%	16%	19%	35%	0%	0%	0%	0%	0%	0%
25% Increase	2%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5% Decrease	38%	24%	62%	27%	28%	55%	13%	20%	33%	9%	28%	37%
15% Decrease	58%	21%	79%	30%	20%	50%	33%	22%	55%	50%	20%	70%
25% Decrease	85%	10%	95%	80%	16%	96%	69%	22%	91%	62%	21%	83%

## 50% Social Rented 50% Intermediate

Change in Build Cost	Level of Affordable Housing											
	10%			20%			30%			40%		
	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total
5% Increase	17%	24%	41%	7%	20%	27%	6%	13%	19%	3%	7%	10%
15% Increase	2%	18%	20%	0%	9%	9%	0%	4%	4%	0%	4%	4%
25% Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5% Decrease	38%	26%	64%	27%	29%	56%	20%	32%	52%	13%	27%	40%
15% Decrease	60%	24%	84%	57%	21%	78%	52%	16%	68%	40%	21%	61%
25% Decrease	86%	10%	96%	83%	12%	95%	71%	21%	92%	63%	26%	89%

30% Social Rented 70% Intermediate

Change in Build Cost	Level of Affordable Housing											
	10%			20%			30%			40%		
	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total
5% Increase	19%	22%	41%	9%	20%	29%	5%	14%	19%	3%	9%	12%
15% Increase	2%	19%	21%	0%	11%	11%	0%	6%	6%	0%	4%	4%
25% Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5% Decrease	40%	26%	66%	29%	29%	58%	21%	32%	53%	16%	29%	45%
15% Decrease	60%	24%	84%	56%	22%	78%	54%	19%	73%	44%	19%	63%
25% Decrease	86%	10%	96%	83%	12%	95%	76%	19%	95%	67%	24%	91%

### Position at Height of Market

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	82%	4%	86%
10%	80%	5%	85%
20%	77%	4%	81%
30%	59%	21%	80%
40%	57%	20%	77%
50%	42%	15%	57%



50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	91%	4%	95%
10%	87%	9%	96%
20%	88%	6%	94%
30%	71%	20%	91%
40%	61%	20%	81%
50%	50%	21%	71%

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	91%	4%	95%
10%	90%	6%	96%
20%	88%	6%	94%
30%	50%	42%	92%
40%	62%	22%	84%
50%	59%	19%	78%



## **Appendix 6**

### **List of Stakeholder Consultees and Attendees for both events**





**List of All Stakeholder Consultees invited to events.**

<b>Name</b>	<b>Company</b>
Peter Morris	Barratt Homes
Ben Smith	Bellway Homes Ltd
Richard Costall	Beal Homes
Chris Murphy	Beal Homes
Matt Olley	Bovis Homes Ltd
Andi Mcloughlin	Broadacres
Chris Adams	Cala Homes
Darren Howell	Cala Homes
Paul Leeming	Carter Jonas
Helen Martland	Chevin Housing Group
Kester Horn	Chevin Housing Group
Andy Kerr	City of York Council
Derek Gauld	City of York Council
Sally Cawthorne	City of York Council
Paul Oldridge	Circa Developments
Martyn Broadest	Connect Housing
Phil Lacey	Connect Housing
David Hodgson	Commercial Estates Group
Kate Ginks	Commercial Estates Group
Mark Johnson	Dacres
Daniel Gath	Daniel Gath Homes
Heather Coulthard	Doncaster MBC
John Craig	East Riding of Yorkshire Council
Scott Varley	Gladedale Yorkshire Ltd
Marcia Cunningham	GOYH
Heather Ford	Hanover Housing Association
Abdul Ravat	Home and Communities Agency
Chris Kwasniewski	Home and Communities Agency
Ian Clyde	Home Housing Association Ltd
Amber Boston	Home Housing Association Ltd
Alison Day	Jephson Housing
Peter Beaumont	Keyland Developments
Megan Godsell	Leeds City Council
Lois Pickering	Leeds City Council
John Hughes	Lovell
Noel Adams	Lovell
Ian Walker	Lowry Homes
Howard Mee	Miller Homes
Tim Williams	Miller Homes
Julie Gamble	NHF
Gill Warner	North Yorkshire County Council
Simon Miller	Persimmon Homes Yorkshire
Lilian Coulson	Persimmon Homes Yorkshire
Stuart Milligan	Redrow
Ian Sreeton	Sreetons Estate Agents
Michael Jones	Selby District Council
Mark Steward	
Councillor B Percival	Selby District Council

Councillor G Ivey	Selby District Council
Councillor I Chilvers	Selby District Council
Councillor J Mackman	Selby District Council
Councillor R Packham	Selby District Council
Dylan Jones	Selby District Council
Eileen Scothern	Selby District Council
Carl Glossop	Selby District Council
Helen Gregory	Selby District Council
Julia Jennison	Selby District Council
Julie Tordoff	Selby District Council
Keith Dawson	Selby District Council
Mark Steward	Selby District Council
Ron Aspinall	Selby District Council
Terry Heselton	Selby District Council
Stephen Dobson	Shepherd Homes
Martin Powell	South Yorkshire Housing Association
Mark Naylor	Stephensons Estate Agents
Jacqueline Ryder	Wakefield MDC
Kairen Shearon	Wakefield MDC
Kate Jevons	YHA Assembly
Carole Cozens	YH Assembly
Laura Peacock	Yorkshire Housing

#### List of Attendees – 25<sup>th</sup> June 2009.

Name	Organisation
Lilian Coulson	Persimmon Homes
Simon Miller	Persimmon Homes
Peter Morris	Barratt Homes
Carl Glossop	SDC
Ron Aspinall	SDC
Eileen Scotter	SDC
Julie Jennison	SDC
Gillian Ivey	Chair of Social Board
Carol Mackinen	VC of Social Board - sub for J Mackinen
Alyson Linnegar	Selby DC
Brian Percival	Selby DC
Kate Ginks	CEG
Phil Lacey	Connect Housing Association
Lois Pickering	Leeds City Council
Kester Horn	Chevin Housing Association

**List of Attendees – 27<sup>th</sup> August 2009.****Name****Organisation**

Mark Johnson	Dacres Commercial
Simon Miller	Persimmon Homes
Sally Cawthorne	City of York Council
Carl Glossop	SDC
Ron Aspinall	SDC
Eileen Scotter	SDC
Steve Hill	Lovell Partnerships
Helen Martland	Chevin Housing Association
Richard Costall	Beal Homes
Julie Jennison	SDC
Gillian Ivey	Chair of Social Board
Carol Mackinen	VC of Social Board - sub for J Mackinen
Kairen Shearon	Wakefield MDC
Alyson Linnegar	Selby DC
Brian Percival	Selby DC
Chris Murphy	Beal Homes
Kate Ginks	CEG
Phil Lacey	Connect Housing Association





## **Appendix 7**

**Presentations from Consultation 8th September**

**2008**





## Selby District Council Economic Viability

### Economic Viability Testing

### Approach and Assumptions

Philip Roebuck  
DTZ Residential  
Director





**Selby District Council**  
Economic Viability

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## **Session Outline**

Aim

Approach

Variables and Assumptions

Next Steps





## Selby District Council Economic Viability

### Aim

- Robust analysis of Economic Viability of delivering affordable housing across Selby
- Contribute to a policy which is realistic and credible
- Take account of the local housing market, house prices, supply, demand and need
- Based on a range of agreed assumptions and inputs
- Ensure that policy proposals are not so onerous that they prevent development



## Selby District Council Economic Viability

### Approach

- Independent test the viability of different types of sites in different locations
- Allow different policy options to be tested in a consistent manner across a range of likely development scenarios
- Model will determine Residual Land Value and Internal Rate of Return
- Determine whether
  1. The level of affordable housing and the balance of tenure proposed is viable
  2. Whether a particular level of affordable housing will inhibit development generally
  3. What level of affordable housing can be considered, with and without subsidy



## Selby District Council Economic Viability

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### 3 Stage Approach

1. Market research to determine assumptions
  - a) Valuation Date and approach to reflect changing market.
  - b) Study Areas
  - c) General Assumptions
  - d) Land Values
  - e) Unit Size
  - f) Unit Mix
  - g) Unit Values – market and affordable
2. Consultation on the assumptions and agreement of final inputs
3. Series of modelling to test the viability of different development scenarios



## Selby District Council Economic Viability

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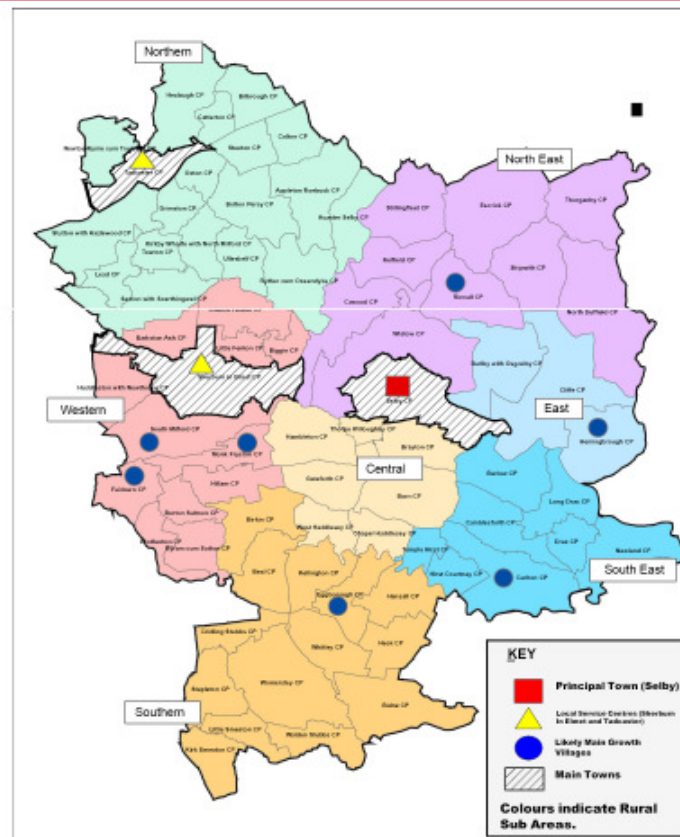
### Valuation Date

- May 2009 – robustness of this moving forward given the 20 year Core Strategy
- Potential Solutions
- Trigger Points to Reflect a Changing Market
- Spread risk through allowing variation up and down

## Study Areas

1. Selby
2. Sherburn in Elmet
3. Tadcaster
4. Northern
5. North East
6. East
7. South East
8. Central
9. Southern
10. Western

Potential Growth Area Settlements





## Selby District Council Economic Viability

### Identification of Hypothetical Sites

Selby EVA Site Identification.

	Small			Medium			Large		
	High Density	Medium Density	Low Density	High Density	Medium Density	Low Density	High Density	Medium Density	Low Density
Selby	SSHD	SSMD	SSLD	SMHD	SMMD	SMLD	SLHD	SLMD	SLLD
Sherburn	SHSHM	SHSMD	SHSLD	SHMHD	SHMMD	SHMLD	SHLHD	SHLMD	SHLLD
Tadcaster	TSHD	TSMMD	TSLD	TMHD	TMMMD	TMLD	TLHD	TLMD	TLLD
Northern	NSHD	NSMD	NSLD	NMHD	NMMD	NMLD	NLHD	NLMD	NLLD
North East	NESHM	NESMD	NESLD	NEMHD	NEMMD	NEMLD	NELHD	NELMD	NELLD
East	ESHM	ESMD	ESLD	EMHD	EMMD	EMLD	ELHD	ELMD	ELLD
South East	SESHM	SESMD	SESLD	SEMHD	SEMMD	SEMLD	SELHD	SELMD	SELLD
Central	CSHD	CSMD	CSLD	CMHD	CMMD	CMLD	CLHD	CLMD	CLLD
Southern	SSHMD	SSMD	SSLD	SMHD	SMMD	SMLD	SLHD	SLMD	SLLD
Western	WSHD	WSMD	WSLD	WMHD	WMMD	WMLD	WLHD	WLMD	WLLD

Total 90 sites

Selby	High Density	60 dph	East	High Density	40 dph
	Medium Density	50 dph		Medium Density	35 dph
	Low Density	40 dph		Low Density	30 dph
Sherburn	High Density	60 dph	South East	High Density	40 dph
	Medium Density	50 dph		Medium Density	35 dph
	Low Density	40 dph		Low Density	30 dph
Tadcaster	High Density	60 dph	Central	High Density	50 dph
	Medium Density	50 dph		Medium Density	40 dph
	Low Density	40 dph		Low Density	30 dph
Northern	High Density	40 dph	Southern	High Density	40 dph
	Medium Density	35 dph		Medium Density	35 dph
	Low Density	30 dph		Low Density	30 dph
North East	High Density	40 dph	Western	High Density	40 dph
	Medium Density	35 dph		Medium Density	35 dph
	Low Density	30 dph		Low Density	30 dph

Small	0.5ha
Medium	2ha
Large	3.5ha



## Selby District Council Economic Viability

### General Assumptions

- All sites have full planning permission for residential development
- No abnormal development costs
- All sites are clear and ready to develop
- For developments > 50 dwellings min return 20% IRR is viable
- For developments < 50 dwellings min return 25% IRR is viable
- **Sales Rates** – one per month (small sites) two per month (large sites)
- **Interest Rates** – as at May 2009
- **All in Build Costs – assumes CSH level 3**
  - Flats = £95 psf
  - Houses = £85 psf
- Grant not available

## Land Values

- 20% GDV?



## Unit Size

Unit Type	Area sq ft	Area sqm
1 Bed Flat	500	5382
2 Bed Flat	650	6997
2 Bed TH/SD House	700	7535
3 Bed TH/SD House	950	10226
Bed TH/SD House	1100	11840
5 Bed TH/SDHouse	1450	15608
2 Bed Bungalow	700	7535
3 Bed D House	1000	10764
4 Bed D House	1250	13455
5 Bed D House	1500	16146





## Selby District Council Economic Viability

### Unit Mix

Site Description	Unit Type	Percentage
Selby Sherburn and Tadcaster	1 bed apartments	30%
High Density	2 bed apartments	70%
60 dph		
		100%
Selby Sherburn and Tadcaster	1 bed apartments	10%
Medium Density	2 bed apartments	20%
50 dph	2 bed TH or SD	50%
	3 bed TH or SD	20%
		100%
Selby Sherburn and Tadcaster	2 bed apartments	10%
Low Density	2 bed TH or SD	15%
40 dph	3 bed TH or SD	25%
	4 bed TH or SD	25%
	4 bed detached	15%
	5 bed detached	10%
		100%

Site Description	Unit Type	Percentage
Central	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
50 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
Central	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
Central	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%

Site Description	Unit Type	Percentage
All Other Areas	2 bed bungalow	0%
High Density	2 bed TH or SD	30%
40 dph	3 bed TH or SD	35%
	4 bed TH or SD	25%
	5 bed TH or SD	10%
		100%
All Other Areas	2 bed bungalow	5%
Medium Density	2 bed TH or SD	30%
35 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	10%
		100%
All Other Areas	2 bed bungalow	10%
Low Density	2 bed TH or SD	30%
30 dph	3 bed TH or SD	35%
	4 bed detached	20%
	5 bed detached	5%
		100%



## Selby District Council Economic Viability

### Unit Values

- Determined Using Recent Sold and Asking Prices
- Detail collected by property type for each of the Nine Areas
- Analysis undertaken of the high, medium and low value regions across the five areas

Selby £130 to £283 – Average £218  
Sherburn in Elmet £180 to £277 – Average £213  
Tadcaster £150 to £267 – Average £215  
Northern £166 to £300 – Average £227  
North East £169 to £367 – Average £237  
East £155 to £223 – Average £191  
South East £124 to £367 – Average £201  
Central £166 to £220 – Average £200  
Southern £117 to £257 – Average £180  
Western £132 to £280 – Average £211



## Selby District Council Economic Viability

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### Unit Values – Affordable

- Intermediate Housing at 50% of Market Value
- Social Housing between 35% of Market Value

### Development Scenarios

- Current market conditions – increased and decreased build cost
- Current market conditions – increased and decreased revenues
- Current market conditions – increased and decreased build rates
- Current market conditions – no additional S106 costs
- Market conditions at the time the current affordable housing policies were drafted.



## Selby District Council Economic Viability

### Next Steps

- Feedback to Participants and Other Key Stakeholders on final assumptions
- Financial Modelling
- Scenarios and Sensitivity Analysis
- Results shared and published



## Selby District Council Economic Viability

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### Any Questions or Comments?

- a) Valuation Date and approach to reflect changing market.
- b) Study Areas
- c) General Assumptions
- d) Land Values
- e) Unit Size
- f) Unit Mix
- g) Unit Values – market and affordable



## Selby District Council Economic Viability

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### Contact Details – Final Responses by Friday 3<sup>rd</sup> July

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Presentation 27<sup>th</sup> August



Selby District Council  
Economic Viability

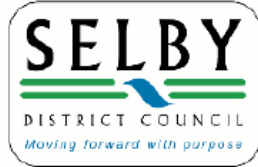
## Economic Viability Testing

### Preliminary Modelling Results

Alyson Linnegar  
Selby District Council

Philip Roebuck & Jenny Purple  
DTZ Residential





**Selby District Council**  
Economic Viability

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## Session Outline

Background to Work Undertaken

Modelling Scenarios

Preliminary Results

Next Steps & Policy Implications





## Selby District Council Economic Viability

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### Background to Work Undertaken

- DTZ has been undertaking an analysis of Economic Viability of delivering affordable housing across Selby
- Contribute to a policy which is realistic and credible
- Take account of the local housing market, house prices, supply, demand and need
- Based on a range of agreed assumptions and inputs
- Determine whether policy proposals are not so onerous that they prevent development



## Selby District Council Economic Viability

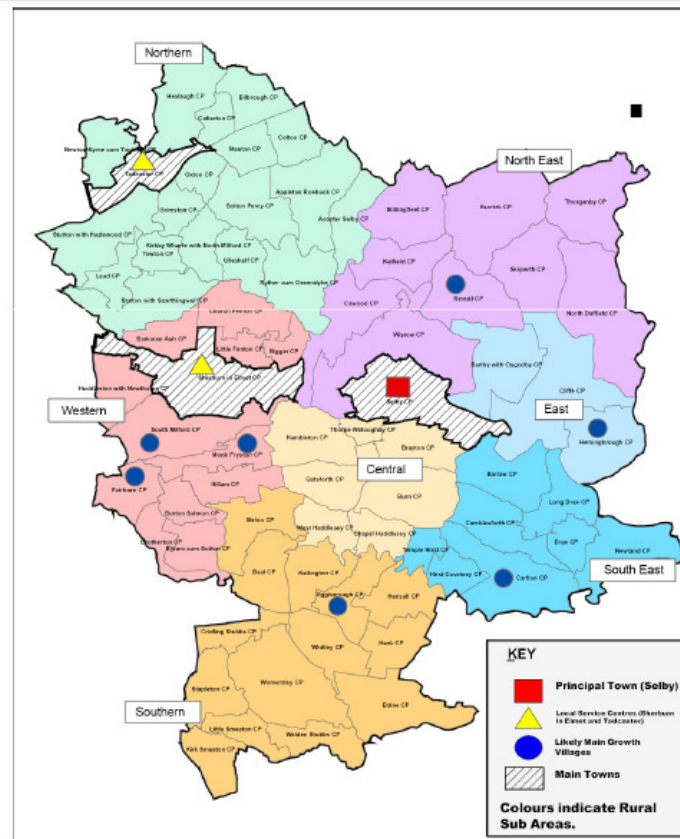
### Approach

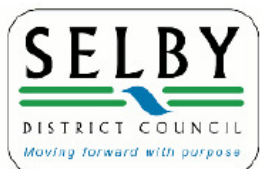
- Bespoke Cashflow model using the residual method of valuation built using a set of agreed assumptions, tested with stakeholders
- Allowed different policy options to be tested in a consistent manner across a range of likely development scenarios
- Model has assessed viability based on Residual Land Value and Internal Rate of Return
- Determine whether
  1. The level of affordable housing and the balance of tenure proposed is viable
  2. Whether a particular level of affordable housing will inhibit development generally
  3. What level of affordable housing can be considered, with and without subsidy

## Study Areas

1. Selby
2. Sherburn in Elmet
3. Tadcaster
4. Northern
5. North East
6. East
7. South East
8. Central
9. Southern
10. Western

Potential Growth Area Settlements





## Selby District Council Economic Viability

### Identification of Hypothetical Sites

#### Selby EVA Site Identification.

	Small			Medium			Large		
	High Density	Medium Density	Low Density	High Density	Medium Density	Low Density	High Density	Medium Density	Low Density
Selby	SSHD	SSMD	SSLD	SMHD	SMMD	SMLD	SLHD	SLMD	SLLD
Sherburn	SHSHM	SHSMD	SHSLD	SHMHD	SHMMD	SHMLD	SHLHD	SHLMD	SHLLD
Tadcaster	TSHD	TSMD	TSLD	TMHD	TMMD	TMLD	TLHD	TLMD	TLLD
Northern	NSHD	NSMD	NSLD	NMHD	NMMD	NMLD	NLHD	NLMD	NLLD
North East	NESH	NESMD	NESLD	NEMHD	NEMMD	NEMLD	NELHD	NELMD	NELLD
East	ESH	ESMD	ESLD	EMHD	EMMD	EMLD	ELHD	ELMD	ELLD
South East	SESH	SESMD	SESLD	SEMHD	SEMMD	SEMLD	SELHD	SELMD	SELLD
Central	CSHD	CSMD	CSLD	CMHD	CMMD	CMLD	CLHD	CLMD	CLLD
Southern	SSHD	SSMD	SSLD	SMHD	SMMD	SMLD	SLHD	SLMD	SLLD
Western	WSHD	WSMD	WSLD	WMHD	WMMD	WMLD	WLHD	WLMD	WLLD

Total 90 sites

Selby	High Density	60 dph	East	High Density	40 dph
	Medium Density	50 dph		Medium Density	35 dph
	Low Density	40 dph		Low Density	30 dph
Sherburn	High Density	60 dph	South East	High Density	40 dph
	Medium Density	50 dph		Medium Density	35 dph
	Low Density	40 dph		Low Density	30 dph
Tadcaster	High Density	60 dph	Central	High Density	50 dph
	Medium Density	50 dph		Medium Density	40 dph
	Low Density	40 dph		Low Density	30 dph
Northern	High Density	40 dph	Southern	High Density	40 dph
	Medium Density	35 dph		Medium Density	35 dph
	Low Density	30 dph		Low Density	30 dph
North East	High Density	40 dph	Western	High Density	40 dph
	Medium Density	35 dph		Medium Density	35 dph
	Low Density	30 dph		Low Density	30 dph

Small	0.5ha
Medium	2ha
Large	3.5ha



## Selby District Council Economic Viability

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### Development Scenarios

- Following scenarios have been tested through the modelling
  1. Baseline Position – Current market conditions
  2. Current market conditions – with variance in the level of additional s106 requirements
  3. Current market conditions – increased and decreased build cost
  4. Current market conditions – increased and decreased revenues
  5. Market conditions at the height of the market – to determine the range of affordable housing which may be deliverable across the market cycle



## Selby District Council Economic Viability

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### Model Results

- **Green:** the scheme is comfortably viable – where the IRR meets or exceeds the target IRR figures and rates of return.
- **Amber:** the scheme is marginally viable – where the IRR is within 5% of the IRR target. These schemes are close to the margins of viability and hence particular features of an individual site and scheme are likely to be important in determining whether the scheme is progressed.
- **Red:** the scheme is clearly not viable – where the IRR is more than 5% below the target rate of return



# Selby District Council Economic Viability

## Example of a Model Output

Archetype/Value Band	1	2	3	Archetype/Value Band	4	5	6	Archetype/Value Band	7	8	9
NSHD	16.1%	16.1%	16.1%	NESHD	23.1%	23.1%	23.1%	ESHD	22.2%	22.2%	22.2%
NSMD	14.6%	14.6%	14.6%	NESMD	21.7%	21.7%	21.7%	ESMD	20.6%	20.6%	20.6%
NSLD	22.7%	22.7%	22.7%	NESLD	30.0%	30.0%	30.0%	ESLD	29.6%	29.6%	29.6%
NMHD	18.0%	18.0%	18.0%	NEMHD	23.2%	23.2%	23.2%	EMHD	19.3%	19.3%	19.3%
NMMD	19.8%	19.8%	19.8%	NEMMD	24.3%	24.3%	24.3%	EMMD	20.4%	20.4%	20.4%
NMLD	24.9%	24.9%	24.9%	NEMLD	29.7%	29.7%	29.7%	EMLD	26.5%	26.5%	26.5%
NLHD	20.2%	20.2%	20.2%	NELHD	23.3%	23.3%	23.3%	ELHD	14.8%	14.8%	14.8%
NLMD	20.8%	20.8%	20.8%	NELMD	22.4%	22.4%	22.4%	ELMD	14.5%	14.5%	14.5%
NLLD	26.8%	26.8%	26.8%	NELLD	29.7%	29.7%	29.7%	ELLD	20.2%	20.2%	20.2%

Results for 5% Increase in revenue in the North, North East and East areas delivering 10% affordable housing with a tenure split of 30% Intermediate Housing 70% Social Rented

Following slides contain the summary position for each of the scenarios tested



# Selby District Council Economic Viability

## Baseline Position Results

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	22%	24%	46%
20%	7%	19%	26%
30%	8%	16%	24%
40%	4%	14%	19%
50%	2%	3%	6%

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	24%	24%	48%
20%	16%	13%	29%
30%	8%	18%	26%
40%	4%	16%	20%
50%	2%	3%	6%

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	26%	24%	50%
20%	13%	27%	40%
30%	9%	18%	27%
40%	6%	18%	24%
50%	2%	4%	7%

Different tenure splits tested





# Selby District Council Economic Viability

## Variance in S106 Payments

### Baseline Results

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	22%	24%	46%
20%	7%	19%	26%
30%	8%	16%	24%
40%	4%	14%	19%
50%	2%	3%	6%

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	24%	24%	48%
20%	16%	13%	29%
30%	8%	18%	26%
40%	4%	16%	20%
50%	2%	3%	6%

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	26%	24%	50%
20%	13%	27%	40%
30%	9%	18%	27%
40%	6%	18%	24%
50%	2%	4%	7%

### Section 106 = £0

70% Social Rented 30% Intermediate

Affordable Housing	Green	Amber	Total
0%	37%	23%	60%
10%	26%	27%	52%
20%	19%	29%	48%
30%	9%	28%	37%
40%	7%	18%	24%

50% Social Rented 50% Intermediate

Affordable Housing	Green	Amber	Total
0%	37%	23%	60%
10%	23%	26%	49%
20%	21%	29%	50%
30%	11%	27%	38%
40%	7%	20%	27%

30% Social Rented 70% Intermediate

Affordable Housing	Green	Amber	Total
0%	37%	23%	60%
10%	29%	23%	52%
20%	14%	27%	41%
30%	14%	28%	42%
40%	7%	26%	32%



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### Variance in S106 Payments

#### Baseline Results

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	22%	24%	46%
20%	7%	19%	26%
30%	8%	16%	24%
40%	4%	14%	19%
50%	2%	3%	6%

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	24%	24%	48%
20%	16%	13%	29%
30%	8%	18%	26%
40%	4%	16%	20%
50%	2%	3%	6%

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	26%	24%	50%
20%	13%	27%	40%
30%	9%	18%	27%
40%	6%	18%	24%
50%	2%	4%	7%

#### Section 106 = £1,000

70% Social Rented 30% Intermediate

Affordable Housing	Green	Amber	Total
0%	34%	21%	56%
10%	24%	26%	50%
20%	16%	30%	46%
30%	7%	26%	32%
40%	4%	17%	21%

50% Social Rented 50% Intermediate

Affordable Housing	Green	Amber	Total
0%	34%	21%	56%
10%	24%	26%	50%
20%	17%	29%	46%
30%	10%	24%	34%
40%	7%	17%	23%

30% Social Rented 70% Intermediate

Affordable Housing	Green	Amber	Total
0%	34%	21%	56%
10%	28%	26%	54%
20%	12%	28%	40%
30%	12%	26%	38%
40%	6%	22%	29%



# Selby District Council Economic Viability

## Variance in S106 Payments

### Baseline Results

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	22%	24%	46%
20%	7%	19%	26%
30%	8%	16%	24%
40%	4%	14%	19%
50%	2%	3%	6%

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	24%	24%	48%
20%	16%	13%	29%
30%	8%	18%	26%
40%	4%	16%	20%
50%	2%	3%	6%

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	26%	24%	50%
20%	13%	27%	40%
30%	9%	18%	27%
40%	6%	18%	24%
50%	2%	4%	7%

### Section 106 = £5,000

70% Social Rented 30% Intermediate

Affordable Housing	Green	Amber	Total
0%	22%	21%	43%
10%	17%	22%	39%
20%	6%	20%	26%
30%	3%	10%	13%
40%	3%	6%	9%

50% Social Rented 50% Intermediate

Affordable Housing	Green	Amber	Total
0%	22%	21%	43%
10%	17%	23%	40%
20%	6%	21%	27%
30%	6%	14%	19%
40%	3%	6%	9%

30% Social Rented 70% Intermediate

Affordable Housing	Green	Amber	Total
0%	22%	21%	43%
10%	17%	23%	40%
20%	6%	22%	28%
30%	6%	14%	20%
40%	3%	6%	9%









## Selby District Council Economic Viability

### Change in Build Cost

#### Baseline Results

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	22%	24%	46%
20%	7%	19%	26%
30%	8%	26%	33%
40%	4%	14%	19%
50%	2%	3%	6%

Change in Build Cost	Level of Affordable Housing											
	10%			20%			30%			40%		
	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total
5% Increase	19%	23%	42%	8%	20%	28%	0%	0%	0%	0%	0%	0%
15% Increase	2%	17%	19%	16%	19%	35%	0%	0%	0%	0%	0%	0%
25% Increase	2%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5% Decrease	38%	24%	62%	27%	28%	55%	13%	20%	33%	9%	28%	37%
15% Decrease	58%	21%	79%	30%	20%	50%	33%	22%	55%	50%	20%	70%
25% Decrease	85%	10%	95%	80%	16%	96%	69%	22%	91%	62%	21%	83%





## Selby District Council Economic Viability

### Change in Build Cost

#### Baseline Results

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	24%	24%	48%
20%	16%	13%	29%
30%	8%	18%	26%
40%	4%	16%	20%
50%	2%	3%	6%

Change in Build Cost	Level of Affordable Housing											
	10%			20%			30%			40%		
	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total
5% Increase	17%	24%	41%	7%	20%	27%	6%	13%	19%	3%	7%	10%
15% Increase	2%	18%	20%	0%	9%	9%	0%	4%	4%	0%	4%	4%
25% Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5% Decrease	38%	26%	64%	27%	29%	56%	20%	32%	52%	13%	27%	40%
15% Decrease	60%	24%	84%	57%	21%	78%	52%	16%	68%	40%	21%	61%
25% Decrease	86%	10%	96%	83%	12%	95%	71%	21%	92%	63%	26%	89%



## Selby District Council Economic Viability

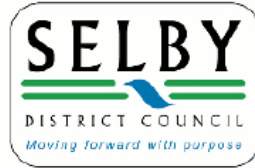
### Change in Build Cost

#### Baseline Results

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	26%	24%	50%
20%	13%	27%	40%
30%	9%	18%	27%
40%	6%	18%	24%
50%	2%	4%	7%

Change in Build Cost	Level of Affordable Housing											
	10%			20%			30%			40%		
	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total	Green	Amber	Total
5% Increase	19%	22%	41%	9%	20%	29%	5%	14%	19%	3%	9%	12%
15% Increase	2%	19%	21%	0%	11%	11%	0%	6%	6%	0%	4%	4%
25% Increase	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5% Decrease	40%	26%	66%	29%	29%	58%	21%	32%	53%	16%	29%	45%
15% Decrease	60%	24%	84%	56%	22%	78%	54%	19%	73%	44%	19%	63%
25% Decrease	86%	10%	96%	83%	12%	95%	76%	19%	95%	67%	24%	91%



## Selby District Council Economic Viability

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### Position at the Height of the Market

- Build costs reduced by £10psf – no allowance for CSH Level 3
- Revenues increased by 20%
- Build rate doubled
- Section 106 contributions remain at baseline position



## Selby District Council Economic Viability

### Position at the Height of the Market

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	22%	24%	46%
20%	7%	19%	26%
30%	8%	26%	33%
40%	4%	14%	19%
50%	2%	3%	6%

**Baseline Results**

70% Social Rented 30% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	82%	4%	86%
10%	80%	5%	85%
20%	77%	4%	81%
30%	59%	21%	80%
40%	57%	20%	77%
50%	42%	15%	57%

**Scenario Results**



## Selby District Council Economic Viability

### Position at the Height of the Market

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	24%	24%	48%
20%	16%	13%	29%
30%	8%	18%	26%
40%	4%	16%	20%
50%	2%	3%	6%

**Baseline Results**

50% Social Rented 50% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	91%	4%	95%
10%	87%	9%	96%
20%	88%	6%	94%
30%	71%	20%	91%
40%	61%	20%	81%
50%	50%	21%	71%

**Scenario Results**



## Selby District Council Economic Viability

### Position at the Height of the Market

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	30%	25%	55%
10%	26%	24%	50%
20%	13%	27%	40%
30%	9%	18%	27%
40%	6%	18%	24%
50%	2%	4%	7%

**Baseline Results**

30% Social Rented 70% Intermediate

Affordable Housing Percentage	Green	Amber	Total
0%	91%	4%	95%
10%	90%	6%	96%
20%	88%	6%	94%
30%	50%	42%	92%
40%	62%	22%	84%
50%	59%	19%	78%

**Scenario Results**



## Selby District Council Economic Viability

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### Next Steps & Policy Implications

- Final Report to be completed, shared and published
- Consideration of the results on the Affordable Housing Policy



## Selby District Council Economic Viability

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## **Appendix 8**

**Questions posed at Stakeholder Consultation Event  
on 27<sup>th</sup> August 2009**





# Affordable Housing Viability – Stakeholders Meeting

## Affordable Housing Policy Issues

The Council is currently in the later stages of preparing its Core Strategy as a foundation building block of the Local Development Framework. It is proposed to consult on a draft Strategy early in 2010. Potential policies are currently being reviewed. Policies on affordable housing is no exception, particularly in the light of the completion of the SHLA and this current study.

This group represents an opportunity to obtain views from stakeholders with a direct interest in any new policy, prior to the formulation of a draft policy.

The list below represents the main issues under consideration. All views on these issues and any others which might be considered important considerations would be welcome. Comments can be made by mail or e-mail to the address below. Preferably these comments should be received by Monday 7<sup>th</sup> September.

1. Should the target % be reviewed on a regular basis e.g. annually?
2. How should the target be expressed:
  - As a maximum value
  - As an average target
  - As a minimum target?
3. Should the target % vary with the site size? (York have put some suggested options on this basis)
4. Should thresholds and differ between Selby, Tadcaster, Sherburn and rural areas; and/or percentage targets differ between differing areas depending upon the strength of the local market?
5. Should there be commuted sums for small developments below thresholds?
6. Should Section 106 agreements be used to negotiate changes to affordable contribution if start of development is delayed by more than 1? Or 2? years

Comments to:

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