

4 Site Assessment

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- 4.1** The assessment in general considers whether there is a five and a ten year supply of deliverable sites in the District. Consideration has also been given, in line with Government advice, as to whether there is a supply of developable housing land to meet requirements beyond the 10 year period, also split into 5-year periods of 11-15 years and 16-20 years.
- 4.2** To obtain the assessment, the information input for each site as detailed in Section 3, was considered and a conclusion reached for each of the headings set out in paragraph 3.18. Apart from the section Availability and Achievability, the other sections assessed the SHLAA sites into one of three conclusions – the site was ‘suitable’, the site was ‘not suitable’ or the site ‘may be suitable’ for housing development.
- 4.3** The assessment results and the categories into which each site is placed on the various factors should not be viewed as necessarily implying that the LDF process will confirm these results.
- 4.4** The assessments were undertaken by two Officers.
- 4.5** Comments on the SHLAA sites made by external consultees do not necessarily imply that similar comments will be made at other stages in the planning process. Paragraph 3.16 and Appendix 5 set out the disclaimers made by these bodies in making comments, reflecting the limited details for any development that are available at this stage. As sites are taken through the various stages of the planning process from LDF to planning applications, these comments will be refined as necessary.
- 4.6** For *Character/Land Use/Location*, sites which were within the urban area of Newark/Balderton/Fernwood or village envelopes as defined in the adopted Local Plan were considered ‘suitable’ for development. Sites which adjoined the urban area or the village envelopes were assessed as being in the middle category whilst those which did not adjoin were assessed as being ‘unsuitable’. An assessment was also made as to whether the site was in whole or part ‘greenfield’ or ‘brownfield’, and if the site was a mixture of the two, a calculation of the site area split was undertaken. Relevant residential development control history for the site was also recorded.
- 4.7** For *Policy Considerations*, a similar assessment was undertaken and the sites categorised according to whether they were within, abutted or were remote from urban and village boundaries. Note was taken of other policy designations, notably the Green Belt for the south-western part of the District.
- 4.8** For *Access to Services*, an assessment was made according to the distance to a number of key services e.g. to a primary school or post office and the threefold

conclusion used as to suitability set out in paragraph 4.2. Where a site was just beyond the distance/time parameters set down for a category of service, a judgement was made as to whether this departure from the parameter was material and if it was not, the site was assessed as though it had reached the required standard. This did imply an element of judgement on the part of the site assessors.

- 4.9** For *Physical Constraints*, there were a number of important factors to be assessed which would affect the conclusion. Information was supplied concerning actual or possible **land contamination** either on-site or in the vicinity of the site; information on **flood risk** was obtained from the flood risk maps and for sites in certain areas from the SFRA (see paragraph 3.19). For land contamination, the presence of contamination on site would place the site in the category of 'may be suitable'; for flood risk, sites wholly or mostly in Flood Risk Area 3 (the most serious) would be categorised as 'unsuitable', those in Area 2 as 'may be suitable', and all other sites in the 'suitable' category.
- 4.10** Officers of the Highway Authority (Nottinghamshire County Council) had provided **highway and road safety** comments for those sites not affecting a Trunk Road. Sites affecting Trunk Roads were covered by comments from the Highways Agency. These comments were carefully assessed to see if there were fundamental highway issues that would make a site 'unsuitable' for development or whether measures were necessary on or off-site to enable the development from this perspective. Sites with no highway issues or requiring only minor measures were categorised as being 'suitable' for development. Appendix E sets out the disclaimer made by the two Highway Authorities.
- 4.11** On *Impact on Landscape and Biodiversity*, reference was made to whether sites contained or impinged upon **Sites of Special Scientific Interest, Scheduled Ancient Monuments, Sites of Importance for Nature Conservation, Local Nature Reserves and protected species habitats**. The Nottinghamshire Biological & Geological Records Centre provided details of likely impacts of importance to nature conservation for the SHLAA sites. If the site affected any of the interests listed above, it was either categorised as 'unsuitable' or where mitigation measures could be undertaken, as 'may be suitable' for development.
- 4.12** For *Suitability*, the conclusions from all the sections were set out and an overall conclusion reached. Again, the conclusions placed the sites into the three categories set out in paragraph 4.2. A summary comment was also made reflecting for example the fact that some sites were placed in the 'may be suitable' category solely because they lay on the edge of the urban area or a village envelope.
- 4.13** Other sites which on their own are deemed to be 'unsuitable' for development solely because they are located outside but not adjacent to village envelope or urban area boundaries, may be considered favourably in the LDF process where they abut and can be viewed as part of another site which is being proposed for development. Such instances may occur where there are areas with fragmented land ownership.

- 4.14** On *Availability and Achievability*, sites were assessed as to whether they could be developed in 5 year bands. Much of this information was obtained from the SHLAA forms - ownership details, legal constraints on the land and the participant's own assessment of availability. In some cases, it was known that development could not take place until certain infrastructure works had been constructed e.g. the major development site south of Newark, and for this site and the other major site east of Newark, clearly the development would be phased through the time period bands.
- 4.15** For *Ownership and Third Parties*, the records for this section were entered for all SHLAA sites. This section could not be completed in full for some sites which had come forward from the paragraph 3.1 and 3.2 assessments.
- 4.16** *Other Comments* that were input on the assessment covered whether the site abutted or was part of other SHLAA sites, the comments of Parish/Town Councils and district councillors and any other relevant information that could not be input elsewhere.
- 4.17** For the *Conclusion* section, the assessment also took into account the achievability analysis if undertaken for that site as well as the assessment of availability. The viability analysis part of achievability is set out from 4.18 onwards.

Assessment of Viability

- 4.18** A parallel appraisal exercise was undertaken on an assessment of the financial viability of sites which had been assessed as being 'suitable' or 'may be suitable' for development.
- 4.19** This type of assessment is considered by the national Practice Guidance for SHLAA. With the other SHLAA assessments, the viability analysis enables the three housing land tests to be carried out – whether **suitable** and **available** land for development has been identified and that the rate of house-building in the area can be **achieved**.
- 4.20** To be seen as being 'achievable' there has to be a reasonable prospect that housing will be developed on a site at a particular point in time. This comes down to a judgement about whether the site is 'economically viable' or 'stacks-up' e.g. is it worth doing from a developer's/landowner's point of view.
- 4.21** This assessment of financial viability can be affected by a number of different factors including:
- **Market Factors** - these include the level of demand for houses, attractiveness of the locality, adjacent uses and projected sales;
 - **Cost Factors** – includes site preparation costs relating to any physical problems, any exceptional work necessary, relevant planning standards or obligations, prospect of funding or investment to address identified constraints or assist development; and

- **Delivery Factors** – includes how long the developer thinks the units on-site will take to sell, the developer's own phasing, and the realistic build-out rates on larger sites (including likely earliest and latest start and completion dates).

4.22 Financial viability testing is most often carried out utilising what is called the residual cost method. This involves working out what the total site value would be if it were developed for housing or the Gross Development Value (GDV). This is determined by working out how much developable space could be achieved (m²) and multiplying it by what price per m² could be achieved when the houses or flats were sold. From the GDV is subtracted a number of costs as highlighted below:

- Abnormal Costs (contaminated land, demolition, unstable ground conditions);
- Professional Fees (architects fees, planning fees, legal fees, sales and marketing fees, site surveys etc);
- Finance Costs (cost of borrowing to finance development);
- Planning Gains (affordable housing, public open space, transport contributions, educational contribution etc) Build Costs;
- Developer's profit margin.

4.23 The money that is left after these costs have been taken away is the Residual Land Value (hence the *residual* method of valuation).

4.24 This method of valuation gives the landowner a way of comparing the value of their land for housing against existing or other uses. Obviously if the residual value of the land is positive and greater than the existing or other potential uses the owner will be more likely to consider selling for residential development.

4.25 However, in areas where the housing market is not that strong (i.e. quite low house prices) and/or the site has large abnormal costs (e.g. contamination etc.) negative or very low land values will be obtained and this means the site is unlikely to be developed as it effectively has no/low value for housing.

4.26 In some circumstances local authorities can help remedy this situation by recognising sites have constraints and it is unrealistic to try and achieve high levels of planning gain such as affordable housing.

4.27 However, the residual cost method only gives an indication of whether a site might be viable at a particular time. Falling house prices will have a negative effect on the viability of all but the best sites. Conversely a rising housing market can make sites that were previously unviable worth pursuing again.

4.28 A key element of the SHLAA process is estimating potential housing densities as it is the number of dwellings required rather than the amount of housing land available that is crucial to assessing whether there is an adequate supply of housing in the Plan area throughout the Plan period.

4.29 Appendix 6 sets out in more detail the manner in which the Financial Viability Assessment and the Housing Density Assessments have been applied to the SHLAA.