

Local Plan Viability Assessment Report

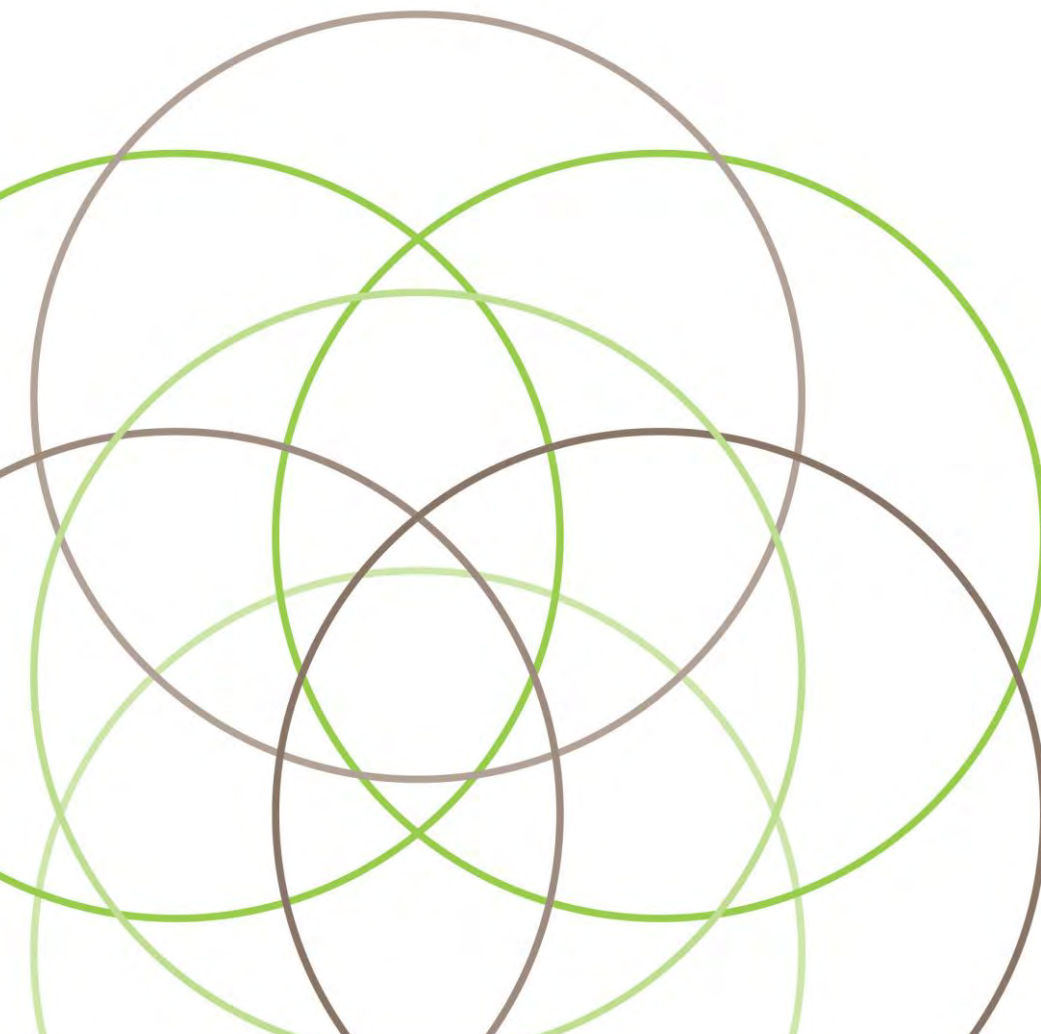
Wigan Borough Local Plan Viability Assessment



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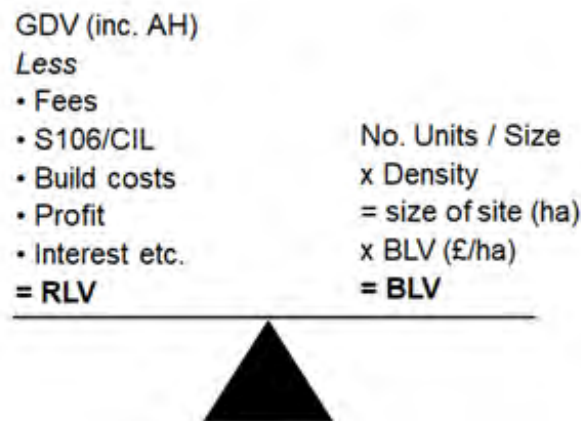
Non-Technical Summary

- ES 1 AspinallVerdi have been instructed by Wigan Council to provide an evidence-based assessment of the cumulative viability impacts of planning policies in its draft Local Plan. AspinallVerdi have been provided with draft policy updates from Wigan Council which have been tested within this study. The study is an important part of the evidence base for Wigan Council.
- ES 2 The primary aim of the study is to produce a viability assessment to test if the draft policies are up to date and deliverable, which will form a robust and sound evidence base for the Local Plan Review. Wigan's Local Plan will guide development in the borough up to 2039.
- ES 3 The overarching objective of the study is to provide a robust evidence base upon which Wigan can make informed decisions regarding site allocations.
- ES 4 This is a full viability assessment of the draft policies and proposed preferred sites in the Wigan Borough Local Plan.
- ES 5 The key context for the Local Plan Viability Assessment is that the Plan needs to be informed by a consideration of viability. The PPG states that:
- “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.”* (Paragraph: 002 Reference ID: 10-002-20190509)
- ES 6 We understand that the viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land. The Plan must be positively prepared to contribute towards the achievement of sustainable development in a way that is aspirational but deliverable.

Viability Assessment Method

ES 7 Our general approach is illustrated on the diagram below (Figure ES.1). This is explained in more detail in section 4 – Viability Assessment Method.

Figure ES.1 - Balance between Residual Land Value and Benchmark Land Value



Source: AspinallVerdi © Copyright

- ES 8 We have carried out residual appraisals to establish the Residual Land Value (RLV). This is a traditional model having regard to: the gross development value (GDV) of the scheme; including affordable housing; and deducting all costs; to arrive at the RLV. A scheme is viable if the RLV is positive for a given level of profit. We describe this situation herein as being ‘fundamentally’ viable.
- ES 9 We have had regard to the cumulative impact of the emerging Wigan Borough Local Plan policies. The impact of each of the policies, either direct or indirect, is set out on the policies matrix (Appendix 1).
- ES 10 This is then compared to the Benchmark Land Value (BLV). The BLV is the price at which a landowner will be willing to sell their land for development and is derived from benchmark Existing Use Values (EUV) plus a premium (having regard to benchmark policy compliant Market Values), the size of the hypothetical scheme and the development density assumption.
- ES 11 For reporting purposes, if the balance is positive, then the policy is assumed to be ‘viable’. If the balance is negative, then the policy is assumed to be ‘not viable’ and the policy obligations / affordable housing should be reviewed. Where the RLV is positive but below the BLV we describe this as being ‘marginal’ in terms of viability.

- ES 12 That said, it is not 'black and white', this is an iterative process requiring judgement and interpretation of the viability results. Land value is one of the key variables, along with profit, which determines the viability and deliverability or otherwise of a scheme.
- ES 13 In a functioning market, all the costs of site clearance, remediation, and abnormal costs should come off the value of the land. However, this only 'works' where the GDV of the scheme is sufficient to absorb these costs and provide incentivisation (for both landowner and developer) for the scheme to be delivered.
- ES 14 In addition to the RLV appraisals and BLV analysis, we have also prepared a series of sensitivity scenarios for each of the typologies. This is to assist in the analysis of viability and to appreciate the sensitivity of the appraisals to key variables such as: affordable housing %; infrastructure costs; density; BLV and profit; and, to consider the impact of rising construction costs. This is to de-emphasise the BLV in each typology and help consider viability 'in-the-round' i.e., in the context of sales values, development costs, contingency and developer's profit, which make up the appraisal inputs.
- ES 15 We draw your attention to the various Examiner's reports, such as those for the Mayor of London CIL (January 2012), the Greater Norwich CIL (December 2012), and the Sandwell CIL (December 2014) set out in Table 4.1. It is evident that landowners must consider reducing their land values for schemes to be both viable and deliverable, particularly in the context of providing affordable housing. Paragraph 32 of the Mayor of London CIL Examiner's report explicitly acknowledges that the price of development land may need to decrease, emphasising that this reduction is intrinsic to the land value capture concept. Similarly, the Greater Norwich Development Partnership's CIL Examiner's report underscores the necessity of establishing a threshold land value [benchmark land value], which is derived from a reasonable reduction in benchmark values to ensure viability, a factor crucial for meeting affordable housing targets. These findings collectively emphasise the importance of land value adjustments to facilitate the realisation of development schemes, including those aimed at providing policy compliant affordable housing.
- ES 16 It is important to note that the BLV's contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications. Where sites have obvious abnormal costs (e.g., sloping topography or limited access etc.) these costs should be deducted from the value of the land. The land value for site specific viability appraisals should be thoroughly evidenced having regard

to the existing use value of the site in accordance with the PPG. This report is for plan-making purposes and is 'without prejudice' to future site-specific planning applications.

- ES 17 Our detailed assumptions and results are set out in sections 7 of this report together with our detailed appraisals which are appended. In summary we make the following recommendations:

Results and Recommendations

- ES 18 Based on our residential market research, we have concluded that all but the High Value Zones may struggle to provide policy compliant levels of affordable housing. Two approaches could be taken. Firstly, the affordable housing policy could be differentiated by housing market zone and greenfield/brownfield/Green Belt land. This reflects the range of values across Wigan and the different risks/costs associated with greenfield and brownfield development. However, as every development is different, there is a risk that doing so could result in under-delivery of affordable housing by allowing a low or nil threshold in some zones. Secondly, a borough-wide affordable housing policy could be introduced which would ensure that every development would have to meet the base level or provide justification in viability terms as to why the policy requirement cannot be met. This approach optimises the ability of Wigan Council to deliver affordable housing without undermining delivery.

Conclusions and recommendations

- ES 19 This section sets out the viability conclusions for each typology and our comments and recommendations for the council.

Overall Plan Viability Conclusion

- ES 20 It is important that Wigan Council continues to consult and refine the policy requirements (and may need to make difficult choices) as to what is viable and deliverable. It is also important that Wigan Council continues to work with all agencies (national and regional) to tackle market failure in the regeneration areas.

Best Practice

- ES 21 We recommend that, in accordance with best practice, the plan viability is reviewed on a regular basis by Wigan Council to ensure it remains relevant as the property market cycle(s) change. We recommend the Plan viability is reviewed simultaneously and that steps are made towards aligning the Wigan Borough Local Plan.
- ES 22 Furthermore, to facilitate the process of review, we recommend that Wigan Council monitor the development appraisal parameters herein, but particularly data on land values/ value zones, delivery rates and grant funding within the borough.

1 Introduction

- 1.1 AspinallVerdi have been instructed by Wigan Council to provide an evidence base to assist in identifying the cumulative viability impacts of planning policies in its draft Local Plan. AspinallVerdi have been provided with draft policy updates from Wigan Council which have been tested within this study. The study is an important part of the evidence base for the Wigan Borough Local Plan.
- 1.2 The primary aim of the commission is to produce a viability assessment to test if the draft policies are deliverable, which will form a robust and sound evidence base for the Local Plan Review. The Wigan Borough Local Plan will guide development in the borough up to 2039.
- 1.3 The overarching objective of the study is to provide a robust evidence base upon which Wigan Council can make informed decisions regarding site allocations and developer contributions.
- 1.4 This is a full viability assessment of the draft policies and proposed preferred sites in the Wigan Borough Local Plan.
- 1.5 In carrying out our review of the Local Plan we have had regard to the cumulative impact on development of the Local Plan policies.

Local Plan Viability Context

- 1.6 The key context for the Local Plan Viability Assessment is that the Plan needs to be informed by a consideration of viability. The PPG states that:

“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.” (Paragraph: 002 Reference ID: 10-002-20190509)
- 1.7 The viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land.
- 1.8 The Plan must be positively prepared to contribute towards the achievement of sustainable development in a way that is aspirational but deliverable. According to the NPPF sites or broad locations for growth should be developable in years 6 + of the plan period. To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged (see NPPG Glossary). This is a lower test than the deliverability test for sites in years 0-5 of the plan period. The evidence does not need to provide a detailed assessment of everything and all sites – recognising that conditions will fluctuate over the course of the Plan period.

RICS Practice Statement

- 1.9 Our viability assessment has been carried out in accordance with the RICS¹ Financial Viability in Planning: Conduct and Reporting Professional Standard (1st Edition, May 2019).
- 1.10 Our study has also been carried out in accordance with the RICS Assessing Viability in Planning under the National Planning Policy Framework 2019 for England Professional Standard (1st edition, March 2021) having regard to the latest revisions to the National Planning Policy Framework (NPPF, last updated December 2024) and the Planning Practice Guidance (PPG).

Objectivity, Impartiality and Reasonableness

- 1.11 We have carried out our review in collaboration with the Council as Local Planning Authority (LPA) and in consultation with industry (Registered Providers, developers and landowners). At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment and review.
- 1.12 At all stages of the viability process, we have advocated reasonable, transparent and appropriate engagement between the parties.

Conflicts of Interest

- 1.13 We confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially.

¹ Royal Institution of Chartered Surveyors

1.14 The remainder of this report is structured as follows:

Section:	Contents:
Section 2 – National Policy Context	This section sets out the statutory requirements for the Local Plan viability including the NPPF, CIL Regulations and PPG website.
Section 3 – Local Plan Context	This section sets out the details of the existing evidence base and the Local Plan policies which will have a direct impact on viability.
Section 4 – Viability Assessment Method	This section describes our generic methodology for appraising the viability of development which is based on the residual approach as required by guidance and best practice. Please note the Benchmark Land Value (BLV) caveats for future site-specific appraisals.
Section 5 – Commercial Typologies	This section summarises the evidence base, property market context, development monitoring and viability for the commercial sector.
Section 6 – Residential Typologies	This section summarises the evidence base, property market context, development monitoring and viability for the residential sector.
Section 7 – Older Person's Housing Typologies	This chapter summarises the evidence base, property market context, development monitoring and viability for Older Person's Housing.
Section 8 – Build to Rent	This chapter summarises the evidence base, property market context, development monitoring and viability for Build to Rent.
Section 9 – Stakeholder Consultation	This section sets out the various consultation and industry engagement that has taken place as part of this study.
Section 10 – Viability Results	This section sets out the detailed appraisal results with commentary.
Section 11 – Conclusions and Recommendations	Finally, we make our recommendations in respect of the Local Plan Review. This discusses the implications of this for the overall Plan viability and delivery.

2 National Policy Context

- 2.1 Our viability study has been carried out having regard to the various statutory requirements comprising primary legislation, planning policy, statutory regulations and guidance.
- 2.2 We identify below the key cross-references in the NPPF and PPG and our comments in respect of viability and deliverability. This is not meant to be exhaustive and reference should be directly made to the relevant sections of the NPPF and PPG.

National Planning Policy Framework

- 2.3 The NPPF confirms the Government's planning policies for England and how these should be applied and provides a framework within which locally-prepared plans for housing and other development can be produced².
- 2.4 It confirms the primacy of the development plan in determining planning applications. It confirms that the NPPF must be taken into account in preparing the development plan, and is a material consideration in planning decisions³.
- 2.5 It is important to note that within the December 2024 NPPF, paragraph 173 of the original 2012 NPPF has been deleted. The old paragraph 173 referred to viability and required '*competitive returns to a willing land owner and willing developer to enable the development to be deliverable*'.
- 2.6 The December 2024 NPPF refers increasingly to *deliverability* as well as *viability*.
- 2.7 We draw your attention to the following key paragraphs (Table 2.1).

Table 2.1 - NPPF Key Cross-References

Paragraph Number - Item	Quote / Comments
Para 35 - Development Contributions	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 National Planning Policy Framework, December 2024, para 1

³ National Planning Policy Framework, December 2024, para 2

Paragraph Number - Item	Quote / Comments
Para 58 – Planning Obligations [tests]	Planning obligations must only be sought where they meet all of the following tests⁴: a) necessary to make the development acceptable in planning terms; b) directly related to the development; and c) fairly and reasonably related in scale and kind to the development. Notwithstanding the latest changes to the CIL Regulations (2015) which do away with the requirements for a Regulation 123 list of infrastructure, these tests ensure that Local Authorities cannot charge S106 or CIL twice for the same infrastructure (as this would not be fair and reasonable).
Para 59 – Presumption of Viability	Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning practice guidance, including standardised inputs, and should be made publicly available. We understand that the Government's objective is to reduce the delays to delivery of new housing due to the site-specific viability process that was created as a result of the previous paragraph 173. Once a new Local Plan is adopted no site-specific viability assessment should be required (except in exceptional circumstances) and developers should factor into their land

⁴ Set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010.

Paragraph Number - Item	Quote / Comments
	buying decisions the cost of planning obligations (including affordable housing).
Para 65 – 10 Unit Threshold	Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount ⁵ .
Para 66 – Affordable Home Ownership	Where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures ⁶ .
Para 67 – Green Belt Development	As part of the 'Golden Rules' for Green Belt development set out in paragraphs 156 - 157 of this Framework, a specific affordable housing requirement (or requirements) should be set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should: a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability).

⁵ Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned, or to major development on land within or released from the Green Belt, for which the 'Golden Rules' requirements set out in paragraphs 156-157 of this Framework should apply.

⁶ The requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, no longer applies. Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.

Paragraph Number - Item	Quote / Comments
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	However, the Local Plan is due to be examined against the December 2023 version of the NPPF, in accordance with NPPF para 234c and therefore the proposed allocations that will be removed from the Green Belt do not need to accord with the 'golden rules'.
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Source: NPPF (last updated December 2024) and AspinallVerdi

- 2.8 We understand that the viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land. The Plan must be positively prepared to contribute towards the achievement of sustainable development in a way that is aspirational but deliverable.

Planning Practice Guidance for Viability

- 2.9 The Planning Practice Guidance for Viability was first published in March 2014 and updated in line with the NPPF. This has been updated on numerous⁷ occasions, most recently being December 2024.
- 2.10 Below we summarise some key aspects of the PPG for this study (Table 2.2).

Table 2.2 - PPG Viability Key Cross-References

Paragraph Number - Item	Quote / Comments
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Para 001 – Setting Policy requirements	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).
	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

⁷ PPG Viability has most recently been updated in December 2025

Paragraph Number - Item Quote / Comments

	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 or location of site or types of development. This confirms that Local Authorities can set different levels of CIL and/or affordable housing by greenfield or brownfield typologies (see below also).
Para 002 - Deliverability	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. Policy compliant means development which fully complies with up-to-date plan policies. A decision maker can give appropriate weight to emerging policies. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions.

Paragraph Number - Item	Quote / Comments
	In this respect we have carried out a stakeholder workshop to consult with industry (Registered Providers, developers and landowners) in respect of the cost, value and BLV assumptions of the site allocations (in August 2025).
Para 003/4 - Typologies	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. A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period. In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site, current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan. Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology. Plan makers will then engage with landowners, site promoters and developers and compare data from existing case study sites to help ensure assumptions of costs and values are realistic and broadly accurate. Market evidence can be used as a cross-check but it is important to disregard outliers. Information from

Paragraph Number - Item	Quote / Comments
	other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can also help to inform viability assessment. Plan makers may then revise their proposed policy requirements to ensure that they are creating realistic, deliverable policies. We have used a general typology method within this study to demonstrate the viability of sites that are likely to come forward in Wigan.
Para 005 – Strategic Sites testing	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.
Para 010 - Principles for carrying out a viability assessment (strike a balance)	Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return. This National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment. Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the

Paragraph Number - Item Quote / Comments

	government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making. In plan making and decision-making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.
Para 011 – Gross Development Value	Gross Development Value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary. For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative. For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

Paragraph Number - Item Quote / Comments

Para 014 – Development costs

Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- build costs based on appropriate data, for example that of the Building Cost Information Service
- abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value
- site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value
- the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, biodiversity net gain (as required by Schedule 7A of the Town and Country Planning Act), and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value
- general finance costs including those incurred through loans
- professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees

Paragraph Number - Item Quote / Comments

	should also be taken into account when defining benchmark land value • explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return
Para 013 – Benchmark Land Value (BLV)	To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. 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 and provide evidence to inform this iterative and collaborative process.
Para 014 - What factors should be considered to establish BLV?	Benchmark land value should: • be based upon existing use value • allow for a premium to landowners (including equity resulting from those building their own homes)

Paragraph Number - Item Quote / Comments

- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

Paragraph Number - Item	Quote / Comments
Para 015 – Existing Use Value (EUV)	Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. 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. EUV can be established in collaboration between plan makers, developers and landowners 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 (excluding any hope value for development). 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 data; public sector estate/property teams' locally held evidence.
Para 016 – Premium	The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements. Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different

Paragraph Number - Item	Quote / Comments
	building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up-to-date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).
Para 017 – Alternative Use Value (AUV)	This is more at the decision-making stage as our site typologies herein are all for broadly defined uses.
Para 018 – Profit (return to developers)	Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan. For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types. In this respect we have assumed profit at the top end of the range (i.e. worst-case scenario) and provided sensitivities on the profit margin between 15 and 20%.

Paragraph Number - Item	Quote / Comments
Para 019 – Build to rent (BTR)	The economics of build to rent schemes differ from build for sale as they depend on a long-term income stream. For build to rent it is expected that the normal form of affordable housing provision will be affordable private rent. Where plan makers wish to set affordable private rent proportions or discount levels at a level differing from national planning policy and guidance, this can be justified through a viability assessment at the plan making stage. Developers will be expected to fully comply with build to rent policy requirements. However, for individual schemes, developers may propose alternatives to the policy, such as variations to the discount and proportions of affordable private rent units across a development, and the ability to review the value of a scheme (rent levels) over the duration of its life. Plan makers can set out in plans where review mechanisms will be used for build to rent schemes. Scheme level viability assessment may be improved through the inclusion of two sets of figures; one based on a build to rent scheme and another for an alternative build for sale scheme. This would enable authorities to compare and understand the differences, and agree any necessary adjustments to the affordable private rent contribution.

Source: PPG Viability (last updated December 2024) and AspinallVerdi

PPG for First Homes

- 2.11 On 24 May 2021 MHCLG (now DLUHC) issued guidance on First Homes and was updated on 23 December 2021. This is as follows (Table 2.3).
- 2.12 As the PPG for First Homes has not been updated to reflect the recent changes in the NPPF (2024). We must outline that the NPPF states that the requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, **no longer applies**. Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.

- 2.13 Wigan Council have asked us not to include First Homes within the affordable housing mix, see residential typologies matrix in Appendix 2.

Table 2.3 - PPG for First Homes Key Cross-References

Paragraph Number - Item	Quote / Comments
Para 001 - What is a First Home?	First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which: a) must be <i>discounted by a minimum of 30%</i> against the market value; b) are sold to a person or persons meeting the First Homes eligibility criteria [Para 002]; c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and, d) after the discount has been applied, the first sale must be at a price <i>no higher than £250,000 (or £420,000 in Greater London)</i>. First Homes are the government's preferred discounted market tenure and <i>should account for at least 25% of all affordable housing units</i> delivered by developers through planning obligations. This is outdated by the NPPF (2024). The NPPF states that the requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, <u>no longer applies.</u> Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.
Para 004 – Minimum discount	In order to qualify as a First Home, a property must be sold at <i>least 30% below the open market value</i>. Therefore, the required minimum discount cannot be below 30%.

Paragraph Number - Item	Quote / Comments
	However, local authorities [have] the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes).
Para 013 – 25% tenure mix	Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required. Policies for First Homes should reflect the requirement that a <i>minimum of 25% of all affordable housing units secured through developer contributions should be First Homes.</i>
Para 016 – First Homes and CIL	The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) make provisions for charging authorities to give relief or grant exemptions from the levy. These regulations <i>allow developers of First Homes to obtain an exemption</i> from the requirement to pay CIL. This is the same for all affordable housing tenures.
Para 023 - 10% of affordable homes should be available for affordable home ownership	The 25% expected First Homes contribution for any affordable product can make up or contribute to the 10% of the overall number of homes expected to be an affordable home ownership product on major developments as set out in the NPPF.

Source: PPG First Homes (Published 24 May 2021) and AspinallVerdi

Green Belt Development

- 2.14 We note the changes to the NPPF in December 2024 regarding the release of land from the Green Belt and development of 'Grey Belt land'.
- 2.15 Paragraphs 67-68 of the December 2024 NPPF sets out the following regarding Green Belt development:

As part of the 'Golden Rules' for Green Belt development set out in paragraphs 156-157 of this Framework, a specific affordable housing requirement (or requirements) should be

set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should:

- a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and*
- b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability).*

- 2.16 Further, we set out below the Golden Rules for Green Belt development, as found in Paragraph 156-157 of the NPPF.

Where major development involving the provision of housing is proposed on land released from the Green Belt through plan preparation or review, or on sites in the Green Belt subject to a planning application, the following contributions ('Golden Rules') should be made:

- a. affordable housing which reflects either: (i) development plan policies produced in accordance with paragraphs 67-68 of this Framework; or (ii) until such policies are in place, the policy set out in paragraph 157 below;*
- b. necessary improvements to local or national infrastructure; and*
- c. the provision of new, or improvements to existing, green spaces that are accessible to the public. New residents should be able to access good quality green spaces within a short walk of their home, whether through onsite provision or through access to offsite spaces.*

Before development plan policies for affordable housing are updated in line with paragraphs 67-68 of this Framework, the affordable housing contribution required to satisfy the Golden Rules is 15 percentage points above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of 50%. In the absence of a pre-existing requirement for affordable housing, a 50% affordable housing contribution should apply by default. The use of site-specific viability assessment for land within or released from the Green Belt should be subject to the approach set out in national planning practice guidance on viability.

- 2.17 In summary, the changes to the NPPF for Green Belt development mean that a target of 50% should be sought for Green Belt release sites, subject to viability testing at the plan-making stage. The affordable housing threshold for Green Belt development should also be set above the level for non-Green Belt release sites.

- 2.18 As a result of the changes to NPPF, the Viability PPG was also updated. Regarding the 'Golden Rules' for Green Belt development, Paragraph: 029 Reference ID: 10-029-20241212 of the PPG states:
- 'Where development takes place on land situated in, or released from, the Green Belt and is subject to the 'Golden Rules' set out in paragraph 156 of the National Planning Policy Framework, site specific viability assessment should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing. The government intends to review this Viability Guidance and will be considering whether there are circumstances in which site-specific viability assessment may be taken into account, for example, on large sites and Previously Developed Land.'*
- 2.19 It is currently unclear as to how this policy expectation is going to impact land values. Due to the increased contributions/rules required for Green Belt sites to enable development to come forward, it is likely to drive land values down.
- 2.20 The proposed allocations in the Local Plan that will result in Green Belt release are not subject to the golden rules as the plan is being examined against NPPF (Dec 2023) which pre-dates the concept of 'grey belt' land.
- 2.21 However, there is the possibility that applications could be submitted within the Green Belt, which would be subject to the Golden Rules set out within the revised NPPF and referenced in the Viability PPG. We have therefore tested Green Belt typologies to demonstrate potential viability.
- 2.22 We have had explicit regard to this within our BLV assumptions, particularly relating to the appropriate premium / multiplier associated with Green Belt release sites.

Written Ministerial Statement – Local Energy Efficiency Standards

- 2.23 On 13th December 2023 the Minister of State for Housing gave a written ministerial statement (WMS) to parliament in order to clarify the priorities between building standards and particularly the net zero goal, viability and housing delivery. This is required due to the changing national policies including Code for Sustainable Homes and the 2021 Part L Building Regulations.
- 2.24 The WMS states:
- there is a legitimate consideration for the Government to want to strike the best balance between making progress on improving the efficiency and performance of homes whilst still wanting to ensure housing is built in sufficient numbers to support those who wish to own or rent their own home.*
- 2.25 The WMS goes on:

the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale.

2.26 The exception to this statement is where local policies have:

a well-reasoned and robustly costed rationale that ensures:

- *That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
- *The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*

3 Local Policy Context

- 3.1 In order to appraise the Wigan Borough Local Plan, we have reviewed the cumulative impact of Wigan's *draft* policies. We have analysed each of the policies contained within the plan to determine which policies have a direct or indirect impact on development viability. The policies with a direct impact on viability have been factored into our economic assessment below.
- 3.2 Before reviewing the Wigan Borough Local Plan draft policies, we set out the current affordable housing policy under the current Wigan Local Plan Core Strategy – Remaining policies, March 2024.

Wigan Borough Local Plan Core Strategy – Remaining policies, March 2024

- 3.3 Policy CP 6 Housing of the adopted local plan from September 2013 states the following:
- We will help ensure that there is sufficient housing in the borough to meet people's needs and support a good quality of life by ensuring that provision is made for an appropriate mix of house types, sizes, tenures and affordability, specialist, extra-care housing and 'lifetime homes'.*
- Seeking the provision of 25% affordable housing on all sites consisting of 10 dwellings or more where this is viable. Where this is demonstrated not to be viable, a reduced level of affordable housing provision will be negotiated. The approach towards the provision of affordable housing will take into account up to date information on housing needs in the borough.*
- The provision should be of an agreed mix of styles and types; be consistent in terms of design, standards and quality to other housing on the site and be subject to occupancy controls to ensure that it remains affordable for subsequent occupiers.*

Wigan Borough Local Plan (Draft Policies) (2022-2039)

- 3.4 It has been requested by Wigan Council that we test all sites on a level of 25% affordable housing (with the exception of Green Belt sites which have been tested at 50% affordable housing). In line with Policy H2 we have tested Build to Rent at 20% affordable housing.
- 3.5 We have reviewed the Wigan Borough Local Plan draft policies (2022 - 2039). A detailed matrix of all the planning policies is appended (see Appendix 1 – Policies Matrix), and this outlines how the directly influential policies have both shaped the typologies and the assumptions adopted within the appraisals. The cost assumptions applied can be found later in this report within Section 5.
- 3.6 The Housing Mix policy H2 states a requirement of 25% affordable housing on developments of 10 units or more.

3.7 The policy requires that:

- New residential development should be delivered at a density appropriate to its location in accordance with policy JP-H4 in the Places for Everyone Plan and contribute to the provision of a mix of housing types, sizes and tenures across the borough to help address identified housing needs, reflecting the latest local housing needs assessment or equivalent requirement.

Affordable housing requirements in market-led developments

- 3.8 Developments of 10 homes or more will only be permitted where at least 25% of the homes delivered are affordable, subject to viability, comprising a tenure split of 25% affordable home ownership and 75% for rent, with homes for social rent prioritised. Alternative tenure splits will be permitted where justified by local needs.
- 3.9 On build to rent developments of 10 homes or more at least 20% of the homes should be affordable in line with national guidance, subject to viability. This should be in the form of affordable private rent.
- 3.10 Where the proportion of affordable housing required in criteria 1 or 2 above is demonstrated to be unviable, a reduced contribution will be negotiated.
- 3.11 Affordable housing should be provided on site unless there is clear justification for it to be provided off-site through payment of a commuted sum. Any commuted sum received will be ring fenced for the provision of affordable housing in the borough.

Housing for older people and other specialist housing

- 3.12 Developers of housing will be required to show how their site meets the needs of older people and people with disabilities.
- 3.13 On new build residential schemes of 20 homes or more, a minimum of 4% of new homes should be wheelchair accessible in accordance with Part M4(3) of the Building Regulations, unless this is impracticable due to site-specific factors or it is demonstrated to be unviable.
- 3.14 The development of residential care homes and nursing homes will be supported where there is a demonstrable need for this type of housing, and where the development accords with other relevant planning policies.
- 3.15 Housing provision for older people and people with disabilities will be supported where it accords with other relevant planning policies and where it:
- a) Is sustainably located, with access to public transport, local services and amenities.

- b) Promotes ease of movement on foot and with mobility aids.
- c) Includes parking spaces and setting down points in proximity to entrances where practicable.
- d) Has accessible and appropriately designed outdoor spaces, including seating areas, step free spaces and gentle approaches suitable for wheelchair users and people with visual or mobility impairments.

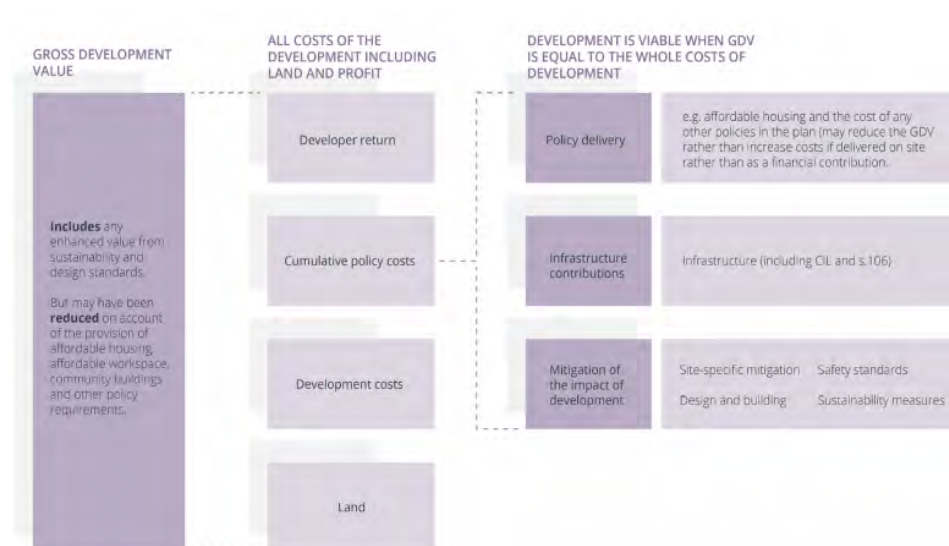
4 Viability Assessment Methodology

- 4.1 In this section of the report, we set out our methodology to establish the viability of the various land uses and development typologies described in the following sections.
- 4.2 Cross-reference should be made back to the Viability PPG guidance in section 2 and specifically the guidance in respect of EUV, premium and profit.
- 4.3 We also set out the professional guidance that we have had regard to in undertaking the financial viability appraisals and some important principles of land economics.

Viability Modelling Best Practice

- 4.4 The general principle is that planning obligations including affordable housing (etc.) will be levied on the increase in land value resulting from the grant of planning permission. However, there are fundamental differences between the land economics of brownfield and greenfield sites and every development scheme is different. Therefore, in order to derive the potential planning obligations and understand the 'appropriate balance' it is important to understand the micro-economic principles which underpin the viability analysis.
- 4.5 The uplift in value is calculated using a residual land value (RLV) appraisal. Figure 4.1 below, illustrates the principles of a RLV appraisal.

Figure 4.1 – The Residual Land Valuation Framework



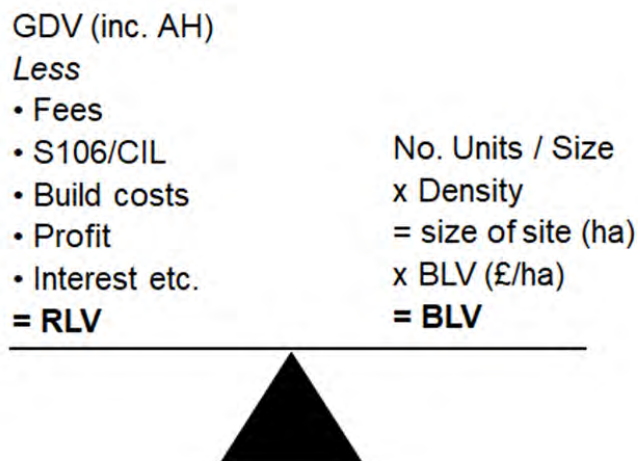
Source: RICS Assessing viability in planning under the National Planning Policy Framework 2019 for England, Guidance Note, 1st edition, March 2021

- 4.6 In Figure 4.1, a scheme is viable if the Gross Development Value (GDV) of the scheme is greater than the total of all the costs of development including land, development costs, cumulative policy

costs and profit (developers return). Conversely, if the GDV is less than the total costs of development, the scheme will be unviable.

- 4.7 In accordance with the PPG, to advise on the ability of the proposed uses/scheme to support affordable housing and CIL/planning obligations we have benchmarked the residual land values (RLV) from the viability analysis against existing or alternative land use relevant to the particular typology – the Benchmark Land Value (BLV). This is illustrated in Figure 4.2 below.

Figure 4.2 – Balance between RLV and BLV



Source: AspinallVerdi © Copyright

- 4.8 If the balance is positive, then the policy is viable. If the balance is negative, then the policy is not viable and the CIL and/or affordable housing rates should be reviewed.
- 4.9 Our specific appraisals for each for the land uses and typologies are set out in the relevant section below.

Benchmark Land Value (BLV) Approach

- 4.10 Benchmark land value has been subject to much debate in recent years due to trying to establish the most appropriate method to determine it for planning purposes. The two most common approaches have been Existing Use plus and Market Value adjusted for policy. The latter, although a more market facing approach, has faced criticism because practitioners have not necessarily been adjusting land values fully for policy. The PPG now provides a clear single method (Existing Use plus Premium) in determining land value.
- 4.11 Paragraph: 013 Reference ID: 10-013-20190509 of the Viability PPG states that,
- To define land value for any viability assessment, a benchmark land value should be established on the basis of the **existing use value (EUV)** of the land, **plus a premium** for the landowner.*

The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called ‘existing use value plus’ (EUV+).

- 4.12 See Table 2.2 - PPG Viability Key **Cross-References** above for the relevant references to the PPG for the definition of EUV and the premium.
- 4.13 The RICS also supports the EUV plus method when determining land value for planning purposes. The RICS Assessing Viability in Planning under the National Planning Policy Framework, Professional Standard, March 2021 states that *‘the PPG is unambiguous that EUV+ is the primary approach.’*⁸ Land transaction evidence should only be used as a cross-check to the EUV plus premium. The RICS guidance emphasises the PPG paragraph 016 which states that *‘any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners’*⁹.
- 4.14 The RICS defines *‘EUV for the purposes of FVAs as the value in the existing use, ignoring any prospect of future change to that use. This may however include permitted development or change of use within the same planning use class, but only where this does not necessitate any refurbishment or redevelopment works to the existing buildings or site works.’*¹⁰
- 4.15 The RICS International Valuation Standards, December 2024, defines EUV as:
*‘Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use.’*¹¹

Guidance on Premiums/Land Value Adjustments

- 4.16 The PPG requires the existing use value plus premium approach to land value. However, there is no specific guidance on the premium. One therefore has to ‘triangulate’ the BLV based on evidence.
- 4.17 A number of reports have commented upon the critical issue of land value, as set out below. These inform the relationship between the ‘premium’ and ‘hope value’ (see below) in the context

⁸ RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.7.7

⁹ Ibid, paragraph 5.7.6

¹⁰ Ibid, paragraph B.1.2

¹¹ RICS Valuation – Global Standards Incorporating the IVSC International Valuation Standards Issued December 2024, effective from 31 January 2025, Paragraph A100.01

of market value. The PPG is explicit that hope value should be disregarded for the purposes of arriving at the EUV¹². However, hope value is a fundamental part of the market mechanism and therefore is relevant in the context of the premium.

- 4.18 We set out on the following table our consideration of suitable premiums to apply - Table 4.1 – Premium for BLV Considerations.

Table 4.1 – Premium for BLV Considerations

Evidence / Source	Quote / Comments
RICS, Assessing Viability in Planning under the National Planning Policy Framework 2019 for England, March 2021 (effective from 01 July 2021)	The RICS acknowledge that <i>‘there is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement’</i>.¹³ The RICS guidance further explains that <i>‘for a plan-making FVA, the EUV and the premium is likely to be the same for the same development typology, but it would be expected that a site that required higher costs to enable development would achieve a lower residual value. This should be taken account of in different site typologies at the plan-making stage.’</i>¹⁴
Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners (The Harman Report)	The Harman Report was published in response to the introduction of viability becoming more prominent in the planning system post the introduction of the NPPF. The Harman report refers to the concept of ‘Threshold Land Value’ (TLV). Harman states that the <i>‘Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development.’</i>¹⁵ While this is an accurate description of the important value concept, we adopt the Benchmark Land Value (BLV) terminology throughout this report in-line with the terminology in the PPG.

¹² Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

¹³ RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.3.3

¹⁴ Ibid, paragraph 5.3.7

¹⁵ Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners, page 28

Evidence / Source	Quote / Comments
	Although the Harman Report pre-dates the current iteration of the PPG on viability it does recommend the EUV plus approach to determine land value for planning purposes. The Harman report also advocates that when assessing an appropriate Benchmark Land Value, consideration should be given to <i>'the fact that future plan policy requirements will have an impact on land values and owners' expectations.'</i>¹⁶ Harman, does acknowledge that reference to market values will provide a useful 'sense check' on the Benchmark Land Values that are being used in the appraisal model; however, <i>'it is not recommended that these are used as the basis for input into a model.'</i>¹⁷ It also acknowledges that for large greenfield sites, <i>'land owners are rarely forced or distressed sellers, and generally take a much longer term view over the merits or otherwise of disposing of their asset.'</i>¹⁸ It refers to these 'prospective sellers' as <i>'potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'</i>¹⁹ In these circumstances, Harman states that for these greenfield sites that, <i>'the uplift to current use value sought by the landowner will invariably be significantly higher than in an urban context and requires very careful consideration.'</i>²⁰
HCA Transparent Viability Assumptions (August 2010)	In terms of the EUV + premium approach, the Homes and Communities Agency (now Homes England) published a consultation paper on transparent assumptions for Area Wide Viability Modelling. This notes that, 'typically, this gap or premium will be expressed as a percentage over EUV for previously

¹⁶ Ibid, page 29

¹⁷ Ibid

¹⁸ Ibid, page 30

¹⁹ Ibid

²⁰ Ibid

Evidence / Source	Quote / Comments
	developed land and as a multiple of agricultural value for greenfield land’. It also notes that benchmarks and evidence from planning appeals tend to be in a range of ‘10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value’.²¹
Inspector's Post-Hearing Letter to North Essex Authorities	The Inspector’s letter is in relation to, amongst other things, the viability evidence of three proposed garden communities in North Essex. The three Garden Communities would provide up to 43,000 dwellings in total. The majority of land for the Garden Communities is in agricultural use, and the Inspector recognised that the EUV for this use would be around £10,000 per gross acre. In this case, the Inspector was of the opinion that around a x10 multiple (£100,000 per gross acre) would provide sufficient incentive for a landowner to sell. But given <i>‘the necessarily substantial requirements of the Plan’s policies’ a price ‘below £100,000/acre could be capable of providing a competitive return to a willing landowner’</i>.²² The Inspector, however, judged that <i>‘it is extremely doubtful that, for the proposed GCs, a land price below £50,000/acre – half the figure that appears likely to reflect current market expectations – would provide a sufficient incentive to a landowner. The margin of viability is therefore likely to lie somewhere between a price of £50,000 and £100,000 per acre.’</i>²³
Parkhurst Road v SSCLG & LBI (2018) ²⁴	The High Court case between Parkhurst Road Limited (Claimant) and Secretary of State for Communities and Local Government and The Council of the London Borough of Islington (Defendant(s)) addresses the issue of land valuation

²¹ HCA, August 2010, Area Wide Viability Model (Annex 1 Transparent Viability Assumptions)

²² Planning Inspectorate, 15 May 2020, Examination of the Shared Strategic Section 1 Plan - North Essex Authorities, Paragraph 204

²³ Ibid, Paragraph 205

²⁴ Parkhurst Road v SSCLG & LBI, Before MR JUSTICE HOLGATE Between: Parkhurst Road Limited Claimant - and - Secretary of State for Communities and Local Government and The Council of the London Borough of Islington Defendant/s, Case No: CO/3528/2017

Evidence / Source	Quote / Comments
Land Value Capture report (Sept 2018)²⁶	and the circularity of land values which are not appraised on a policy compliant basis. In this case it was common ground that the existing use was redundant and so the existing use value (“EUV”) was “negligible”. There was no alternative form of development which could generate a higher value for an alternative use (“AUV”) than the development proposed by Parkhurst. The site did not suffer from abnormal constraints or costs. LBI contended that there was considerable “headroom” in the valuation of such a site enabling it to provide a substantial amount of affordable housing in accordance with policy requirements. Furthermore, that the achievement of that objective was being frustrated by Parkhurst’s use of a ‘greatly inflated’ BLV for the site which failed properly to reflect those requirements. Mr Justice Holgate dismissed the challenge and agreed with LBI that what is to be regarded as comparable market evidence, or a “market norm”, should “reflect policy requirements” in order to avoid the “circularity” problem²⁵. The House of Commons - Housing, Communities and Local Government Committee has published a report into the principles of land value capture. This defines land value capture, the scope for capturing additional land value and the lessons learned from past attempts to capture uplifts in land value. It reviews improving existing mechanisms, potential legislative reforms and alternative approaches to land value capture. Paragraph 109 of the report states, <i>‘[...] the extent to which the ‘no-scheme’ principle would reduce value “very much depends on the circumstances”. For land in the middle of the countryside, which would not otherwise receive planning permission for housing, the entire development value could be attributed to the scheme. However, [...] most work</i>

²⁵ Ibid, paragraph 39

²⁶ House of Commons Housing, Communities and Local Government Committee Land Value Capture Tenth Report of Session 2017–19 HC 766 Published on 13 September 2018 by authority of the House of Commons

Evidence / Source	Quote / Comments
	<i>was undertaken within constrained urban areas—such as town extensions and redevelopments—where the hope value was much higher’.</i> Hence it is important to consider the policy context for infrastructure and investment when considering land values. For example, where existing agricultural land in the Green Belt is being considered for housing allocations, the entire uplift in value is attributable to the policy decision (without which there can be no development).
Land at Warburton Lane, Trafford (Appeal Ref: APP/Q4245/W/19/3243720) ²⁷	Planning appeal for up to 400 dwellings, appeal dismissed. The Inspector preferred the Council’s approach to land value. The Council used agricultural land value of £8,000 per acre. They applied a x10 premium to the net developable area of 33.75 acres and £8,000 per acre to the remainder of the site. The total benchmark land value of £2,900,000. The total site area was 62 acres (25 hectares). The benchmark land value equated to £116,000 per gross hectare (£46,945 per gross acre) / 5.87 multiplier on the agricultural land value of £8,000 per acre. In considering the premium the Inspector noted that, <i>‘there is no evidence that I have seen that says the premium should be any particular value. The important point is that it should be sufficient to incentivise the landowner to sell the land and should also be the minimum incentive for such a sale to take place’</i>.²⁸ It was relevant to note that, <i>‘in this case one of the two landowners had agreed in the option agreement to sell the land for whatever is left after a standard residual assessment’</i>²⁹ and therefore had accepted lower minimum / BLV requirements.

²⁷ Appeal Decision, Appeal Ref: APP/Q4245/W/19/3243720, Land at Warburton Lane, Trafford by Christina Downes BSc DipTP MRTPI an Inspector appointed by the Secretary of State for Communities and Local Government Decision date: 25th January 2021

²⁸ Appeal Decision, Appeal Ref: APP/Q4245/W/19/3243720, Land at Warburton Lane, Trafford by Christina Downes BSc DipTP MRTPI an Inspector appointed by the Secretary of State for Communities and Local Government Decision date: 25th January 2021, para 118

²⁹ Ibid, para 119

Evidence / Source	Quote / Comments
Mayor of London CIL (Jan 2012)	The impact on land value of future planning policy requirements e.g. CIL [or revised Affordable Housing targets] was contemplated in the Examiner's report to the Mayor of London CIL (January 2012).³⁰ Paragraph 32 of the Examiner's report states: <i>the price paid for development land may be reduced. As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future...</i>
Greater Norwich CIL (Dec 2012)	The Greater Norwich Development Partnership's CIL Examiner's report adds to this - <i>Bearing in mind that the cost of CIL needs to largely come out of the land value, it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience in the Norwich area the Councils' viability work assumed that a landowner would expect to receive at least 75% of the benchmark value.³¹</i>
Sandwell CIL (Dec 2014)	Furthermore, the Examiner's report for the Sandwell CIL states - <i>The TLV is calculated in the VAs [Viability Assessments] as being 75% of market land values for each typology. According to the CA, this way of calculating TLVs is based on the conclusions of Examiners in the Mayor of London CIL</i>

³⁰ Holland, K (27 January 2012) Report on the Examination of the Draft Mayoral Community Infrastructure Levy Charging Schedule, The Planning Inspectorate, PINS/K5030/429/3

³¹ Report to the Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council, by Keith Holland BA (Hons) Dip TP, MRTPI ARICS, 4 December 2012, File Ref: PINS/G2625/429/6 – paragraph 9

Evidence / Source

Quote / Comments

*Report January 2012 and the Greater Norwich Development Partnership CIL Report December 2012. **This methodology was uncontested**³².*

This VA was prepared by AspinallVerdi for Sandwell MBC which was predicated on a reduction in land values to accommodate the CIL [policy costs].

Source: AspinallVerdi, 2025

- 4.19 In light of various Examiner's reports, such as those for the Mayor of London CIL (January 2012), the Greater Norwich CIL (December 2012), and the Sandwell CIL (December 2014), it becomes evident that landowners must consider reducing their land values for schemes to be both viable and deliverable, particularly in the context of providing affordable housing. Paragraph 32 of the Mayor of London CIL Examiner's report explicitly acknowledges that the price of development land may need to decrease, emphasising that this reduction is intrinsic to the land value capture concept. Similarly, the Greater Norwich Development Partnership's CIL Examiner's report underscores the necessity of establishing a threshold land value [/benchmark land value], which is derived from a reasonable reduction in benchmark values to ensure viability, a factor crucial for meeting affordable housing targets. These findings collectively emphasise the importance of land value adjustments to facilitate the realisation of development schemes, including those aimed at providing policy compliant affordable housing.

Land Market for Development in Practice

- 4.20 A very important aspect when considering area-wide viability is an appreciation of how the property market for development land works in practice.
- 4.21 Developers have to secure sites and premises in a competitive environment and therefore have to equal or exceed the landowners' aspirations as to value for the landowner to sell. From the developers' perspective, this price has to be agreed often many years before commencement of the development. The developer has to subsume all the risk of: acquiring the site, ground conditions; obtaining planning permission; funding the development; finding a tenant/occupier; increases in construction costs; and changes to the economy and market demand etc. This is a significant amount of work for the developer to manage; but this is the role of the developer and to do so the developer is entitled to a normal developer's profit.

³² Report to Sandwell Metropolitan Borough Council by Diana Fitzsimons MA MSc FRICS MRTPI an Examiner appointed by the Council, 16 December 2014, File Ref: PINS/G4620/429/9 - paragraph 16

- 4.22 The developer will appraise all of the above costs and risks to arrive at their view of the residual site value of a particular site.
- 4.23 To mitigate some of these risks, developers and landowners often agree to share some of these risks by entering into arrangements such as: Market Value options based on a planning outcome; 'subject to planning' land purchases; promotion agreements; and / or overage agreements whereby the developer shares any 'super-profit' over the normal benchmark.
- 4.24 From the landowners' perspective, they will have a preconceived concept of the value or worth of their site. This could be fairly straight-forward to value, for example, in the case of greenfield agricultural land which is subject to per hectare benchmarks. However, in the case of brownfield sites, the existing use value could be a lot more subjective depending upon: the previous use of the property; the condition of the premises; contamination; and/or any income from temporary lets, car parking and advertising hoardings etc. Also, whilst (say) a former manufacturing building could have been state-of-the-art when it was first purchased by the landowner, in a redevelopment context it might now be the subject of depreciation and obsolescence which the landowner finds difficult to reconcile. Accordingly, the existing use value is much more subjective in a brownfield context.

Brownfield / Greenfield Land Economics

- 4.25 CIL has its roots in the perceived windfall profit arising from the release of greenfield land by the planning system to accommodate new residential sites and urban extensions³³. However, lessons from previous attempts to tax betterment³⁴ show that this is particularly difficult to achieve effectively without stymieing development. It is even harder to apply the concept to brownfield redevelopment schemes with all attendant costs and risks. The difference between greenfield and brownfield scheme economics is usually important to understand for affordable housing targets; plan viability and CIL rate setting.
- 4.26 The timing of redevelopment and regeneration of brownfield land particularly is determined by the relationship between the value of the site in its current [low value] use ("Existing Use Value") and the value of the site in its redeveloped [higher value] use – less the costs of redevelopment. Any planning gain which impacts on these costs will have an effect on the timing of redevelopment. This is relevant to consider when setting the 'appropriate balance'.
- 4.27 Fundamentally, S106, CIL etc. is a form of 'tax' on development as a contribution to infrastructure. By definition, any differential rate of CIL/S106 will have a distorting effect on the pattern of land

³³ See Barker Review (2004) and Housing Green Paper (2007)

³⁴ the 2007 Planning Gain Supplement, 1947 'Development Charge', 1967 'Betterment Levy' and the 1973 'Development Gains Tax' have all ended in repeal

uses. The question as to how this will distort the market will depend upon how the S106/CIL is applied.

- 4.28 Also, consideration must be given to the 'incidence' of the tax i.e. who ultimately is responsible for paying it i.e. the developer out of profit, or the landowner out of price (or a bit from each).
- 4.29 This is particularly relevant in the context of brownfield sites in the town centres and built-up areas. Any S106/CIL on brownfield redevelopment sites will impact on the timing and rate of redevelopment. This will have a direct effect on economic development, jobs and growth.
- 4.30 In the brownfield context redevelopment takes place at a point in time when buildings are economically obsolete (as opposed to physically obsolete). Over time the existing use value of buildings falls as the operating costs increase, depreciation kicks in and the rent falls by comparison with modern equivalent buildings. In contrast the value of the next best alternative use of the site increases over time due to development pressure in the urban context (assuming there is general economic growth in the economy). Physical obsolescence occurs when the decreasing existing use value crosses the rising alternative use value.
- 4.31 However, this is not the trigger for redevelopment. Redevelopment requires costs to be incurred on site demolition, clearance, remediation, and new build construction costs. These costs have to be deducted from the alternative use value 'curve'. The effect is to extend the time period to achieve the point where redevelopment is viable.
- 4.32 This is absolutely fundamental for the viability and redevelopment of brownfield sites. Any tariff, tax or obligation which increases the costs of redevelopment will depress the net alternative use value and simply extend the timescale to when the alternative use value exceeds the existing use value to precipitate redevelopment.
- 4.33 Contrast this with the situation for development on greenfield land. Greenfield sites are constrained by the planning designation. Once a site is 'released' for development there is significant step-up in development value – which makes the development economics much more accommodating than brownfield redevelopment. There is much more scope to capture development gain, without postponing the timing of development.
- 4.34 That said, there are some other important considerations to take into account when assessing the viability of greenfield sites. This is discussed in the Harman Report (albeit Harman is superseded by the PPG, the principles still stand)³⁵.
- 4.35 The existing use value may be only very modest for agricultural use and on the face of it the landowner stands to make a substantial windfall to residential land values. However, there will be a lower benchmark (Benchmark Land Value) where the land owner will simply not sell. This

³⁵ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) pp 29-31

is particularly the case where a landowner *'is potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'*³⁶ Accordingly, the 'windfall' over the existing use value will have to be a sufficient incentive to release the land and forgo the future investment returns.

- 4.36 This difference between the development 'gain' in the context of a greenfield windfall site and the slow-burn redevelopment of brownfield sites is absolutely fundamental to the success of any regime to capture development gain such as affordable housing, other S106 or CIL. It is also key to the 'incidence' of the tax i.e., whether the developer or the land owner carries the burden of the tax.
- 4.37 In the case of Wigan Borough, the housing land supply for the plan period comprises a mix of both brownfield and greenfield sites. Therefore, we have appraised both brownfield and greenfield scheme typologies.

Hope Value

- 4.38 Where there is a possibility of development the landowner will often have regard to 'hope value'. Hope value is the *element of* market value of a property in excess of the existing use value, reflecting the prospect of some more valuable future use or development. It takes account of the uncertain nature or extent of such prospects, including the time which would elapse before one could expect planning permission to be obtained or any relevant constraints overcome, so as to enable the more valuable use to be implemented. Therefore, in a rising market, landowners may often have high aspirations of value beyond that which the developer can justify in terms of risk and in a falling market the land owner may simply 'do nothing' and not sell in the prospect of a better market returning in the future. The actual amount paid in any particular transaction is the purchase price and this crystallises the value for the landowner.
- 4.39 Note that hope value is represented in the EUV premium and can never be in excess of policy compliant market value (RLV), given RICS guidance on the valuation of development sites (see Figure 4.1 – The Residual Land Valuation Framework above).
- 4.40 Hence land 'value' and 'price' are two very different concepts which need to be understood fully when formulating planning policy and CIL. The incidence of any S106 tariff or CIL to a certain extent depends on this relationship and the individual circumstances. For example, a farmer with a long-term greenfield site might have limited 'value' aspirations for agricultural land – but huge 'price' aspirations for residential development. Whereas an existing factory owner has a much

³⁶ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 30

higher value in terms of sunk costs and investment into the existing use and the tipping point between this and redevelopment is much more marginal.

Vacant Building Credit (VBC)

- 4.41 The VBC policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings. The incentive is applied where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building and where the building has not been abandoned. In deciding whether a use has been abandoned, account should be taken of all relevant circumstances, such as:
- the condition of the property
 - the period of non-use
 - whether there is an intervening use; and
 - any evidence regarding the owner's intention.
- 4.42 For this viability assessment, we have not tested brownfield typologies which benefit from Vacant Building Credit as this is site-specific. The inclusion of VBC will however reduce affordable housing requirements on some brownfield sites, consequently improving the viability of these sites. This is therefore an additional level of contingency for brownfield typologies.

Conclusions on BLV

- 4.43 Current guidance is clear that the land value assessment needs to be based on Existing Use plus premium and not a Market Value approach. Although the assessment of the Existing Use can be informed by comparable evidence the uncertainty lies in how the premium is calculated. Whatever is the resulting land value (i.e. Existing Use plus Premium) the PPG is clear that this must reflect the cost of complying with policies: *'the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value.'*³⁷
- 4.44 Detailed research and analysis in respect of land values (Benchmark Land Values) are set out within the Land Market paper appended (see Appendix 4 – Land Market Review).

BLV Caveats for Decision-Making

- 4.45 It is important to note that the BLV's contained herein are for 'high-level' plan/CIL viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained

³⁷ MHCLG, 24 July 2018, PPG, Paragraph: 012 Reference ID: 10-012-20180724

Local Plan Viability Assessment Report

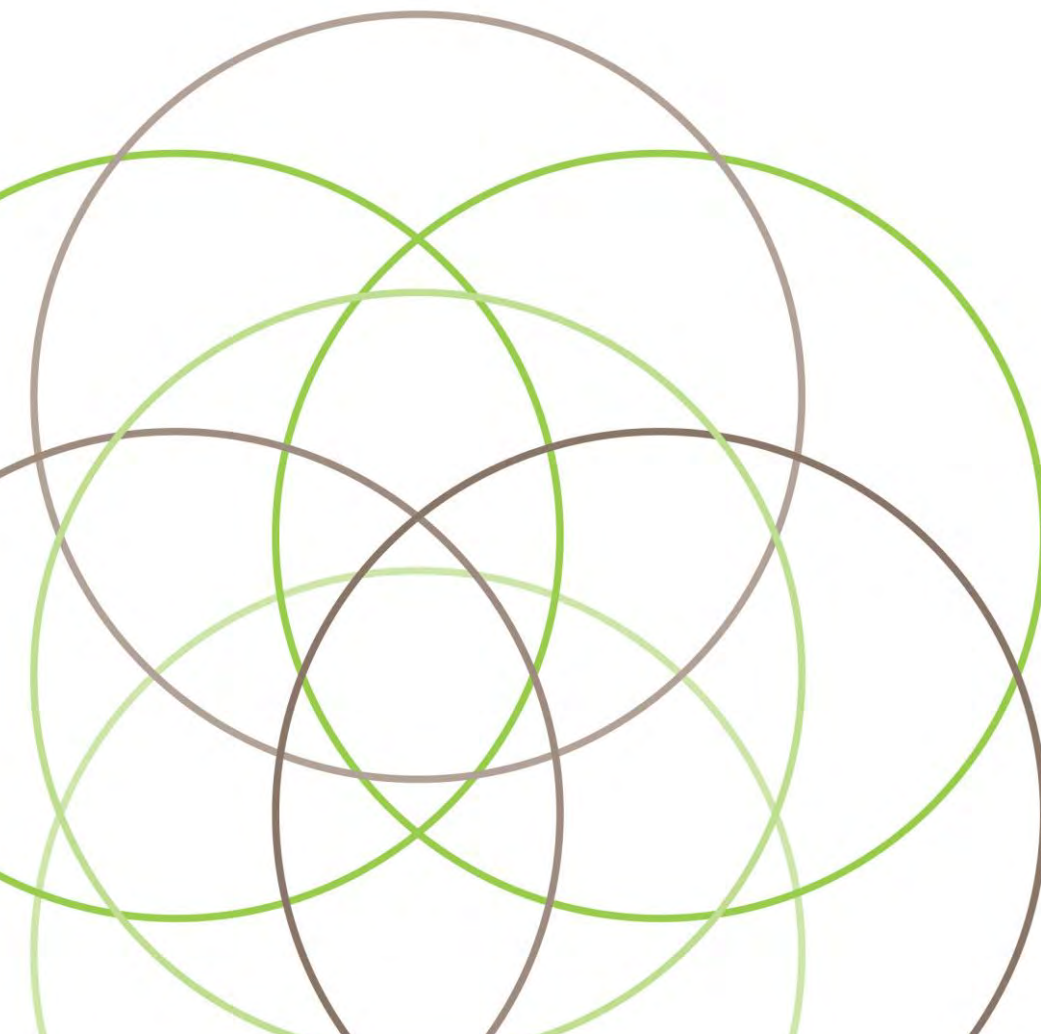
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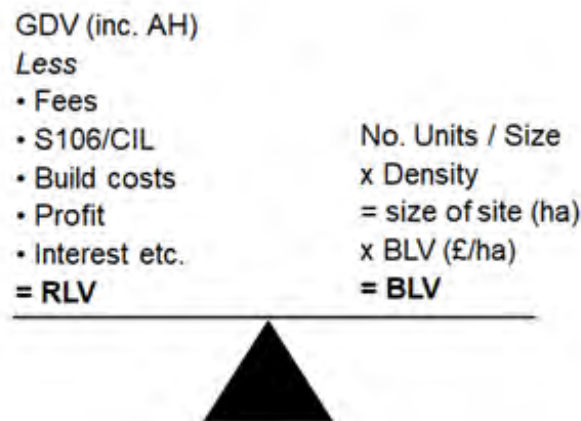
Non-Technical Summary

- ES 1 AspinallVerdi have been instructed by Wigan Council to provide an evidence-based assessment of the cumulative viability impacts of planning policies in its draft Local Plan. AspinallVerdi have been provided with draft policy updates from Wigan Council which have been tested within this study. The study is an important part of the evidence base for Wigan Council.
- ES 2 The primary aim of the study is to produce a viability assessment to test if the draft policies are up to date and deliverable, which will form a robust and sound evidence base for the Local Plan Review. Wigan's Local Plan will guide development in the borough up to 2039.
- ES 3 The overarching objective of the study is to provide a robust evidence base upon which Wigan can make informed decisions regarding site allocations.
- ES 4 This is a full viability assessment of the draft policies and proposed preferred sites in the Wigan Borough Local Plan.
- ES 5 The key context for the Local Plan Viability Assessment is that the Plan needs to be informed by a consideration of viability. The PPG states that:
- “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.”* (Paragraph: 002 Reference ID: 10-002-20190509)
- ES 6 We understand that the viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land. The Plan must be positively prepared to contribute towards the achievement of sustainable development in a way that is aspirational but deliverable.

Viability Assessment Method

ES 7 Our general approach is illustrated on the diagram below (Figure ES.1). This is explained in more detail in section 4 – Viability Assessment Method.

Figure ES.1 - Balance between Residual Land Value and Benchmark Land Value



Source: AspinallVerdi © Copyright

- ES 8 We have carried out residual appraisals to establish the Residual Land Value (RLV). This is a traditional model having regard to: the gross development value (GDV) of the scheme; including affordable housing; and deducting all costs; to arrive at the RLV. A scheme is viable if the RLV is positive for a given level of profit. We describe this situation herein as being ‘fundamentally’ viable.
- ES 9 We have had regard to the cumulative impact of the emerging Wigan Borough Local Plan policies. The impact of each of the policies, either direct or indirect, is set out on the policies matrix (Appendix 1).
- ES 10 This is then compared to the Benchmark Land Value (BLV). The BLV is the price at which a landowner will be willing to sell their land for development and is derived from benchmark Existing Use Values (EUV) plus a premium (having regard to benchmark policy compliant Market Values), the size of the hypothetical scheme and the development density assumption.
- ES 11 For reporting purposes, if the balance is positive, then the policy is assumed to be ‘viable’. If the balance is negative, then the policy is assumed to be ‘not viable’ and the policy obligations / affordable housing should be reviewed. Where the RLV is positive but below the BLV we describe this as being ‘marginal’ in terms of viability.

- ES 12 That said, it is not 'black and white', this is an iterative process requiring judgement and interpretation of the viability results. Land value is one of the key variables, along with profit, which determines the viability and deliverability or otherwise of a scheme.
- ES 13 In a functioning market, all the costs of site clearance, remediation, and abnormal costs should come off the value of the land. However, this only 'works' where the GDV of the scheme is sufficient to absorb these costs and provide incentivisation (for both landowner and developer) for the scheme to be delivered.
- ES 14 In addition to the RLV appraisals and BLV analysis, we have also prepared a series of sensitivity scenarios for each of the typologies. This is to assist in the analysis of viability and to appreciate the sensitivity of the appraisals to key variables such as: affordable housing %; infrastructure costs; density; BLV and profit; and, to consider the impact of rising construction costs. This is to de-emphasise the BLV in each typology and help consider viability 'in-the-round' i.e., in the context of sales values, development costs, contingency and developer's profit, which make up the appraisal inputs.
- ES 15 We draw your attention to the various Examiner's reports, such as those for the Mayor of London CIL (January 2012), the Greater Norwich CIL (December 2012), and the Sandwell CIL (December 2014) set out in Table 4.1. It is evident that landowners must consider reducing their land values for schemes to be both viable and deliverable, particularly in the context of providing affordable housing. Paragraph 32 of the Mayor of London CIL Examiner's report explicitly acknowledges that the price of development land may need to decrease, emphasising that this reduction is intrinsic to the land value capture concept. Similarly, the Greater Norwich Development Partnership's CIL Examiner's report underscores the necessity of establishing a threshold land value [benchmark land value], which is derived from a reasonable reduction in benchmark values to ensure viability, a factor crucial for meeting affordable housing targets. These findings collectively emphasise the importance of land value adjustments to facilitate the realisation of development schemes, including those aimed at providing policy compliant affordable housing.
- ES 16 It is important to note that the BLV's contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications. Where sites have obvious abnormal costs (e.g., sloping topography or limited access etc.) these costs should be deducted from the value of the land. The land value for site specific viability appraisals should be thoroughly evidenced having regard

to the existing use value of the site in accordance with the PPG. This report is for plan-making purposes and is 'without prejudice' to future site-specific planning applications.

- ES 17 Our detailed assumptions and results are set out in sections 7 of this report together with our detailed appraisals which are appended. In summary we make the following recommendations:

Results and Recommendations

- ES 18 Based on our residential market research, we have concluded that all but the High Value Zones may struggle to provide policy compliant levels of affordable housing. Two approaches could be taken. Firstly, the affordable housing policy could be differentiated by housing market zone and greenfield/brownfield/Green Belt land. This reflects the range of values across Wigan and the different risks/costs associated with greenfield and brownfield development. However, as every development is different, there is a risk that doing so could result in under-delivery of affordable housing by allowing a low or nil threshold in some zones. Secondly, a borough-wide affordable housing policy could be introduced which would ensure that every development would have to meet the base level or provide justification in viability terms as to why the policy requirement cannot be met. This approach optimises the ability of Wigan Council to deliver affordable housing without undermining delivery.

Conclusions and recommendations

- ES 19 This section sets out the viability conclusions for each typology and our comments and recommendations for the council.

Overall Plan Viability Conclusion

- ES 20 It is important that Wigan Council continues to consult and refine the policy requirements (and may need to make difficult choices) as to what is viable and deliverable. It is also important that Wigan Council continues to work with all agencies (national and regional) to tackle market failure in the regeneration areas.

Best Practice

- ES 21 We recommend that, in accordance with best practice, the plan viability is reviewed on a regular basis by Wigan Council to ensure it remains relevant as the property market cycle(s) change. We recommend the Plan viability is reviewed simultaneously and that steps are made towards aligning the Wigan Borough Local Plan.
- ES 22 Furthermore, to facilitate the process of review, we recommend that Wigan Council monitor the development appraisal parameters herein, but particularly data on land values/ value zones, delivery rates and grant funding within the borough.

1 Introduction

- 1.1 AspinallVerdi have been instructed by Wigan Council to provide an evidence base to assist in identifying the cumulative viability impacts of planning policies in its draft Local Plan. AspinallVerdi have been provided with draft policy updates from Wigan Council which have been tested within this study. The study is an important part of the evidence base for the Wigan Borough Local Plan.
- 1.2 The primary aim of the commission is to produce a viability assessment to test if the draft policies are deliverable, which will form a robust and sound evidence base for the Local Plan Review. The Wigan Borough Local Plan will guide development in the borough up to 2039.
- 1.3 The overarching objective of the study is to provide a robust evidence base upon which Wigan Council can make informed decisions regarding site allocations and developer contributions.
- 1.4 This is a full viability assessment of the draft policies and proposed preferred sites in the Wigan Borough Local Plan.
- 1.5 In carrying out our review of the Local Plan we have had regard to the cumulative impact on development of the Local Plan policies.

Local Plan Viability Context

- 1.6 The key context for the Local Plan Viability Assessment is that the Plan needs to be informed by a consideration of viability. The PPG states that:

“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.” (Paragraph: 002 Reference ID: 10-002-20190509)
- 1.7 The viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land.
- 1.8 The Plan must be positively prepared to contribute towards the achievement of sustainable development in a way that is aspirational but deliverable. According to the NPPF sites or broad locations for growth should be developable in years 6 + of the plan period. To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged (see NPPG Glossary). This is a lower test than the deliverability test for sites in years 0-5 of the plan period. The evidence does not need to provide a detailed assessment of everything and all sites – recognising that conditions will fluctuate over the course of the Plan period.

RICS Practice Statement

- 1.9 Our viability assessment has been carried out in accordance with the RICS¹ Financial Viability in Planning: Conduct and Reporting Professional Standard (1st Edition, May 2019).
- 1.10 Our study has also been carried out in accordance with the RICS Assessing Viability in Planning under the National Planning Policy Framework 2019 for England Professional Standard (1st edition, March 2021) having regard to the latest revisions to the National Planning Policy Framework (NPPF, last updated December 2024) and the Planning Practice Guidance (PPG).

Objectivity, Impartiality and Reasonableness

- 1.11 We have carried out our review in collaboration with the Council as Local Planning Authority (LPA) and in consultation with industry (Registered Providers, developers and landowners). At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment and review.
- 1.12 At all stages of the viability process, we have advocated reasonable, transparent and appropriate engagement between the parties.

Conflicts of Interest

- 1.13 We confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially.

¹ Royal Institution of Chartered Surveyors

1.14 The remainder of this report is structured as follows:

Section:	Contents:
Section 2 – National Policy Context	This section sets out the statutory requirements for the Local Plan viability including the NPPF, CIL Regulations and PPG website.
Section 3 – Local Plan Context	This section sets out the details of the existing evidence base and the Local Plan policies which will have a direct impact on viability.
Section 4 – Viability Assessment Method	This section describes our generic methodology for appraising the viability of development which is based on the residual approach as required by guidance and best practice. Please note the Benchmark Land Value (BLV) caveats for future site-specific appraisals.
Section 5 – Commercial Typologies	This section summarises the evidence base, property market context, development monitoring and viability for the commercial sector.
Section 6 – Residential Typologies	This section summarises the evidence base, property market context, development monitoring and viability for the residential sector.
Section 7 – Older Person's Housing Typologies	This chapter summarises the evidence base, property market context, development monitoring and viability for Older Person's Housing.
Section 8 – Build to Rent	This chapter summarises the evidence base, property market context, development monitoring and viability for Build to Rent.
Section 9 – Stakeholder Consultation	This section sets out the various consultation and industry engagement that has taken place as part of this study.
Section 10 – Viability Results	This section sets out the detailed appraisal results with commentary.
Section 11 – Conclusions and Recommendations	Finally, we make our recommendations in respect of the Local Plan Review. This discusses the implications of this for the overall Plan viability and delivery.

2 National Policy Context

- 2.1 Our viability study has been carried out having regard to the various statutory requirements comprising primary legislation, planning policy, statutory regulations and guidance.
- 2.2 We identify below the key cross-references in the NPPF and PPG and our comments in respect of viability and deliverability. This is not meant to be exhaustive and reference should be directly made to the relevant sections of the NPPF and PPG.

National Planning Policy Framework

- 2.3 The NPPF confirms the Government's planning policies for England and how these should be applied and provides a framework within which locally-prepared plans for housing and other development can be produced².
- 2.4 It confirms the primacy of the development plan in determining planning applications. It confirms that the NPPF must be taken into account in preparing the development plan, and is a material consideration in planning decisions³.
- 2.5 It is important to note that within the December 2024 NPPF, paragraph 173 of the original 2012 NPPF has been deleted. The old paragraph 173 referred to viability and required '*competitive returns to a willing land owner and willing developer to enable the development to be deliverable*'.
- 2.6 The December 2024 NPPF refers increasingly to *deliverability* as well as *viability*.
- 2.7 We draw your attention to the following key paragraphs (Table 2.1).

Table 2.1 - NPPF Key Cross-References

Paragraph Number - Item	Quote / Comments
Para 35 - Development Contributions	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 National Planning Policy Framework, December 2024, para 1

³ National Planning Policy Framework, December 2024, para 2

Paragraph Number - Item	Quote / Comments
Para 58 – Planning Obligations [tests]	Planning obligations must only be sought where they meet all of the following tests⁴: a) necessary to make the development acceptable in planning terms; b) directly related to the development; and c) fairly and reasonably related in scale and kind to the development. Notwithstanding the latest changes to the CIL Regulations (2015) which do away with the requirements for a Regulation 123 list of infrastructure, these tests ensure that Local Authorities cannot charge S106 or CIL twice for the same infrastructure (as this would not be fair and reasonable).
Para 59 – Presumption of Viability	Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning practice guidance, including standardised inputs, and should be made publicly available. We understand that the Government's objective is to reduce the delays to delivery of new housing due to the site-specific viability process that was created as a result of the previous paragraph 173. Once a new Local Plan is adopted no site-specific viability assessment should be required (except in exceptional circumstances) and developers should factor into their land

⁴ Set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010.

Paragraph Number - Item	Quote / Comments
	buying decisions the cost of planning obligations (including affordable housing).
Para 65 – 10 Unit Threshold	Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount ⁵ .
Para 66 – Affordable Home Ownership	Where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures ⁶ .
Para 67 – Green Belt Development	As part of the 'Golden Rules' for Green Belt development set out in paragraphs 156 - 157 of this Framework, a specific affordable housing requirement (or requirements) should be set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should: a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability).

⁵ Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned, or to major development on land within or released from the Green Belt, for which the 'Golden Rules' requirements set out in paragraphs 156-157 of this Framework should apply.

⁶ The requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, no longer applies. Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.

Paragraph Number - Item	Quote / Comments
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	However, the Local Plan is due to be examined against the December 2023 version of the NPPF, in accordance with NPPF para 234c and therefore the proposed allocations that will be removed from the Green Belt do not need to accord with the 'golden rules'.
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Source: NPPF (last updated December 2024) and AspinallVerdi

- 2.8 We understand that the viability assessment is not intended to be a pass/fail test for a Local Plan, especially where key national and local imperatives exist to promote regeneration of brownfield land. The Plan must be positively prepared to contribute towards the achievement of sustainable development in a way that is aspirational but deliverable.

Planning Practice Guidance for Viability

- 2.9 The Planning Practice Guidance for Viability was first published in March 2014 and updated in line with the NPPF. This has been updated on numerous⁷ occasions, most recently being December 2024.

- 2.10 Below we summarise some key aspects of the PPG for this study (Table 2.2).

Table 2.2 - PPG Viability Key Cross-References

Paragraph Number - Item	Quote / Comments
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Para 001 – Setting Policy requirements	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).
	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

⁷ PPG Viability has most recently been updated in December 2025

Paragraph Number - Item Quote / Comments

	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 or location of site or types of development. This confirms that Local Authorities can set different levels of CIL and/or affordable housing by greenfield or brownfield typologies (see below also).
Para 002 - Deliverability	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. Policy compliant means development which fully complies with up-to-date plan policies. A decision maker can give appropriate weight to emerging policies. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions.

Paragraph Number - Item	Quote / Comments
	In this respect we have carried out a stakeholder workshop to consult with industry (Registered Providers, developers and landowners) in respect of the cost, value and BLV assumptions of the site allocations (in August 2025).
Para 003/4 - Typologies	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. A typology approach is a process plan makers can follow to ensure that they are creating realistic, deliverable policies based on the type of sites that are likely to come forward for development over the plan period. In following this process plan makers can first group sites by shared characteristics such as location, whether brownfield or greenfield, size of site, current and proposed use or type of development. The characteristics used to group sites should reflect the nature of typical sites that may be developed within the plan area and the type of development proposed for allocation in the plan. Average costs and values can then be used to make assumptions about how the viability of each type of site would be affected by all relevant policies. Plan makers may wish to consider different potential policy requirements and assess the viability impacts of these. Plan makers can then come to a view on what might be an appropriate benchmark land value and policy requirement for each typology. Plan makers will then engage with landowners, site promoters and developers and compare data from existing case study sites to help ensure assumptions of costs and values are realistic and broadly accurate. Market evidence can be used as a cross-check but it is important to disregard outliers. Information from

Paragraph Number - Item	Quote / Comments
	other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can also help to inform viability assessment. Plan makers may then revise their proposed policy requirements to ensure that they are creating realistic, deliverable policies. We have used a general typology method within this study to demonstrate the viability of sites that are likely to come forward in Wigan.
Para 005 – Strategic Sites testing	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.
Para 010 - Principles for carrying out a viability assessment (strike a balance)	Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return. This National Planning Guidance sets out the government's recommended approach to viability assessment for planning. The approach supports accountability for communities by enabling them to understand the key inputs to and outcomes of viability assessment. Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers. Any viability assessment should follow the

Paragraph Number - Item Quote / Comments

	government's recommended approach to assessing viability as set out in this National Planning Guidance and be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making. In plan making and decision-making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.
Para 011 – Gross Development Value	Gross Development Value is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary. For broad area-wide or site typology assessment at the plan making stage, average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data. For housing, historic information about delivery rates can be informative. For viability assessment of a specific site or development, market evidence (rather than average figures) from the actual site or from existing developments can be used. Any market evidence used should be adjusted to take into account variations in use, form, scale, location, rents and yields, disregarding outliers. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

Paragraph Number - Item Quote / Comments

Para 014 – Development costs

Assessment of costs should be based on evidence which is reflective of local market conditions. As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.

Costs include:

- build costs based on appropriate data, for example that of the Building Cost Information Service
- abnormal costs, including those associated with treatment for contaminated sites or listed buildings, or costs associated with brownfield, phased or complex sites. These costs should be taken into account when defining benchmark land value
- site-specific infrastructure costs, which might include access roads, sustainable drainage systems, green infrastructure, connection to utilities and decentralised energy. These costs should be taken into account when defining benchmark land value
- the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, biodiversity net gain (as required by Schedule 7A of the Town and Country Planning Act), and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value
- general finance costs including those incurred through loans
- professional, project management, sales, marketing and legal costs incorporating organisational overheads associated with the site. Any professional site fees

Paragraph Number - Item Quote / Comments

	should also be taken into account when defining benchmark land value • explicit reference to project contingency costs should be included in circumstances where scheme specific assessment is deemed necessary, with a justification for contingency relative to project risk and developers return
Para 013 – Benchmark Land Value (BLV)	To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. 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 and provide evidence to inform this iterative and collaborative process.
Para 014 - What factors should be considered to establish BLV?	Benchmark land value should: • be based upon existing use value • allow for a premium to landowners (including equity resulting from those building their own homes)

Paragraph Number - Item Quote / Comments

- reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees

Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.

Where viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).

Paragraph Number - Item	Quote / Comments
Para 015 – Existing Use Value (EUV)	Existing use value (EUV) is the first component of calculating benchmark land value. EUV is the value of the land in its existing use. 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. EUV can be established in collaboration between plan makers, developers and landowners 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 (excluding any hope value for development). 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 data; public sector estate/property teams' locally held evidence.
Para 016 – Premium	The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements. Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different

Paragraph Number - Item	Quote / Comments
	building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up-to-date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. A decision maker can give appropriate weight to emerging policies. Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).
Para 017 – Alternative Use Value (AUV)	This is more at the decision-making stage as our site typologies herein are all for broadly defined uses.
Para 018 – Profit (return to developers)	Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan. For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types. In this respect we have assumed profit at the top end of the range (i.e. worst-case scenario) and provided sensitivities on the profit margin between 15 and 20%.

Paragraph Number - Item	Quote / Comments
Para 019 – Build to rent (BTR)	The economics of build to rent schemes differ from build for sale as they depend on a long-term income stream. For build to rent it is expected that the normal form of affordable housing provision will be affordable private rent. Where plan makers wish to set affordable private rent proportions or discount levels at a level differing from national planning policy and guidance, this can be justified through a viability assessment at the plan making stage. Developers will be expected to fully comply with build to rent policy requirements. However, for individual schemes, developers may propose alternatives to the policy, such as variations to the discount and proportions of affordable private rent units across a development, and the ability to review the value of a scheme (rent levels) over the duration of its life. Plan makers can set out in plans where review mechanisms will be used for build to rent schemes. Scheme level viability assessment may be improved through the inclusion of two sets of figures; one based on a build to rent scheme and another for an alternative build for sale scheme. This would enable authorities to compare and understand the differences, and agree any necessary adjustments to the affordable private rent contribution.

Source: PPG Viability (last updated December 2024) and AspinallVerdi

PPG for First Homes

- 2.11 On 24 May 2021 MHCLG (now DLUHC) issued guidance on First Homes and was updated on 23 December 2021. This is as follows (Table 2.3).
- 2.12 As the PPG for First Homes has not been updated to reflect the recent changes in the NPPF (2024). We must outline that the NPPF states that the requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, **no longer applies**. Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.

- 2.13 Wigan Council have asked us not to include First Homes within the affordable housing mix, see residential typologies matrix in Appendix 2.

Table 2.3 - PPG for First Homes Key Cross-References

Paragraph Number - Item	Quote / Comments
Para 001 - What is a First Home?	First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which: a) must be <i>discounted by a minimum of 30%</i> against the market value; b) are sold to a person or persons meeting the First Homes eligibility criteria [Para 002]; c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and, d) after the discount has been applied, the first sale must be at a price <i>no higher than £250,000 (or £420,000 in Greater London)</i>. First Homes are the government's preferred discounted market tenure and <i>should account for at least 25% of all affordable housing units</i> delivered by developers through planning obligations. This is outdated by the NPPF (2024). The NPPF states that the requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, <u>no longer applies.</u> Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need.
Para 004 – Minimum discount	In order to qualify as a First Home, a property must be sold at <i>least 30% below the open market value</i>. Therefore, the required minimum discount cannot be below 30%.

Paragraph Number - Item	Quote / Comments
	However, local authorities [have] the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes).
Para 013 – 25% tenure mix	Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required. Policies for First Homes should reflect the requirement that a <i>minimum of 25% of all affordable housing units secured through developer contributions should be First Homes.</i>
Para 016 – First Homes and CIL	The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) make provisions for charging authorities to give relief or grant exemptions from the levy. These regulations <i>allow developers of First Homes to obtain an exemption</i> from the requirement to pay CIL. This is the same for all affordable housing tenures.
Para 023 - 10% of affordable homes should be available for affordable home ownership	The 25% expected First Homes contribution for any affordable product can make up or contribute to the 10% of the overall number of homes expected to be an affordable home ownership product on major developments as set out in the NPPF.

Source: PPG First Homes (Published 24 May 2021) and AspinallVerdi

Green Belt Development

- 2.14 We note the changes to the NPPF in December 2024 regarding the release of land from the Green Belt and development of 'Grey Belt land'.
- 2.15 Paragraphs 67-68 of the December 2024 NPPF sets out the following regarding Green Belt development:

As part of the 'Golden Rules' for Green Belt development set out in paragraphs 156-157 of this Framework, a specific affordable housing requirement (or requirements) should be

set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should:

- a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and*
- b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability).*

- 2.16 Further, we set out below the Golden Rules for Green Belt development, as found in Paragraph 156-157 of the NPPF.

Where major development involving the provision of housing is proposed on land released from the Green Belt through plan preparation or review, or on sites in the Green Belt subject to a planning application, the following contributions ('Golden Rules') should be made:

- a. affordable housing which reflects either: (i) development plan policies produced in accordance with paragraphs 67-68 of this Framework; or (ii) until such policies are in place, the policy set out in paragraph 157 below;*
- b. necessary improvements to local or national infrastructure; and*
- c. the provision of new, or improvements to existing, green spaces that are accessible to the public. New residents should be able to access good quality green spaces within a short walk of their home, whether through onsite provision or through access to offsite spaces.*

Before development plan policies for affordable housing are updated in line with paragraphs 67-68 of this Framework, the affordable housing contribution required to satisfy the Golden Rules is 15 percentage points above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of 50%. In the absence of a pre-existing requirement for affordable housing, a 50% affordable housing contribution should apply by default. The use of site-specific viability assessment for land within or released from the Green Belt should be subject to the approach set out in national planning practice guidance on viability.

- 2.17 In summary, the changes to the NPPF for Green Belt development mean that a target of 50% should be sought for Green Belt release sites, subject to viability testing at the plan-making stage. The affordable housing threshold for Green Belt development should also be set above the level for non-Green Belt release sites.

- 2.18 As a result of the changes to NPPF, the Viability PPG was also updated. Regarding the 'Golden Rules' for Green Belt development, Paragraph: 029 Reference ID: 10-029-20241212 of the PPG states:
- 'Where development takes place on land situated in, or released from, the Green Belt and is subject to the 'Golden Rules' set out in paragraph 156 of the National Planning Policy Framework, site specific viability assessment should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing. The government intends to review this Viability Guidance and will be considering whether there are circumstances in which site-specific viability assessment may be taken into account, for example, on large sites and Previously Developed Land.'*
- 2.19 It is currently unclear as to how this policy expectation is going to impact land values. Due to the increased contributions/rules required for Green Belt sites to enable development to come forward, it is likely to drive land values down.
- 2.20 The proposed allocations in the Local Plan that will result in Green Belt release are not subject to the golden rules as the plan is being examined against NPPF (Dec 2023) which pre-dates the concept of 'grey belt' land.
- 2.21 However, there is the possibility that applications could be submitted within the Green Belt, which would be subject to the Golden Rules set out within the revised NPPF and referenced in the Viability PPG. We have therefore tested Green Belt typologies to demonstrate potential viability.
- 2.22 We have had explicit regard to this within our BLV assumptions, particularly relating to the appropriate premium / multiplier associated with Green Belt release sites.

Written Ministerial Statement – Local Energy Efficiency Standards

- 2.23 On 13th December 2023 the Minister of State for Housing gave a written ministerial statement (WMS) to parliament in order to clarify the priorities between building standards and particularly the net zero goal, viability and housing delivery. This is required due to the changing national policies including Code for Sustainable Homes and the 2021 Part L Building Regulations.
- 2.24 The WMS states:
- there is a legitimate consideration for the Government to want to strike the best balance between making progress on improving the efficiency and performance of homes whilst still wanting to ensure housing is built in sufficient numbers to support those who wish to own or rent their own home.*
- 2.25 The WMS goes on:

the Government does not expect plan-makers to set local energy efficiency standards for buildings that go beyond current or planned buildings regulations. The proliferation of multiple, local standards by local authority area can add further costs to building new homes by adding complexity and undermining economies of scale.

2.26 The exception to this statement is where local policies have:

a well-reasoned and robustly costed rationale that ensures:

- *That development remains viable, and the impact on housing supply and affordability is considered in accordance with the National Planning Policy Framework.*
- *The additional requirement is expressed as a percentage uplift of a dwelling's Target Emissions Rate (TER) calculated using a specified version of the Standard Assessment Procedure (SAP).*

3 Local Policy Context

- 3.1 In order to appraise the Wigan Borough Local Plan, we have reviewed the cumulative impact of Wigan's *draft* policies. We have analysed each of the policies contained within the plan to determine which policies have a direct or indirect impact on development viability. The policies with a direct impact on viability have been factored into our economic assessment below.
- 3.2 Before reviewing the Wigan Borough Local Plan draft policies, we set out the current affordable housing policy under the current Wigan Local Plan Core Strategy – Remaining policies, March 2024.

Wigan Borough Local Plan Core Strategy – Remaining policies, March 2024

- 3.3 Policy CP 6 Housing of the adopted local plan from September 2013 states the following:
- We will help ensure that there is sufficient housing in the borough to meet people's needs and support a good quality of life by ensuring that provision is made for an appropriate mix of house types, sizes, tenures and affordability, specialist, extra-care housing and 'lifetime homes'.*
- Seeking the provision of 25% affordable housing on all sites consisting of 10 dwellings or more where this is viable. Where this is demonstrated not to be viable, a reduced level of affordable housing provision will be negotiated. The approach towards the provision of affordable housing will take into account up to date information on housing needs in the borough.*
- The provision should be of an agreed mix of styles and types; be consistent in terms of design, standards and quality to other housing on the site and be subject to occupancy controls to ensure that it remains affordable for subsequent occupiers.*

Wigan Borough Local Plan (Draft Policies) (2022-2039)

- 3.4 It has been requested by Wigan Council that we test all sites on a level of 25% affordable housing (with the exception of Green Belt sites which have been tested at 50% affordable housing). In line with Policy H2 we have tested Build to Rent at 20% affordable housing.
- 3.5 We have reviewed the Wigan Borough Local Plan draft policies (2022 - 2039). A detailed matrix of all the planning policies is appended (see Appendix 1 – Policies Matrix), and this outlines how the directly influential policies have both shaped the typologies and the assumptions adopted within the appraisals. The cost assumptions applied can be found later in this report within Section 5.
- 3.6 The Housing Mix policy H2 states a requirement of 25% affordable housing on developments of 10 units or more.

3.7 The policy requires that:

- New residential development should be delivered at a density appropriate to its location in accordance with policy JP-H4 in the Places for Everyone Plan and contribute to the provision of a mix of housing types, sizes and tenures across the borough to help address identified housing needs, reflecting the latest local housing needs assessment or equivalent requirement.

Affordable housing requirements in market-led developments

- 3.8 Developments of 10 homes or more will only be permitted where at least 25% of the homes delivered are affordable, subject to viability, comprising a tenure split of 25% affordable home ownership and 75% for rent, with homes for social rent prioritised. Alternative tenure splits will be permitted where justified by local needs.
- 3.9 On build to rent developments of 10 homes or more at least 20% of the homes should be affordable in line with national guidance, subject to viability. This should be in the form of affordable private rent.
- 3.10 Where the proportion of affordable housing required in criteria 1 or 2 above is demonstrated to be unviable, a reduced contribution will be negotiated.
- 3.11 Affordable housing should be provided on site unless there is clear justification for it to be provided off-site through payment of a commuted sum. Any commuted sum received will be ring fenced for the provision of affordable housing in the borough.

Housing for older people and other specialist housing

- 3.12 Developers of housing will be required to show how their site meets the needs of older people and people with disabilities.
- 3.13 On new build residential schemes of 20 homes or more, a minimum of 4% of new homes should be wheelchair accessible in accordance with Part M4(3) of the Building Regulations, unless this is impracticable due to site-specific factors or it is demonstrated to be unviable.
- 3.14 The development of residential care homes and nursing homes will be supported where there is a demonstrable need for this type of housing, and where the development accords with other relevant planning policies.
- 3.15 Housing provision for older people and people with disabilities will be supported where it accords with other relevant planning policies and where it:
- a) Is sustainably located, with access to public transport, local services and amenities.

- b) Promotes ease of movement on foot and with mobility aids.
- c) Includes parking spaces and setting down points in proximity to entrances where practicable.
- d) Has accessible and appropriately designed outdoor spaces, including seating areas, step free spaces and gentle approaches suitable for wheelchair users and people with visual or mobility impairments.

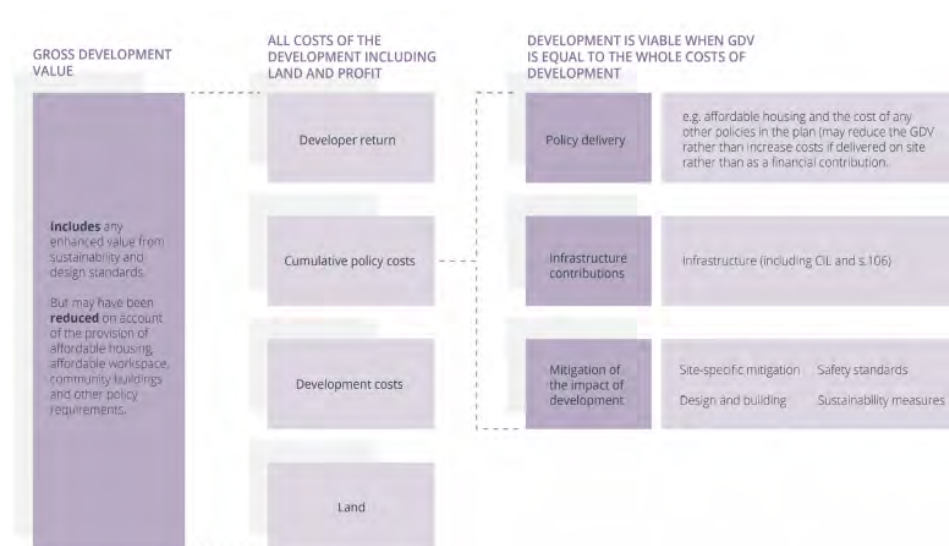
4 Viability Assessment Methodology

- 4.1 In this section of the report, we set out our methodology to establish the viability of the various land uses and development typologies described in the following sections.
- 4.2 Cross-reference should be made back to the Viability PPG guidance in section 2 and specifically the guidance in respect of EUV, premium and profit.
- 4.3 We also set out the professional guidance that we have had regard to in undertaking the financial viability appraisals and some important principles of land economics.

Viability Modelling Best Practice

- 4.4 The general principle is that planning obligations including affordable housing (etc.) will be levied on the increase in land value resulting from the grant of planning permission. However, there are fundamental differences between the land economics of brownfield and greenfield sites and every development scheme is different. Therefore, in order to derive the potential planning obligations and understand the 'appropriate balance' it is important to understand the micro-economic principles which underpin the viability analysis.
- 4.5 The uplift in value is calculated using a residual land value (RLV) appraisal. Figure 4.1 below, illustrates the principles of a RLV appraisal.

Figure 4.1 – The Residual Land Valuation Framework



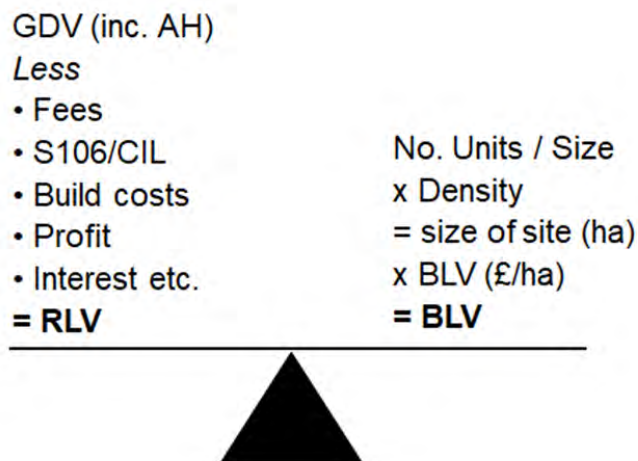
Source: RICS Assessing viability in planning under the National Planning Policy Framework 2019 for England, Guidance Note, 1st edition, March 2021

- 4.6 In Figure 4.1, a scheme is viable if the Gross Development Value (GDV) of the scheme is greater than the total of all the costs of development including land, development costs, cumulative policy

costs and profit (developers return). Conversely, if the GDV is less than the total costs of development, the scheme will be unviable.

- 4.7 In accordance with the PPG, to advise on the ability of the proposed uses/scheme to support affordable housing and CIL/planning obligations we have benchmarked the residual land values (RLV) from the viability analysis against existing or alternative land use relevant to the particular typology – the Benchmark Land Value (BLV). This is illustrated in Figure 4.2 below.

Figure 4.2 – Balance between RLV and BLV



Source: AspinallVerdi © Copyright

- 4.8 If the balance is positive, then the policy is viable. If the balance is negative, then the policy is not viable and the CIL and/or affordable housing rates should be reviewed.
- 4.9 Our specific appraisals for each for the land uses and typologies are set out in the relevant section below.

Benchmark Land Value (BLV) Approach

- 4.10 Benchmark land value has been subject to much debate in recent years due to trying to establish the most appropriate method to determine it for planning purposes. The two most common approaches have been Existing Use plus and Market Value adjusted for policy. The latter, although a more market facing approach, has faced criticism because practitioners have not necessarily been adjusting land values fully for policy. The PPG now provides a clear single method (Existing Use plus Premium) in determining land value.
- 4.11 Paragraph: 013 Reference ID: 10-013-20190509 of the Viability PPG states that,
- To define land value for any viability assessment, a benchmark land value should be established on the basis of the **existing use value (EUV)** of the land, **plus a premium** for the landowner.*

The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+).

- 4.12 See Table 2.2 - PPG Viability Key **Cross-References** above for the relevant references to the PPG for the definition of EUV and the premium.
- 4.13 The RICS also supports the EUV plus method when determining land value for planning purposes. The RICS Assessing Viability in Planning under the National Planning Policy Framework, Professional Standard, March 2021 states that *'the PPG is unambiguous that EUV+ is the primary approach.'*⁸ Land transaction evidence should only be used as a cross-check to the EUV plus premium. The RICS guidance emphasises the PPG paragraph 016 which states that *'any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners'*⁹.
- 4.14 The RICS defines *'EUV for the purposes of FVAs as the value in the existing use, ignoring any prospect of future change to that use. This may however include permitted development or change of use within the same planning use class, but only where this does not necessitate any refurbishment or redevelopment works to the existing buildings or site works.'*¹⁰
- 4.15 The RICS International Valuation Standards, December 2024, defines EUV as:
*'Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use.'*¹¹

Guidance on Premiums/Land Value Adjustments

- 4.16 The PPG requires the existing use value plus premium approach to land value. However, there is no specific guidance on the premium. One therefore has to 'triangulate' the BLV based on evidence.
- 4.17 A number of reports have commented upon the critical issue of land value, as set out below. These inform the relationship between the 'premium' and 'hope value' (see below) in the context

⁸ RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.7.7

⁹ Ibid, paragraph 5.7.6

¹⁰ Ibid, paragraph B.1.2

¹¹ RICS Valuation – Global Standards Incorporating the IVSC International Valuation Standards Issued December 2024, effective from 31 January 2025, Paragraph A100.01

of market value. The PPG is explicit that hope value should be disregarded for the purposes of arriving at the EUV¹². However, hope value is a fundamental part of the market mechanism and therefore is relevant in the context of the premium.

- 4.18 We set out on the following table our consideration of suitable premiums to apply - Table 4.1 – Premium for BLV Considerations.

Table 4.1 – Premium for BLV Considerations

Evidence / Source	Quote / Comments
RICS, Assessing Viability in Planning under the National Planning Policy Framework 2019 for England, March 2021 (effective from 01 July 2021)	The RICS acknowledge that <i>‘there is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement’</i>.¹³ The RICS guidance further explains that <i>‘for a plan-making FVA, the EUV and the premium is likely to be the same for the same development typology, but it would be expected that a site that required higher costs to enable development would achieve a lower residual value. This should be taken account of in different site typologies at the plan-making stage.’</i>¹⁴
Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners (The Harman Report)	The Harman Report was published in response to the introduction of viability becoming more prominent in the planning system post the introduction of the NPPF. The Harman report refers to the concept of ‘Threshold Land Value’ (TLV). Harman states that the <i>‘Threshold Land Value should represent the value at which a typical willing landowner is likely to release land for development.’</i>¹⁵ While this is an accurate description of the important value concept, we adopt the Benchmark Land Value (BLV) terminology throughout this report in-line with the terminology in the PPG.

¹² Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

¹³ RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.3.3

¹⁴ Ibid, paragraph 5.3.7

¹⁵ Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners, page 28

Evidence / Source	Quote / Comments
	Although the Harman Report pre-dates the current iteration of the PPG on viability it does recommend the EUV plus approach to determine land value for planning purposes. The Harman report also advocates that when assessing an appropriate Benchmark Land Value, consideration should be given to <i>'the fact that future plan policy requirements will have an impact on land values and owners' expectations.'</i>¹⁶ Harman, does acknowledge that reference to market values will provide a useful 'sense check' on the Benchmark Land Values that are being used in the appraisal model; however, <i>'it is not recommended that these are used as the basis for input into a model.'</i>¹⁷ It also acknowledges that for large greenfield sites, <i>'land owners are rarely forced or distressed sellers, and generally take a much longer term view over the merits or otherwise of disposing of their asset.'</i>¹⁸ It refers to these 'prospective sellers' as <i>'potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'</i>¹⁹ In these circumstances, Harman states that for these greenfield sites that, <i>'the uplift to current use value sought by the landowner will invariably be significantly higher than in an urban context and requires very careful consideration.'</i>²⁰
HCA Transparent Viability Assumptions (August 2010)	In terms of the EUV + premium approach, the Homes and Communities Agency (now Homes England) published a consultation paper on transparent assumptions for Area Wide Viability Modelling. This notes that, 'typically, this gap or premium will be expressed as a percentage over EUV for previously

¹⁶ Ibid, page 29

¹⁷ Ibid

¹⁸ Ibid, page 30

¹⁹ Ibid

²⁰ Ibid

Evidence / Source	Quote / Comments
	developed land and as a multiple of agricultural value for greenfield land’. It also notes that benchmarks and evidence from planning appeals tend to be in a range of ‘10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value’.²¹
Inspector's Post-Hearing Letter to North Essex Authorities	The Inspector’s letter is in relation to, amongst other things, the viability evidence of three proposed garden communities in North Essex. The three Garden Communities would provide up to 43,000 dwellings in total. The majority of land for the Garden Communities is in agricultural use, and the Inspector recognised that the EUV for this use would be around £10,000 per gross acre. In this case, the Inspector was of the opinion that around a x10 multiple (£100,000 per gross acre) would provide sufficient incentive for a landowner to sell. But given <i>‘the necessarily substantial requirements of the Plan’s policies’ a price ‘below £100,000/acre could be capable of providing a competitive return to a willing landowner’</i>.²² The Inspector, however, judged that <i>‘it is extremely doubtful that, for the proposed GCs, a land price below £50,000/acre – half the figure that appears likely to reflect current market expectations – would provide a sufficient incentive to a landowner. The margin of viability is therefore likely to lie somewhere between a price of £50,000 and £100,000 per acre.’</i>²³
Parkhurst Road v SSCLG & LBI (2018) ²⁴	The High Court case between Parkhurst Road Limited (Claimant) and Secretary of State for Communities and Local Government and The Council of the London Borough of Islington (Defendant(s)) addresses the issue of land valuation

²¹ HCA, August 2010, Area Wide Viability Model (Annex 1 Transparent Viability Assumptions)

²² Planning Inspectorate, 15 May 2020, Examination of the Shared Strategic Section 1 Plan - North Essex Authorities, Paragraph 204

²³ Ibid, Paragraph 205

²⁴ Parkhurst Road v SSCLG & LBI, Before MR JUSTICE HOLGATE Between: Parkhurst Road Limited Claimant - and - Secretary of State for Communities and Local Government and The Council of the London Borough of Islington Defendant/s, Case No: CO/3528/2017

Evidence / Source	Quote / Comments
Land Value Capture report (Sept 2018)²⁶	and the circularity of land values which are not appraised on a policy compliant basis. In this case it was common ground that the existing use was redundant and so the existing use value (“EUV”) was “negligible”. There was no alternative form of development which could generate a higher value for an alternative use (“AUV”) than the development proposed by Parkhurst. The site did not suffer from abnormal constraints or costs. LBI contended that there was considerable “headroom” in the valuation of such a site enabling it to provide a substantial amount of affordable housing in accordance with policy requirements. Furthermore, that the achievement of that objective was being frustrated by Parkhurst’s use of a ‘greatly inflated’ BLV for the site which failed properly to reflect those requirements. Mr Justice Holgate dismissed the challenge and agreed with LBI that what is to be regarded as comparable market evidence, or a “market norm”, should “reflect policy requirements” in order to avoid the “circularity” problem²⁵. The House of Commons - Housing, Communities and Local Government Committee has published a report into the principles of land value capture. This defines land value capture, the scope for capturing additional land value and the lessons learned from past attempts to capture uplifts in land value. It reviews improving existing mechanisms, potential legislative reforms and alternative approaches to land value capture. Paragraph 109 of the report states, ‘[...] <i>the extent to which the ‘no-scheme’ principle would reduce value “very much depends on the circumstances”. For land in the middle of the countryside, which would not otherwise receive planning permission for housing, the entire development value could be attributed to the scheme. However, [...] most work</i>

²⁵ Ibid, paragraph 39

²⁶ House of Commons Housing, Communities and Local Government Committee Land Value Capture Tenth Report of Session 2017–19 HC 766 Published on 13 September 2018 by authority of the House of Commons

Evidence / Source	Quote / Comments
	<i>was undertaken within constrained urban areas—such as town extensions and redevelopments—where the hope value was much higher’.</i> Hence it is important to consider the policy context for infrastructure and investment when considering land values. For example, where existing agricultural land in the Green Belt is being considered for housing allocations, the entire uplift in value is attributable to the policy decision (without which there can be no development).
Land at Warburton Lane, Trafford (Appeal Ref: APP/Q4245/W/19/3243720) ²⁷	Planning appeal for up to 400 dwellings, appeal dismissed. The Inspector preferred the Council’s approach to land value. The Council used agricultural land value of £8,000 per acre. They applied a x10 premium to the net developable area of 33.75 acres and £8,000 per acre to the remainder of the site. The total benchmark land value of £2,900,000. The total site area was 62 acres (25 hectares). The benchmark land value equated to £116,000 per gross hectare (£46,945 per gross acre) / 5.87 multiplier on the agricultural land value of £8,000 per acre. In considering the premium the Inspector noted that, <i>‘there is no evidence that I have seen that says the premium should be any particular value. The important point is that it should be sufficient to incentivise the landowner to sell the land and should also be the minimum incentive for such a sale to take place’</i>.²⁸ It was relevant to note that, <i>‘in this case one of the two landowners had agreed in the option agreement to sell the land for whatever is left after a standard residual assessment’</i>²⁹ and therefore had accepted lower minimum / BLV requirements.

²⁷ Appeal Decision, Appeal Ref: APP/Q4245/W/19/3243720, Land at Warburton Lane, Trafford by Christina Downes BSc DipTP MRTPI an Inspector appointed by the Secretary of State for Communities and Local Government Decision date: 25th January 2021

²⁸ Appeal Decision, Appeal Ref: APP/Q4245/W/19/3243720, Land at Warburton Lane, Trafford by Christina Downes BSc DipTP MRTPI an Inspector appointed by the Secretary of State for Communities and Local Government Decision date: 25th January 2021, para 118

²⁹ Ibid, para 119

Evidence / Source	Quote / Comments
Mayor of London CIL (Jan 2012)	The impact on land value of future planning policy requirements e.g. CIL [or revised Affordable Housing targets] was contemplated in the Examiner's report to the Mayor of London CIL (January 2012).³⁰ Paragraph 32 of the Examiner's report states: <i>the price paid for development land may be reduced. As with profit levels there may be cries that this is unrealistic, but a reduction in development land value is an inherent part of the CIL concept. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future...</i>
Greater Norwich CIL (Dec 2012)	The Greater Norwich Development Partnership's CIL Examiner's report adds to this - <i>Bearing in mind that the cost of CIL needs to largely come out of the land value, it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience in the Norwich area the Councils' viability work assumed that a landowner would expect to receive at least 75% of the benchmark value.³¹</i>
Sandwell CIL (Dec 2014)	Furthermore, the Examiner's report for the Sandwell CIL states - <i>The TLV is calculated in the VAs [Viability Assessments] as being 75% of market land values for each typology. According to the CA, this way of calculating TLVs is based on the conclusions of Examiners in the Mayor of London CIL</i>

³⁰ Holland, K (27 January 2012) Report on the Examination of the Draft Mayoral Community Infrastructure Levy Charging Schedule, The Planning Inspectorate, PINS/K5030/429/3

³¹ Report to the Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council, by Keith Holland BA (Hons) Dip TP, MRTPI ARICS, 4 December 2012, File Ref: PINS/G2625/429/6 – paragraph 9

Evidence / Source

Quote / Comments

*Report January 2012 and the Greater Norwich Development Partnership CIL Report December 2012. **This methodology was uncontested**³².*

This VA was prepared by AspinallVerdi for Sandwell MBC which was predicated on a reduction in land values to accommodate the CIL [policy costs].

Source: AspinallVerdi, 2025

- 4.19 In light of various Examiner's reports, such as those for the Mayor of London CIL (January 2012), the Greater Norwich CIL (December 2012), and the Sandwell CIL (December 2014), it becomes evident that landowners must consider reducing their land values for schemes to be both viable and deliverable, particularly in the context of providing affordable housing. Paragraph 32 of the Mayor of London CIL Examiner's report explicitly acknowledges that the price of development land may need to decrease, emphasising that this reduction is intrinsic to the land value capture concept. Similarly, the Greater Norwich Development Partnership's CIL Examiner's report underscores the necessity of establishing a threshold land value [/benchmark land value], which is derived from a reasonable reduction in benchmark values to ensure viability, a factor crucial for meeting affordable housing targets. These findings collectively emphasise the importance of land value adjustments to facilitate the realisation of development schemes, including those aimed at providing policy compliant affordable housing.

Land Market for Development in Practice

- 4.20 A very important aspect when considering area-wide viability is an appreciation of how the property market for development land works in practice.
- 4.21 Developers have to secure sites and premises in a competitive environment and therefore have to equal or exceed the landowners' aspirations as to value for the landowner to sell. From the developers' perspective, this price has to be agreed often many years before commencement of the development. The developer has to subsume all the risk of: acquiring the site, ground conditions; obtaining planning permission; funding the development; finding a tenant/occupier; increases in construction costs; and changes to the economy and market demand etc. This is a significant amount of work for the developer to manage; but this is the role of the developer and to do so the developer is entitled to a normal developer's profit.

³² Report to Sandwell Metropolitan Borough Council by Diana Fitzsimons MA MSc FRICS MRTPI an Examiner appointed by the Council, 16 December 2014, File Ref: PINS/G4620/429/9 - paragraph 16

- 4.22 The developer will appraise all of the above costs and risks to arrive at their view of the residual site value of a particular site.
- 4.23 To mitigate some of these risks, developers and landowners often agree to share some of these risks by entering into arrangements such as: Market Value options based on a planning outcome; 'subject to planning' land purchases; promotion agreements; and / or overage agreements whereby the developer shares any 'super-profit' over the normal benchmark.
- 4.24 From the landowners' perspective, they will have a preconceived concept of the value or worth of their site. This could be fairly straight-forward to value, for example, in the case of greenfield agricultural land which is subject to per hectare benchmarks. However, in the case of brownfield sites, the existing use value could be a lot more subjective depending upon: the previous use of the property; the condition of the premises; contamination; and/or any income from temporary lets, car parking and advertising hoardings etc. Also, whilst (say) a former manufacturing building could have been state-of-the-art when it was first purchased by the landowner, in a redevelopment context it might now be the subject of depreciation and obsolescence which the landowner finds difficult to reconcile. Accordingly, the existing use value is much more subjective in a brownfield context.

Brownfield / Greenfield Land Economics

- 4.25 CIL has its roots in the perceived windfall profit arising from the release of greenfield land by the planning system to accommodate new residential sites and urban extensions³³. However, lessons from previous attempts to tax betterment³⁴ show that this is particularly difficult to achieve effectively without stymieing development. It is even harder to apply the concept to brownfield redevelopment schemes with all attendant costs and risks. The difference between greenfield and brownfield scheme economics is usually important to understand for affordable housing targets; plan viability and CIL rate setting.
- 4.26 The timing of redevelopment and regeneration of brownfield land particularly is determined by the relationship between the value of the site in its current [low value] use ("Existing Use Value") and the value of the site in its redeveloped [higher value] use – less the costs of redevelopment. Any planning gain which impacts on these costs will have an effect on the timing of redevelopment. This is relevant to consider when setting the 'appropriate balance'.
- 4.27 Fundamentally, S106, CIL etc. is a form of 'tax' on development as a contribution to infrastructure. By definition, any differential rate of CIL/S106 will have a distorting effect on the pattern of land

³³ See Barker Review (2004) and Housing Green Paper (2007)

³⁴ the 2007 Planning Gain Supplement, 1947 'Development Charge', 1967 'Betterment Levy' and the 1973 'Development Gains Tax' have all ended in repeal

uses. The question as to how this will distort the market will depend upon how the S106/CIL is applied.

- 4.28 Also, consideration must be given to the 'incidence' of the tax i.e. who ultimately is responsible for paying it i.e. the developer out of profit, or the landowner out of price (or a bit from each).
- 4.29 This is particularly relevant in the context of brownfield sites in the town centres and built-up areas. Any S106/CIL on brownfield redevelopment sites will impact on the timing and rate of redevelopment. This will have a direct effect on economic development, jobs and growth.
- 4.30 In the brownfield context redevelopment takes place at a point in time when buildings are economically obsolete (as opposed to physically obsolete). Over time the existing use value of buildings falls as the operating costs increase, depreciation kicks in and the rent falls by comparison with modern equivalent buildings. In contrast the value of the next best alternative use of the site increases over time due to development pressure in the urban context (assuming there is general economic growth in the economy). Physical obsolescence occurs when the decreasing existing use value crosses the rising alternative use value.
- 4.31 However, this is not the trigger for redevelopment. Redevelopment requires costs to be incurred on site demolition, clearance, remediation, and new build construction costs. These costs have to be deducted from the alternative use value 'curve'. The effect is to extend the time period to achieve the point where redevelopment is viable.
- 4.32 This is absolutely fundamental for the viability and redevelopment of brownfield sites. Any tariff, tax or obligation which increases the costs of redevelopment will depress the net alternative use value and simply extend the timescale to when the alternative use value exceeds the existing use value to precipitate redevelopment.
- 4.33 Contrast this with the situation for development on greenfield land. Greenfield sites are constrained by the planning designation. Once a site is 'released' for development there is significant step-up in development value – which makes the development economics much more accommodating than brownfield redevelopment. There is much more scope to capture development gain, without postponing the timing of development.
- 4.34 That said, there are some other important considerations to take into account when assessing the viability of greenfield sites. This is discussed in the Harman Report (albeit Harman is superseded by the PPG, the principles still stand)³⁵.
- 4.35 The existing use value may be only very modest for agricultural use and on the face of it the landowner stands to make a substantial windfall to residential land values. However, there will be a lower benchmark (Benchmark Land Value) where the land owner will simply not sell. This

³⁵ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) pp 29-31

is particularly the case where a landowner *'is potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'*³⁶ Accordingly, the 'windfall' over the existing use value will have to be a sufficient incentive to release the land and forgo the future investment returns.

- 4.36 This difference between the development 'gain' in the context of a greenfield windfall site and the slow-burn redevelopment of brownfield sites is absolutely fundamental to the success of any regime to capture development gain such as affordable housing, other S106 or CIL. It is also key to the 'incidence' of the tax i.e., whether the developer or the land owner carries the burden of the tax.
- 4.37 In the case of Wigan Borough, the housing land supply for the plan period comprises a mix of both brownfield and greenfield sites. Therefore, we have appraised both brownfield and greenfield scheme typologies.

Hope Value

- 4.38 Where there is a possibility of development the landowner will often have regard to 'hope value'. Hope value is the *element of* market value of a property in excess of the existing use value, reflecting the prospect of some more valuable future use or development. It takes account of the uncertain nature or extent of such prospects, including the time which would elapse before one could expect planning permission to be obtained or any relevant constraints overcome, so as to enable the more valuable use to be implemented. Therefore, in a rising market, landowners may often have high aspirations of value beyond that which the developer can justify in terms of risk and in a falling market the land owner may simply 'do nothing' and not sell in the prospect of a better market returning in the future. The actual amount paid in any particular transaction is the purchase price and this crystallises the value for the landowner.
- 4.39 Note that hope value is represented in the EUV premium and can never be in excess of policy compliant market value (RLV), given RICS guidance on the valuation of development sites (see Figure 4.1 – The Residual Land Valuation Framework above).
- 4.40 Hence land 'value' and 'price' are two very different concepts which need to be understood fully when formulating planning policy and CIL. The incidence of any S106 tariff or CIL to a certain extent depends on this relationship and the individual circumstances. For example, a farmer with a long-term greenfield site might have limited 'value' aspirations for agricultural land – but huge 'price' aspirations for residential development. Whereas an existing factory owner has a much

³⁶ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 30

higher value in terms of sunk costs and investment into the existing use and the tipping point between this and redevelopment is much more marginal.

Vacant Building Credit (VBC)

- 4.41 The VBC policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings. The incentive is applied where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building and where the building has not been abandoned. In deciding whether a use has been abandoned, account should be taken of all relevant circumstances, such as:
- the condition of the property
 - the period of non-use
 - whether there is an intervening use; and
 - any evidence regarding the owner's intention.
- 4.42 For this viability assessment, we have not tested brownfield typologies which benefit from Vacant Building Credit as this is site-specific. The inclusion of VBC will however reduce affordable housing requirements on some brownfield sites, consequently improving the viability of these sites. This is therefore an additional level of contingency for brownfield typologies.

Conclusions on BLV

- 4.43 Current guidance is clear that the land value assessment needs to be based on Existing Use plus premium and not a Market Value approach. Although the assessment of the Existing Use can be informed by comparable evidence the uncertainty lies in how the premium is calculated. Whatever is the resulting land value (i.e. Existing Use plus Premium) the PPG is clear that this must reflect the cost of complying with policies: *'the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value.'*³⁷
- 4.44 Detailed research and analysis in respect of land values (Benchmark Land Values) are set out within the Land Market paper appended (see Appendix 4 – Land Market Review).

BLV Caveats for Decision-Making

- 4.45 It is important to note that the BLV's contained herein are for 'high-level' plan/CIL viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained

³⁷ MHCLG, 24 July 2018, PPG, Paragraph: 012 Reference ID: 10-012-20180724

within the appraisals). The BLV's included herein are generic and include healthy premiums to provide a viability buffer for plan making purposes.

- 4.46 In the majority of circumstances, we would expect the RLV of a scheme on a policy compliant basis to be greater than the EUV (and also the BLV including premium) herein and therefore viable.
- 4.47 However, there may be site specific circumstances (e.g., brownfield sites or sites with particularly challenging demolition, contamination or other constraints) which result in a RLV which is less than the BLV herein. It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications where these constraints exist. In these circumstances, the site-specific BLV should be thoroughly evidenced having regard to the EUV of the site in accordance with the PPG. This report is for plan-making purposes and is without prejudice to future site-specific planning applications.

How to Interpret the Viability Appraisals

- 4.48 In development terms, the price of a site is determined by assessment of the residual land value (RLV). This is the gross development of the site (GDV) less ALL costs including planning policy requirements and developers' profit. If the RLV is positive the scheme is viable. If the RLV is negative the scheme is not viable.
- 4.49 Part of the skill of a developer is to identify sites that are in a lower value economic uses and purchase / option these sites to (re)develop them into a higher value uses. The landowner has a choice - to sell the site or not to sell their site, depending on their individual circumstances. Historically (pre-credit-crunch and the 2012 NPPF) this would be left to 'the market' and there would be no role for planning in this mechanism.
- 4.50 A scheme is viable if the RLV is positive for a given level of profit. We describe this situation herein as being 'fundamentally' viable.
- 4.51 However, since the credit crunch and the 2012 NPPF planning policy has sought to intervene in the land market by requiring that at [an often 'arbitrary'] 'threshold' or 'benchmark' land value (BLV) is achieved as a 'return to the landowner'. This left Local Authorities 'open' to negotiations to reduce affordable housing and other contributions on viability grounds which sets up a powerful force of escalating land values (which is prejudicial to delivery in the long term). The latest iterations of the NPPF and PPG since 2019 are seeking to redress this.
- 4.52 In planning viability terms, for a scheme to come forward for development the RLV for a particular scheme has to exceed the landowner's BLV.

- 4.53 In Development Management terms every scheme will be different (RLV) and every landowner's motivation will be different (BLV).
- 4.54 For Plan Making purposes it is important to benchmark the RLV's from the viability analysis against existing or alternative land use relevant to the particular typology – the Benchmark Land Value – see Figure 4.2 – Balance between RLV and BLV above.
- 4.55 The results of the appraisals should therefore be interpreted as follows:
- If the 'balance' is positive (RLV > BLV), then the policy is viable. We describe this as being 'viable for plan making purposes herein'.
 - If the 'balance' is negative (RLV < BLV), then the policy is 'not viable for plan making purposes and the CIL rates/planning obligations and/or affordable housing targets should be reviewed.
 - Thirdly, if the RLV is positive, but the appraisal is not viable due to the BLV assumed – we refer to this as being 'marginal'. In this case more scrutiny may be required of the BLV and the sensitivity analysis.
- 4.56 This is illustrated in the following boxes of our appraisals (appended) – see below. In this case the RLV is calculated as £2,441,938 or £2,635,304 per acre net (highlighted in blue). This is based upon the residual land value approach. The assumed BLV is £2,500,000 per acre (highlighted in green) which equals £2,316,563 overall. This is based upon the evidence in our Land Market Paper appended. The difference between the RLV and BLV is the surplus or deficit which in this example is £125,376 (£135,304 per acre) (highlighted orange). The RLV has to be greater than the BLV meaning the balance is positive/in surplus to be viable.

Figure 4.3 – Example Hypothetical Appraisal Results

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					2,843,788
SDLT		2,843,788	@	HMRC formula	(131,689)
Acquisition Agent fees		2,843,788	@	1.0%	(28,438)
Acquisition Legal fees		2,843,788	@	0.5%	(14,219)
Interest on Land		2,843,788	@	8.00%	(227,503)
Residual Land Value					2,441,938
RLV analysis:	16,280 £ per plot	6,511,836 £ per ha (net)		2,635,304 £ per acre (net)	
		6,511,836 £ per ha (gross)		2,635,304 £ per acre (gross)	
				6.76% % RLV / GDV	
BENCHMARK LAND VALUE (BLV)					
Residential Density		400.0	dph (net)		
Site Area (net)		0.38	ha (net)	0.93	acres (net)
Net to Gross ratio		100%			
Site Area (gross)		0.38	ha (gross)	0.93	acres (gross)
Density analysis:		28,235	sqm/ha (net)	122,996	sqft/ac (net)
		400	dph (gross)		
Benchmark Land Value (net)	15,444 £ per plot	6,177,500	£ per ha (net)	2,500,000	£ per acre (net)
BLV analysis:		6,177,500	£ per ha (gross)	2,500,000	£ per acre (gross)
BALANCE					
Surplus/(Deficit)		334,336	£ per ha (net)	135,304	£ per acre (net)
					125,376

Source: AspinallVerdi BETA model

Sensitivity Analysis

4.57 In addition to the above, we have also prepared a series of sensitivity scenarios for each of the typologies. This is to assist in the analysis of the viability (and particularly the viability buffer); the sensitivity of the appraisals to key variables such as planning obligations, affordable housing, BLV and profit; and to consider the impact of rising construction costs. An example of a sensitivity appraisal and how they are interpreted is shown below. Similar sensitivity tables are attached to each of our hypothetical appraisals (appended).

Figure 4.4 – Example Affordable Housing v Section 106 Sensitivity Analysis

TABLE 1		Affordable Housing - % on site 0%						
Balance (RLV - BLV £ per acre (n))	117,429	10%	15%	20%	25%	30%	35%	40%
	-	126,979	97,388	67,310	36,693	6,077	(24,540)	(55,157)
	1,000	114,482	84,892	54,380	23,763	(6,853)	(37,470)	(68,290)
Site Specific S106	2,000	101,986	72,067	41,450	10,833	(19,783)	(50,400)	(81,509)
5,500	3,000	89,489	59,137	28,520	(2,096)	(32,713)	(63,427)	(94,728)
	4,000	76,824	46,207	15,590	(15,026)	(45,643)	(76,646)	(107,947)
	5,000	63,894	33,277	2,660	(27,956)	(58,573)	(89,865)	(121,166)
	6,000	50,964	20,347	(10,270)	(40,886)	(71,783)	(103,084)	(134,385)
	7,000	38,034	7,417	(23,200)	(53,816)	(85,002)	(116,302)	(147,603)
	8,000	25,104	(5,513)	(36,130)	(66,920)	(98,220)	(129,521)	(160,822)
	9,000	12,174	(18,443)	(49,059)	(80,138)	(111,439)	(142,740)	(174,041)
	10,000	(756)	(31,373)	(62,056)	(93,357)	(124,658)	(155,959)	(187,260)
	11,000	(13,686)	(44,303)	(75,275)	(106,576)	(137,877)	(169,178)	(200,479)
	12,000	(26,616)	(57,233)	(88,494)	(119,795)	(151,096)	(182,397)	(213,698)
	13,000	(39,546)	(70,412)	(101,713)	(133,014)	(164,315)	(195,616)	(226,917)
	14,000	(52,476)	(83,631)	(114,932)	(146,233)	(177,534)	(208,835)	(240,136)

Source: AspinallVerdi

4.58 This sensitivity table shows the balance (RLV – BLV) for different combinations of Affordable Housing (AH %) across the columns and different amounts of Section 106 contributions down the rows. Thus:

- You should be able to find the appraisal balance by looking up the base case AH% (e.g., 25%) and the base case Section 106 contribution (e.g. £5,500 – between £5,000 and £6,000).
- Higher % levels of S106 contributions will reduce the 'balance' and if the balance is negative the scheme is 'not viable' for Plan Making purposes (note that it may still be viable in absolute RLV terms and viable in Plan Making terms depending on other sensitivities (e.g. BLV, Profit (see below)).
- Lower % levels of S106 contributions will increase the 'balance' and if the balance is positive then the scheme is viable in Plan Making terms.
- Similarly, higher levels of AH (%) will reduce the 'balance'.
- And, lower levels of AH (%) will increase the 'balance'.
- So, for example, one can read-across the recommended level of S106 contribution (e.g., £5,000) to the relevant affordable housing column (25%), and find that the scheme is unviable.

4.59 Please note that this appraisal is purely hypothetical.

4.60 We have carried out the following sensitivity analysis herein (see appraisals):

- Table 1 – Site Specific S106 v Affordable Housing %
- Table 2 – Profit v Affordable Housing %
- Table 3 – BLV v Affordable Housing %
- Table 3 – BLV v Affordable Housing %
- Table 4 – Density v Affordable Housing %
- Table 5 – Build Cost v Affordable Housing %
- Table 6 – Market Values v Affordable Housing %
- Table 7 – Grant v Affordable Housing %

5 Commercial Typologies

- 5.1 The commercial section of the report sets out our assumptions and results.
- 5.2 In terms of values, we append our Commercial Market Paper which reviews the existing evidence base and provides a detailed market analysis setting out how we have arrived at our assumptions (Appendix 5).
- 5.3 Our commercial appraisals for each scheme typology and sensitivity analysis are contained at Appendix 7.
- 5.4 We provide a summary of the assumptions and results below.

Existing Evidence Base

- 5.5 We have undertaken a review of Wigan Council's existing evidence base in regards to commercial and retail property. In reviewing the relevant studies, we have had regard to nuances within the Borough's commercial market itself.
 - Wigan Borough Economic Market and Employment Land Assessment, June 2024 – [Wigan Economic Market and Employment Land Assessment](#)
 - Wigan Retail and Leisure Study, July 2014 - [Retail-Leisure-Study-2014-Main-Report.pdf](#)
- 5.6 We understand that a new Retail Impact Threshold Report (November 2025) undertaken by Nexus Planning has been produced, however, this has not been assessed as part of this evidence base as it was not available when this work was undertaken.

Commercial Assumptions

- 5.7 Given the current market and the existing evidence reviewed, we have adopted assumptions for commercial property. These assumptions will form an important input for the financial viability assessment of commercial typologies.
- 5.8 We have produced a Commercial Market paper which is appended in full at Appendix 5. This provides the background to the value assumptions made in assessing the viability of the commercial and retail development typologies.
- 5.9 We have reviewed the commercial office, industrial/distribution and retail sectors in terms of planning policies and other policy research/evidence so as to see if these will impact the viability modelling assumptions.
- 5.10 At a national level, prime yield for industrial multi-lets and industrial distribution is at 5.00% according to Savills Market in Minutes, UK Commercial report (August 2025)³⁸. According to the

³⁸ [uk-commercial-market-in-minutes---august-2025.pdf](#)

CoStar Wigan Industrial Submarket Report (September 2025), the average yield in Wigan is 7.6% for all industrial properties. The Knight Frank Investment guide (August 2025) showed a yield of 6.50%-7.00% for industrial “good secondary estates” ³⁹. For the purpose of this study, we have adopted a 7.5% yield.

- 5.11 The average yield for all office properties in Wigan is 8%, alongside Knight Frank Investment Guide (August 2025) showcasing an 11% yield for Secondary, Regional Offices. Furthermore, Savills Market in Minutes August 2025 estimate a 6.75% yield for provincial offices. For the purpose of this study, we have adopted a 11% yield for office properties.
- 5.12 In the Wigan retail market, there is an overall yield of 8%, according to CoStar Wigan Retail Submarket Report. The Knight Frank Investment Guide (August 2025) reported a yield of 10.00% for “Good secondary” high street retail. For the study, we have adopted a yield of 8.5% for retail and 7% for Mixed Use Retail (Shopping Centres).

Value Assumptions

- 5.13 We set out value assumptions in Table 5.1 below. We have consulted on these assumptions with stakeholders.

Table 5.1 – Commercial & Retail Value Assumptions

Development	Rent (£/sqft)	Yield (%)
Office	£14	11%
Industrial	£8	7.5%
Retail	£18	8.5%
Mixed Use (Retail Shopping Centres)	£22	7%

Source: AspinallVerdi September 2025

- 5.14 We have applied purchaser’s costs (6.25%) to the above values.

³⁹ [Investment Yield Guide - August 2025 | Knight Frank Research](#)

Cost Assumptions

- 5.15 The development costs adopted within our appraisals are evidenced (where necessary) and set out below. We have consulted stakeholders on these assumptions, with discussions held on 14 October 2025.

Table 5.1 – Commercial & Retail Cost Assumptions

Item	Build Cost	Comments
Build Cost	Industrial (warehouses/stores)- £892 psm Office - £2,369 psm Retail (retail warehouses) - £1,003 psm Retail (mixed commercial developments)- £1,587 psm	Baseline BCIS Costs (Median Quartile) Rebased to Wigan.
Contingency	5%	Standard assumption
External Works	15%	Standard assumption
Professional Fees	7%	Standard assumption
Marketing (Investment Sale and Letting; Legal and Agents)	3%	Standard assumption
Profit (on cost)	15%	Standard assumption

Source: AspinallVerdi November 2025

Viability Results

- 5.16 Given the current emphasis on Local Plan viability (the Council is not currently progressing CIL proposals) we have carried out sensitivity analysis on a £ per square metre basis to test viability for completeness. There are no specific Local Plan policies relating to commercial and retail development which will have a direct impact on viability and the Council will continue to support economic growth and development in the borough.
- 5.17 For each of the typologies we have:
- obtained the BCIS median construction costs
 - external works,
 - contingency,
 - professional fees,

- marketing and
 - profit (at 15% on cost)
- 5.18 This gives gross cost £ per square metre excluding land assembly and interest/finance costs.
- 5.19 We have then calculated the investment value of the typologies on a similar £ per square metre basis to establish whether this is greater than the costs (to allow for land acquisition). We have also carried out sensitivity analysis (see Commercial market paper – Appendix 5) for changes to rent and yield.

Industrial

- 5.20 Based on the above value assumptions we calculate the capital value of this typology to be £918 psm.
- 5.21 We calculate that the total gross cost of this industrial scenario is £1,333 psm. This is based on BCIS median construction costs, plus external works, contingency, professional fees, marketing and profit (at 15% on cost) – before land value.
- 5.22 The gross development value (£918 psm) is c.£415 psm lower than the total costs psm of £1,333 psm. This indicates that without accounting for the price of the land and any potential S106 costs the proposed development is not viable. The inclusion of further costs will likely strain development to the point of it being unattractive to developers.
- 5.23 The sensitivity analysis in Appendix 7 shows the ‘upside’ of increasing rents and reducing yields. However, viability is still challenging and dependent upon covenant strength, location, land acquisition price, site specific constraints and driving construction costs down.

Office

- 5.24 Similarly, we calculate the capital value for the out-of-town office typology to be £1,147 psm.
- 5.25 We calculate that the total gross cost of this industrial scenario is £3,541 psm. This is based on BCIS median construction costs, plus external works, contingency, professional fees, marketing and profit (at 15% on cost) – before land value.
- 5.26 The gross development value (£1,147 psm) is c.£2,394 psm lower than the total costs psm of £3,541 psm. This indicates that without accounting for the price of the land and any potential S106 costs the proposed development is not viable. The inclusion of further costs will likely undermine development to the point of it being unattractive to developers.
- 5.27 Similar comments apply in terms of the upside due to location, covenant strength etc as for the industrial typology.

Retail

- 5.28 In this case the cost £ per square metre is less than the capital value and is therefore viable.
- 5.29 We calculate the capital value of this typology to be £1,962 psm. This is based upon:
- Rent - £18.00 psf
 - Yield – 8.50%
 - Rent Free / Void Period (months) – 12
- 5.30 The capital cost of the comparison retail typology equates to £1,499 psm including BCIS median construction costs, plus external works, contingency, professional fees, marketing and profit (at 15% on cost).
- 5.31 It should be noted that this cost reflects that for retail warehouses, as we believe that any new retail development will likely be on out-of-town retail parks. Given the often-complex nature and of town centre retail developments, construction costs are considerably increased and with greater variety dependant on location and site characteristics.
- 5.32 The gross development value of the scheme (£1,962 psm) is c.£463 psm higher than the total costs psm of the scheme £1,499 psm, and is therefore viable. However, this does not include land value or any other costs of site assembly, stamp duty, feasibility and/or S106/S278 costs etc.
- 5.33 This indicates that, without accounting for the price of the land and any potential S106 costs, this retail development scenario is viable but we expect the inclusion of further costs will likely strain development to the point of it being unviable/unattractive to developers.
- 5.34 The sensitivity analysis shows both the ‘upside’ and ‘downside’ of increasing rents and reducing yields. However, viability is still challenging and dependent upon covenant strength, location, land acquisition price, site specific constraints and driving construction costs down.

Retail (Mixed Use)

- 5.35 We calculate the capital value of this typology to be £2,961 psm. This is based upon:
- Rent - £22 psf
 - Yield – 7%
 - Rent Free / Void Period (months) – 12 (as we expect such typologies are unlikely to be speculatively built and rather would have a tenant lined up).
- 5.36 The capital cost of the convenience retail typology equates to £2,372 psm including BCIS median construction costs, plus external works, contingency, professional fees, marketing and profit (at 15% on cost).
- 5.37 The gross development value of the scheme (£2,961 psm) is c.£589 psm higher than the total costs psm of the scheme £2,372 psm and is therefore viable. However, this does not include land value or any other costs of site assembly, stamp duty, feasibility and/or S106/S278 costs etc.

This indicates that, without accounting for the price of the land and any potential S106 costs, this office development scenario is viable but we expect the inclusion of further costs will likely strain development to the point of it being unviable/unattractive to developers.

- 5.38 The sensitivity analysis shows both the 'upside' and 'downside' of increasing rents and reducing yields. However, viability is still challenging and dependent upon covenant strength, location, land acquisition price, site specific constraints and driving construction costs down.

6 Residential Typologies

- 6.1 The residential section of the report sets out our assumptions and results in respect of the general needs residential typologies (see Appendix 2).
- 6.2 In terms of values, we append our Residential Market Paper which reviews the existing evidence base and provides a detailed market analysis setting out how we have arrived at our assumptions (Appendix 3).
- 6.3 We also append our Land Market Paper which reviews the evidence base and assumptions in respect of Benchmark Land Values (BLV). (Appendix 4).
- 6.4 Our detailed residential appraisals for each site and scheme typology and sensitivity analysis are contained at Appendix 7.
- 6.5 We provide a summary of the assumptions and results below.

Existing Evidence Base

- 6.6 We have undertaken a review of the existing evidence base which comprises the following studies. This is to provide a baseline of assumptions for us to build-upon.
- 6.7 Existing evidence reviewed:
 - Wigan Council – Local Housing Needs Assessment, October 2024
 - Wigan Council – Strategic Housing Land Availability Assessment (Update) April 2024

Residential Typology Assumptions

- 6.8 We have developed a comprehensive set of Typologies to appraise. These comprise specific Site (e.g., greenfield / brownfield / Green Belt) and Scheme typologies (e.g., number of units, estate housing, flats etc.)
- 6.9 The detailed Typologies Matrix is contained in Appendix 2.
- 6.10 The Typologies Matrix has been developed to provide a representative sample of sites and schemes that are likely to come forward in Wigan over the Plan period. The Typologies Matrix is derived from:
 - Maximum number of units allocated to a site
 - Analysis of the typical size and capacity;
 - Density assumptions from the Wigan Borough Local Plan;
 - Assessment of those sites which are greenfield, brownfield and Green Belt;
 - We have allowed for typologies in the high / medium / lower value zones as identified in our housing market research.

- Market and affordable housing mixes derived from Wigan's Local Housing Needs Assessment, October 2024.
- 6.11 The detailed typologies are set out in the matrix appended (see Appendix 2).
- 6.12 There are a number of assumptions within the Typologies Matrix which are evidenced below.

Number of Units

- 6.13 The typologies have been formulated with Wigan Council to reflect the nature of sites within the borough's housing land supply, including the proposed housing allocations, in terms of size (number of units and density), greenfield / brownfield / Green Belt and location, taking into consideration the housing value zones set out below.

Mix

- 6.14 The Wigan LHNA (2024) recommended the following housing mix in terms of number of beds and property type, depending upon housing tenure.

Table 6.1 – Wigan Suggested Housing Mix

Number of bedrooms	All tenures %	Owned %	Rented: Social rented %	Rented: Private rented or lives rent free %
1 bedroom	6.9%	1.1%	27.0%	10.1%
2 bedrooms	28.2%	22.7%	32.4%	46.8%
3 bedrooms	49.6%	55.2%	38.4%	37.9%
4 or more bedrooms	15.3%	21.0%	2.2%	5.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: Wigan LHNA 2024

- 6.15 This has informed the starting point for the housing mix shown in our Typologies Matrix.
- 6.16 Please see the Typologies Matrix for the specific mix assumed for each typology (Appendix 2).

Unit Size Assumptions

- 6.17 We have adapted floor areas after consideration of the NDSS and feedback from our stakeholder consultation.
- 6.18 For the purposes of our appraisals, we have ensured that our assumptions meet or exceed the Nationally Described Space Standards by DLUHC as required by local policy (see Table 6.2).

Table 6.2 – Nationally Described Space Standards

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) ²			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

Source: Technical housing standards – Nationally Described Space Standard (March 2015)

- 6.19 The DLUHC standards are a matrix and therefore we have had to make assumptions from this, and these are summarised in Table 6.3 below. This has been established by cross-referencing the DLUHC standards with our sales values evidence for new-builds. There is some ambiguity with this due to the fact that the Land Registry does not specify the number of beds in a property. However, these assumptions have been consulted upon with stakeholders.

Table 6.3 – Floorspace Assumptions

Property Type	Floor Area (Sqm)
1 Bed Apartment	50
2 Bed Apartment	62
2 Bed House	70
3 Bed House	102
4+ Bed House	130

Source: AspinallVerdi September 2025

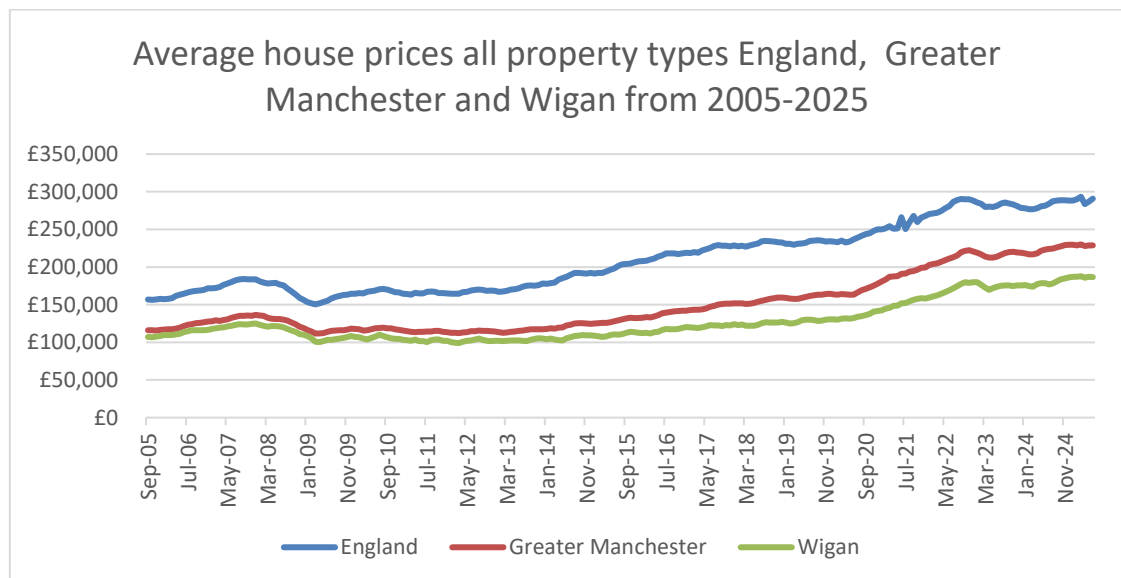
Density

- 6.20 The Typologies Matrix (see Appendix 2) sets out our density assumptions specific to each typology.
- 6.21 Wigan Council asked us to set a density of 35 dph for all value zones on all land types across all unit schemes. This assumption is consistent with the density requirements set in PfE Policy JP-H4.

Housing Value Zones

- 6.22 We have carried out comprehensive market research which is set out in our Residential Market Paper (Appendix 3).
- 6.23 This includes a wider UK and Regional market overview; details for the existing evidence base on residential sales values; our own market research in respect of new build achieved values; new build asking prices; second-hand achieved values; site-specific viability assessments etc.
- 6.24 Working with Wigan Council we have developed a Housing Value Zones map comprising higher, higher-medium, low-medium and lower value areas together with market value and affordable housing transfer value assumptions. Stakeholders were consulted regarding these assumptions in October 2025.
- 6.25 By way of context Figure 6.4 shows the average house prices in the period 2005-2025 across Wigan Borough, Greater Manchester and England. The chart shows that the values in Wigan are lower than England and Greater Manchester. The chart also shows the price fall in 2008 following the Global Financial Crisis (GFC), but that prices have now generally recovered to their pre-crash levels.

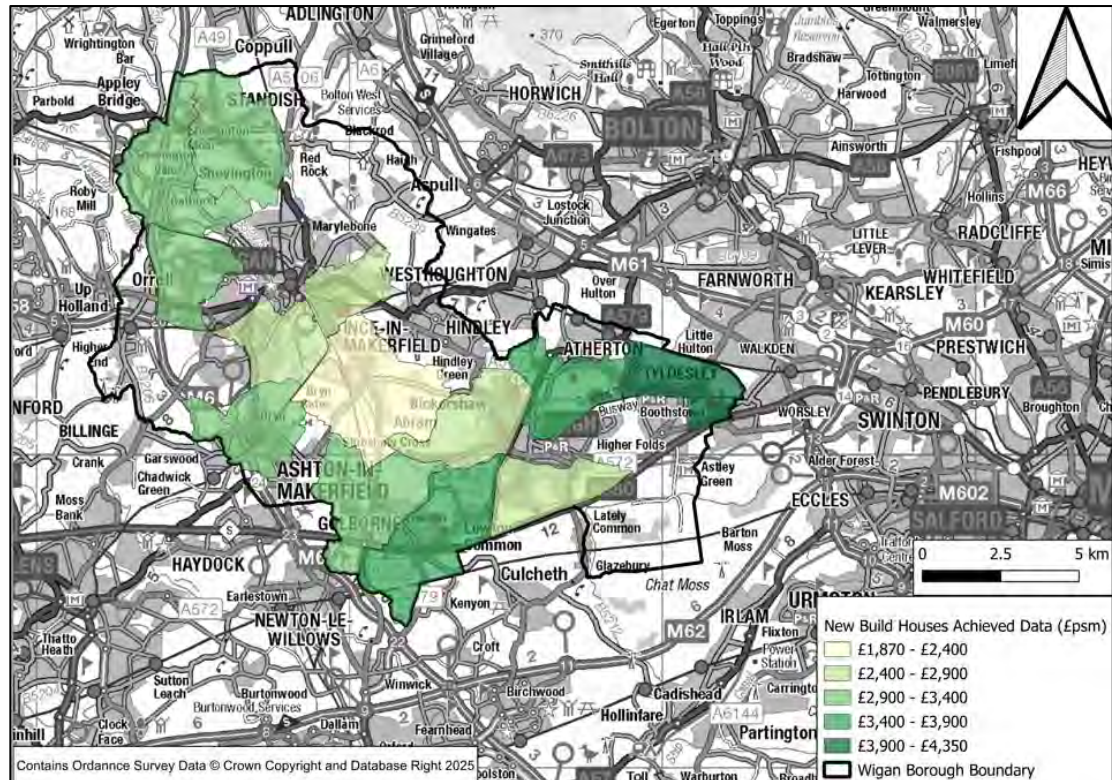
Figure 6.4 – Average House Prices 2005-2025



Source: UK house price index, September 2025

- 6.26 Figure 6.5 below illustrates the average achieved values for new build houses across Wigan by ward on a £ psf basis.

Figure 6.5 – New Build Houses Achieved Data – (Average £ psm) 2023 - 2025



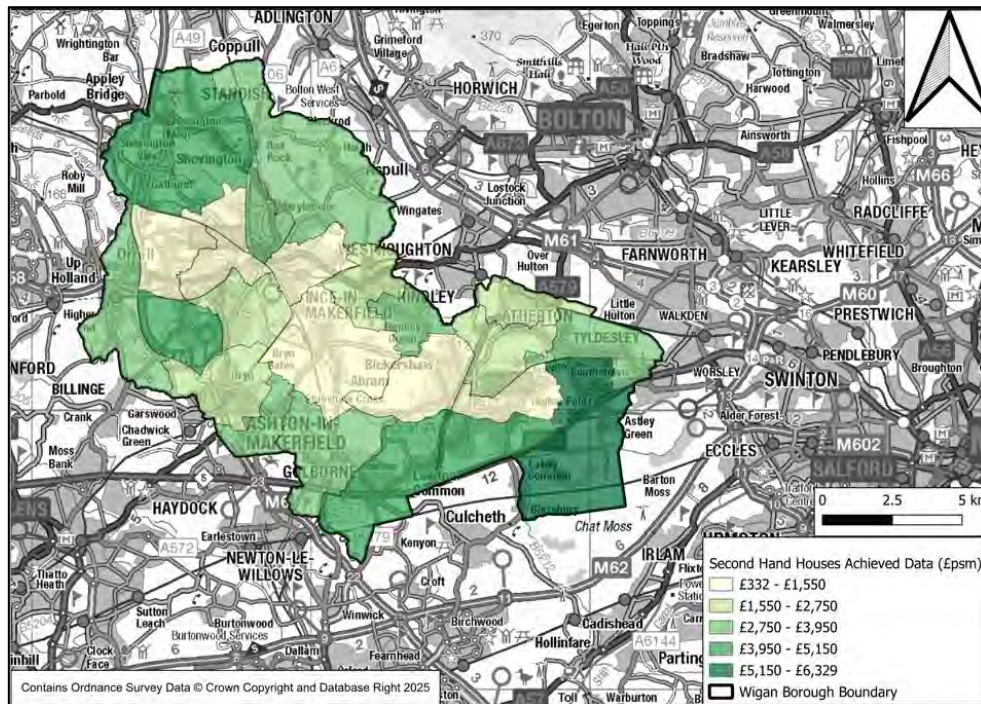
Source: AspinallVerdi (QGIS, September 2025)

- 6.27 The map in Figure 6.5 shows the range of achieved values for new build houses across the borough. From this, it can be seen that Abram ward exhibits the lowest values, whilst Tyldesley & Mosley Common wards show the highest values.
- 6.28 Our search of the Land Registry data identified c. 526 no. transactions for new-build houses within the borough. Due to the limited number and locations of the transactions, we note that there is no data for a large part of the borough; including the following;
- Ashton-in-Makerfield South
 - Aspull, New Springs and Whelley
 - Astley
 - Atherton North
 - Douglas
 - Hindley Green
 - Hindley
 - Leigh Central and Higher Folds
 - Orrell
 - Wigan Central

- Wigan West
- Winstanley

6.29 To strengthen our dataset and provide a comprehensive spatial analysis of values, we have also evaluated second-hand transactions within Wigan.

Figure 6.6 – Second Hand Houses Achieved Data - (Average £ psm)



Source: AspinallVerdi (QGIS, September 2025)

6.30 The lower-value wards are listed below with values ranging between £332 - £1,550 psm:

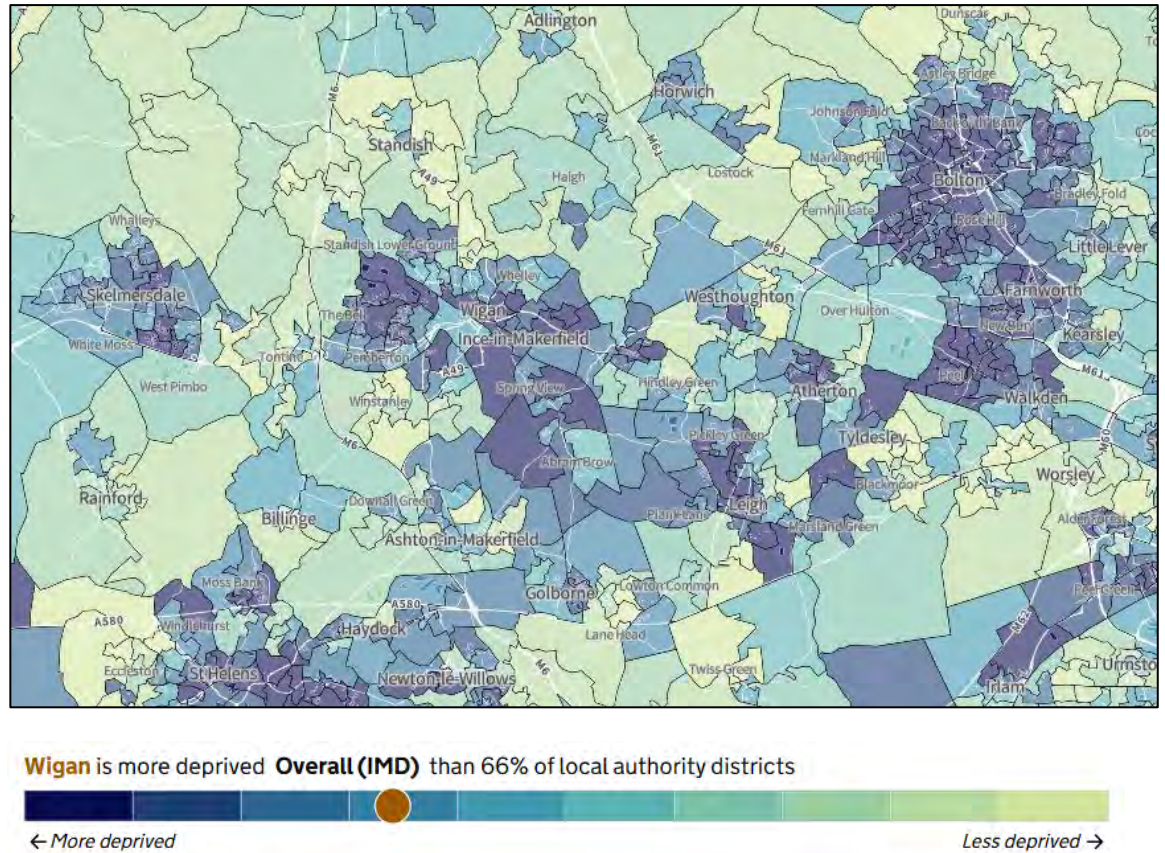
- Leigh Central & Higher Folds
- Leigh West
- Abram
- Ince
- Douglas
- Pemberton
- Wigan West

6.31 The low-medium wards are listed below with values ranging between £1,550 - £2,750 psm:

- Bryn with Ashton-in-Makerfield North
- Worsley Mesnes
- Hindley
- Atherton South & Lilford
- Atherton North

- 6.32 The medium value wards are listed below with values ranging between £2,750 - £3,950 psm:
- Tyldesley & Mosley Common
 - Hindley Green
 - Aspull, New Springs & Whelley
 - Wigan Central
 - Orrell
 - Ashton-in-Makerfield South
 - Golborne & Lowton West
- 6.33 The medium to high value zones are listed below with values ranging between £3,950 - £5,150
- Lowton East
 - Leigh South
 - Winstanley
 - Shevington with Lower Ground & Moor
 - Standish with Langtree
- 6.34 The higher-value ward is listed below with values ranging between £5,150 - £6,329 psm:
- Astley
- 6.35 We have also prepared these maps for second-hand achieved flats that can be found within the residential market paper (Appendix 3).
- 6.36 When preparing our Housing Value Zones, we have also had regard to the Index of Multiple Deprivation (IMD). The IMD provides a metric for which multiple datapoints, such as average income, health, education, crime, unemployment etc., are all amalgamated into a single rating which shows the level of deprivation that an area is experiencing, this is illustrated on a map (See Figure 6.7).

Figure 6.7 – Index of Multiple Deprivation Map for Wigan

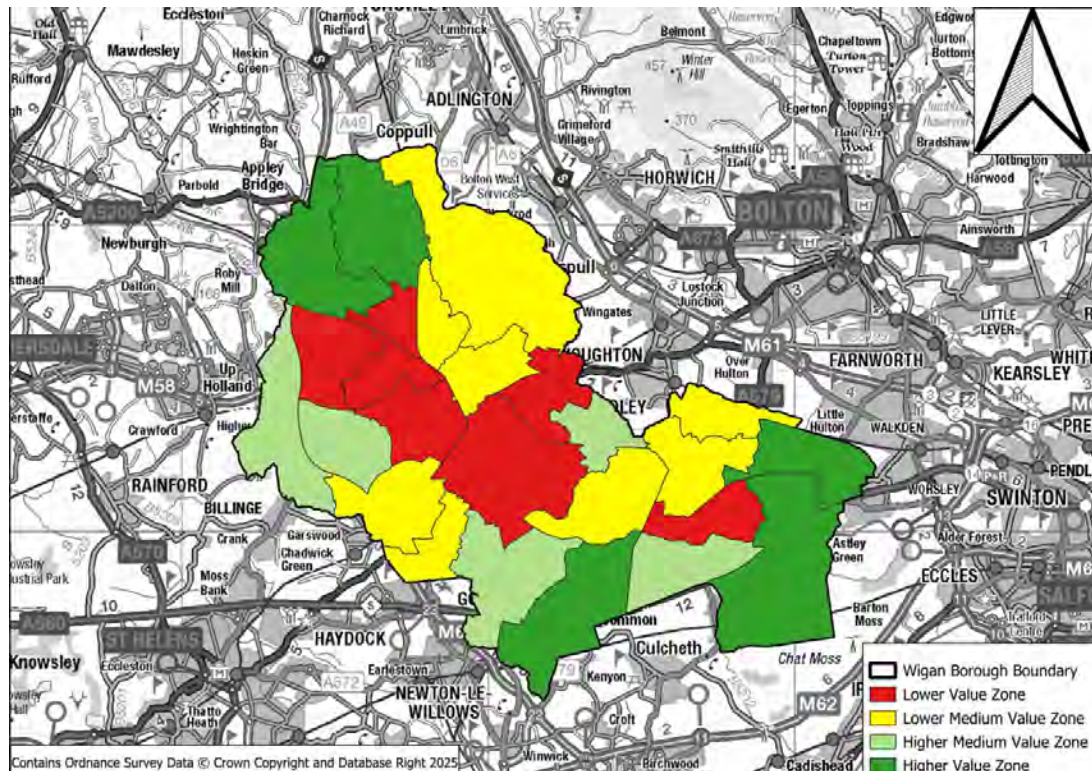


Source: Index of Multiple Deprivation (2025)

- 6.37 Although this is not a direct comparison to housing values, it is a very good proxy. In our experience, higher values tend to be found in areas of least deprivation and values are lower in areas where there is greatest deprivation. This IMD map is therefore a good proxy for the Housing Zones Map.
- 6.38 In order to derive our Housing Market Zones, we have had regard to:
- Existing evidence base, particularly the heat maps and choropleth maps within previous market research;
 - Current new-build achieved values;
 - Second-hand achieved values; and
 - The index of multiple deprivation.
 - Feedback from consultation with local stakeholders, including Wigan Council officers.
- 6.39 Figure 6.8 shows the result of our analysis of the data listed above. We set out four value zones in this map. These are the 'lower', 'low-medium', 'higher-medium' and 'higher' value zones –

which mapped on a ward basis across Wigan. This forms the basis of our Typologies Matrix with which we have modelled different site typologies (e.g., greenfield, brownfield and Green Belt) together with current policy requirements (i.e., Affordable Housing and S106) with a view for future alignment.

Figure 6.8 – Overall Housing Market Value Zones



Source: AspinallVerdi, QGIS December 2025

- 6.40 The aim is to produce a map that is evidence based and transparent; and logical for ease of implementation. It will never be perfect. There may be a particularly high value scheme in a lower value area and vice-versa depending on particular local and site circumstances.
- 6.41 Table 6.8 below sets out the wards within each value zone.

Table 6.8 – Table of Value Zones

Low Value Zone	Low-Medium Value Zone	Medium-High Value Zone	High Value Zone
Abram	Ashton-in-Makerfield South	Golborne & Lowton West	Astley
Douglas	Aspull, New Springs & Whelley	Hindley Green	Lowton East
Hindley	Atherton North	Leigh South	Shevington with Lower Ground & Moor
Leigh Central & Higher Folds	Atherton South & Lilford	Orrell	Standish with Langtree
Pemberton	Ince	Winstanley	Tyldesley & Mosley Common
Wigan West	Leigh West		
Worsley Mesnes	Wigan Central		

Source: AspinallVerdi, December 2025

Residential Value Assumptions

- 6.42 The residential market paper (see Appendix 3) provides the background to the market housing value assumptions shown in the table below.
- 6.43 Our value assumptions have had regard to both new-build achieved values and asking prices. The achieved values provide a benchmark for the assumptions whilst the asking prices allow us to 'sense check' our assumptions. We are mindful that they are often aspirational and therefore the asking prices aren't always achieved.
- 6.44 For the purposes of our area wide viability assessment, we have applied the following values and floor areas within our financial appraisals.
- 6.45 Table 6.9 summarises our assumptions for Absolute Market Values within the 4 defined value areas.

Table 6.9 – Absolute Market Value Assumptions (£)

Unit Type	Floor Area sqm	Lower Value	Low Medium Value	High Medium Value	Higher Value
1 Bed Apartment	50	£125,000	£130,000	£140,000	£145,000
2 Bed Apartment	62	£140,000	£145,000	£155,000	£160,000
2 Bed House	70	£220,000	£245,000	£260,000	£285,000
3 Bed House	102	£310,000	£330,000	£350,000	£365,000
4+ Bed House	130	£395,000	£425,000	£445,000	£480,000

Source: 251103 Wigan Value Assumptions v0.2

Table 6.10 summarises our assumptions for £ per square metre values within the 4 defined value areas.

Table 6.10 – £ psm Value Assumptions

Unit Type	Floor Area sqm	Lower Value	Low-medium Value	Higher-medium Value	Higher Value
1 Bed Apartment	50	£2,500	£2,600	£2,800	£2,900
2 Bed Apartment	62	£2,258	£2,339	£2,500	£2,581
2 Bed House	70	£3,143	£3,500	£3,714	£4,071

3 Bed House	102	£3,039	£3,235	£3,431	£3,578
4+ Bed House	130	£3,038	£3,269	£3,423	£3,692

Source: 251103 Wigan Value Assumptions v0.2

- 6.46 The above values have been the subject of stakeholder consultation on 14th October 2025.
- 6.47 The rental values for the affordable housing units are derived from the above values and calculated within the appraisals which can be found in Appendix 7.

Transfer Values

- 6.48 For the purposes of our appraisals, we have assumed the following Transfer Values for affordable housing.

Table 6.11 – Affordable Housing Transfer Values

Tenure	AH Tenure Mix	AH Value (% of MV)
Affordable Rent	30%	70%
Social Rent	45%	50%
Shared Ownership	25%	70%

Source: Wigan Council LHNA, 2024

- 6.49 These figures have been provided in consultation with the relevant housing teams at Wigan Council. The Transfer Values have also been the subject of stakeholder consultation on 14th October 2025.

Residential Cost Assumptions

- 6.50 The development costs adopted within our appraisals are evidenced (where necessary) and set out below. Note that we consulted with stakeholders on the assumptions at the workshop and we have updated these assumptions to reflect the feedback. The stakeholder consultation presentation is included in Appendix 6.

Initial Payments

- 6.51 Table 6.12 sets out our initial development cost assumptions. These are generally payments in respect of site feasibility and planning prior to start-on-site.

Table 6.12 – Initial Payments Cost Assumptions

Item	Baseline Assumption
Statutory Planning Fees	Based on national formula.
Planning Application Professional Fees and Reports	Allowance for typology, generally 3 times statutory planning fees.

S106 / CIL Cost Assumptions

6.52 Table 6.13 sets out our cost assumptions in respect of S106. Wigan do not have a CIL; therefore, a charge is not included. These are also set out explicitly for each typology on the Typologies Matrix (Appendix 2).

Table 6.13 – S106 / Cost Assumptions

Item	Baseline Assumption
S106	We have assumed a S106 cost of £5,500 per unit. This is in line with the Greater Manchester Spatial Framework, Strategic Viability Report Stage 1 (September 2020) which assumed a £5,250 per unit S106. We have added an uplift to this cost, to account for the timeframe of the plan period. The S106 costs cover the following listed below: • Combined Sport/Play/Open Space • Education • Health and Community Facilities • Transport • Legal/Monitoring

Construction Cost Assumptions

6.53 Table 6.14 sets out our construction cost assumptions for residential typologies.

Table 6.14 – Construction Cost Assumptions

Item	Baseline Assumption	Comments
Site Clearance, Demolition & Remediation	£123,550 per hectare (£50,000 per acre)	Brownfield site clearance / remediation allowance (as for local plan viability)
Biodiversity Net Gain	£242 per home Brownfield typologies £1,137 per home Greenfield and Green Belt typologies	DEFRA Biodiversity net gain and local nature recovery strategies Impact Assessment 15/10/2019 (Tables 16 and 17) (North West Figures)

Item	Baseline Assumption	Comments
Estate Housing (General)	£1,710 psm	Median BCIS, Wigan (last 5 years) We have used median BCIS cost in our baseline assumptions for all of the schemes.
Flats 6+ Storey	£2,522 psm	Median BCIS, Wigan (last 5 years). Used for Build to Rent typology only
Supported housing generally	£2,260	Median BCIS, Wigan (last 5 years). Used for specialist accommodation.
External Works	15%	Inc. SUDs / drainage; estate roads etc. 10% external works has been applied to the Build to Rent and specialist accommodation appraisals.
Category M4(2) (Mkt. Housing)	£1,400 per unit	100% of units. DCLG housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157. All new dwellings should meet the requirements of Building Regulations Part M4(2) dwelling standard (Accessible and Adaptable Dwellings)
Category M4(3) (Mkt. Housing)	£15,691 per unit (Flats) £26,816 per unit (Houses) 4% of units on major development sites	Housing Standards Review EC Harris Wheelchair Housing Design Guide
EV Charging	£1,000 per unit house £2,500 per 4 flats	From HM Government (Department for Transport), Electric Vehicle Charging in Residential and Non-Residential Building, July 2019
Contingency	Greenfield / Green Belt 3% Brownfield 5%	Greenfield / Brownfield /Green Belt

6.54 The above costs are considered to be 'worst-case' scenario. Many of the assumptions are considered to be cumulatively negative and there is scope for some flexibility and pragmatism to the application of the policies in the Plan. For example, the worst-case scenario appraisals do not take into account the growth in values created by local energy homes and new markets as a

result of regeneration masterplans. Neither do they take into account construction cost savings as new low-carbon/energy building technologies become embedded in the construction sector.

Other Cost Assumptions

6.55 Table 6.15 sets out the remaining fees and marketing cost assumptions for residential typologies.

Table 6.15 – Other Cost Assumptions

Item	Baseline Assumption	Comments
Professional Fees	7%	of construction cost
OMS Marketing and Promotion	3%	for sales discounts and incentives
Investment Sale Agent	1%	% of GDV
Investment Sale Legal	0.50%	% of GDV
Sales Agent	1%	% of OMS GDV
Sales Legal	0.25%	% of OMS GDV
AH Legal	£10,000	
Debit Interest	7%	Applies to 100% of cashflow to include Finance Fees etc.

6.56 All of the above costs have been the subject of stakeholder consultation on the 14th October 2025.

Profit Assumptions

6.57 We have adopted a baseline profit of 20% on the Gross Development Value of the open market sale housing (OMS) – with a sensitivity analysis which shows the impact of profit between 15-20%. This is consistent with the PPG (May 2019) which refers to profit of 15-20%⁴⁰ being *‘considered a suitable return to developers in order to establish the viability of plan policies.’*

6.58 Our baseline assumption of 20% profit is at the top end of the range and we have included sensitivities down to 15% profit within the appraisals. However, we consider this to be a generous margin and allows for ‘buffer’ in addition to the contingency allowance (3% - 5% included).

⁴⁰ Paragraph: 018 Reference ID: 10-018-201 90509, Revision date: 09 05 2019

- 6.59 For the affordable tenure types, we have used 6% profit on value (where applicable). This is considered to be an industry accepted standard and the PPG states a lower percentage than 15-20% is more appropriate for affordable housing as it carries less risk when there is a guaranteed, known end value⁴¹.
- 6.60 It is important to note that it is good practice for policy obligations not to be set right up to the margins of viability. However, in certain circumstances developers will agree lower profit margins in order to secure planning permission and generate turnover. The sensitivity analyses within the appendices show the 'balance' (i.e., RLV – BLV) for developer's profit from 20% on private housing down to 15%. This clearly shows the significant impact of profit on viability (especially for larger schemes).

Residential Land Value Assumptions

- 6.61 The Land Market paper (see Appendix 4) sets out our approach and analysis of available evidence. Within this section we outline the key assumptions around residential land values. Our benchmark land value (BLV) assumptions are set out below. Land value is one of the key variables (together with profit) which determines the viability and deliverability or otherwise of a scheme.
- 6.62 Within the revised NPPF government policy has changed to ensure that planning policies are tested and viable at a Plan level; the developer has planning certainty to agree the land price with the landowner; and the scheme is delivered on a policy compliant basis.
- 6.63 For greenfield typologies we adopt a bottom-up approach based on the net value per acre / hectare for agricultural land (existing use value (EUV)). This EUV is 'grossed up' to reflect a net developable to gross site area ratio.
- 6.64 For the Green Belt typologies, we have adopted the same approach to the EUV, but we have adopted a lower multiplier to reflect the challenges that come with developing on Green Belt land.
- 6.65 The evidence that we have gathered to support the following assumptions can be found in our Land Paper attached as Appendix 4.
- 6.66 These are the benchmark values that we would assume for the purpose of our hypothetical viability appraisals, and they act as the benchmark to test the RLV's of schemes to determine whether sites would come forward for development. Please see the BLV Caveats section (at the end of chapter 4) with respect to site-specific negotiations and premiums.
- 6.67 For the residential typologies on brownfield land, the benchmark land value is based on comparable evidence of sales for brownfield land. Note that EUVs for brownfield sites are

⁴¹ Paragraph: 018 Reference ID: 10-018-20190509, Revision date: 09 05 2019

sensitive to the particular use (i.e. the EUV could be lower if the site is not in an existing lawful use for industrial / commercial) and any legacy costs of contamination, site remediation and demolition.

Table 6.16 – Benchmark Land Value Assumptions

Typology	Location	Greenfield /Brownfield	EUV -					Uplift Multiplier	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		(per acre) (net developable) (rounded)	(per ha) (net developable) (rounded)
Residential	Low Value Area	Greenfield	£12,000	£29,652	80%	£15,000	£37,065	10.0	£150,000	£370,650
Residential	Medium Value Area	Greenfield	£12,000	£29,652	80%	£15,000	£37,065	12.5	£187,500	£463,313
Residential	High Value Area	Greenfield	£12,000	£29,652	80%	£15,000	£37,065	15.0	£225,000	£555,975
Residential	Low Value Area	Brownfield	£250,000	£617,750	100%	£250,000	£617,750	5.00%	£262,500	£648,638
Residential	Medium Value Area	Brownfield	£250,000	£617,750	100%	£250,000	£617,750	7.50%	£268,750	£664,081
Residential	High Value Area	Brownfield	£250,000	£617,750	100%	£250,000	£617,750	10.00%	£275,000	£679,525
Commercial	All Areas	Brownfield	£325,000	£803,075	100%	£325,000	£803,075	5.0%	£341,250	£843,229
Residential	All Areas	Green Belt	£12,000	£29,652	80%	£15,000	£37,065	5.0	£75,000	£185,325

Source: AspinallVerdi September 2025

6.68 Table 6.16 above outlines the benchmark land values for all typologies, in per acre and absolute terms. These were the subject of stakeholder consultation in October 2025.

- 6.69 Part of the planning process is to access 'land value capture' for the provision of infrastructure, affordable housing and other policy objectives e.g. climate change. It may be that landowners do have to accept lower land values in order to deliver the required objectives (in the absence of other funding opportunities).
- 6.70 It is recognised that landowners do need to achieve a premium to sell their land for development (particularly in the context of high value brownfield land in the city centre), but it must also be recognised that there are a range of motivations for selling – including forced sellers when a bank forecloses and/or where redundant sites become liabilities. This does enable some opportunities for land to be acquired at below the above headline BLVs.

7 Older Persons Housing Typologies

- 7.1 This section sets out our specific assumptions and appraisal results in respect of older persons' housing where these are different to the general housing needs.

Specialist Accommodation for Older People Defined

- 7.2 There is a separate section of the PPG to help guide Councils in preparing policies on housing for older and disabled people (published 26 June 2019). The PPG recognises the necessity to plan for the housing needs of disabled people:

'The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in helping them to live safe and independent lives. Unsuitable or unadapted housing can have a negative impact on disabled people and their carers. It can lead to mobility problems inside and outside the home, poorer mental health and a lack of employment opportunities. Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives. Without accessible and adaptable housing, disabled people risk facing discrimination and disadvantage in housing. An ageing population will see the numbers of disabled people continuing to increase and it is important we plan early to meet their needs throughout their lifetime'⁴².

- 7.3 The PPG recognises the diversity of specialist housing including:

- Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.
- Retirement living or sheltered housing: This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.
- Extra care housing or housing-with-care: This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

⁴² MHCLG, 26 June 2019, Paragraph: 002 Reference ID: 63-002-20190626

- Residential care homes and nursing homes: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.
- 7.4 The PPG states that:
- ‘There is a significant amount of variability in the types of specialist housing for older people. The list above provides an indication of the different types of housing available but is not definitive. Any single development may contain a range of different types of specialist housing.’⁴³*
- 7.5 In this respect we have appraised generic retirement living / sheltered housing schemes typically delivered by developers such as McCarthy & Stone or Churchill retirement living.
- 7.6 We set out below the existing evidence base in respect of Older Persons housing.

Existing Evidence Base

- 7.7 We have reviewed the existing evidence base to formulate our assumptions and understanding of older person housing provision in Wigan. This is outlined below.

Wigan LHNA (October 2024)

- 7.8 Much of the market analysis and commentary on the private residential market is equally as applicable to supported living. Consistent with national trends, Wigan has an ageing population. The key comments are summarised below:
- 7.9 There are currently around 4,904 units of specialist older persons’ accommodation comprising 2,291 specialist older accommodation units (Use Class C3), 401 Extra Care units (Use Class C2), and 2,212 residential care bedspaces (Use Class C2).
- 7.10 Over the next few decades, there will be a marked increase in the number and proportion of older residents. The population aged 65+ years is expected to increase by 29.2% from 65,776 in 2023 to 84,974 in 2041. This age category is expected to be the largest increase out of the population.
- 7.11 There is a modelled need for 8,387 more units of accommodation for older people by 2041. This includes sheltered/retirement, Extra Care, co-housing, and residential care and need is usually considered with reference to planning use classes. In the context of older persons accommodation, C2 relates to residential accommodation providing care such as a nursing or care home; C3 relates to houses, flats and bungalows that are built specifically for older people and can include sheltered and retirement accommodation.

⁴³ Ibid, Paragraph: 010 Reference ID: 63-015-20190626

- 7.12 It is estimated there is a need for 6,284 additional C3 dwelling units over the period 2023 to 2041 or 349 each year, a need for 1,528 C2 Extra Care units or 85 each year, and 575 C2 residential care bedspaces or 32 each year.
- 7.13 Based on an assessment of additional needs and longer-term demographics, 3.6% of new dwellings (35 each year) should be built to M4(3) wheelchair accessible standard and all other new dwellings should be built to M4(2) accessible and adaptable standard, which would include bungalows/level access accommodation.

Housing Market Value Zones

- 7.14 For the purposes of our appraisals, we have assessed Older Persons' typologies on Brownfield, Greenfield and Green Belt sites within the lower value zone only. This represents the most challenging value environment in the borough and therefore provides a robust "worst-case" basis for viability testing.
- 7.15 Values increase across the low-medium, higher-medium and higher value zones and, all else being equal, this would be expected to support improved viability for older persons' accommodation in those locations. The decision to focus testing on the lower value zone is therefore intended to establish the viability position under the most constrained market conditions, rather than to imply that older person's housing would perform in the same way across all value areas. Testing higher value zones would be likely to produce more positive outcomes and would add limited additional insight into the minimum viability position across the borough.
- 7.16 In practice, the viability of older persons housing is influenced by a range of interrelated factors beyond headline residential values. While build costs are typically higher than for standard residential development due to increased space standards, enhanced specifications, communal areas and servicing requirements, these costs can be partially or wholly offset in stronger market locations. Higher sales values and rental levels, increased demand, improved absorption rates, and greater flexibility in tenure and operator models can all contribute to improved scheme performance. In addition, higher value areas may be better able to support mixed-tenure approaches, cross-subsidy from market housing, or alternative forms of older persons accommodation, such as extra care or later living schemes, which can further enhance viability.
- 7.17 Sensitivity testing has been undertaken to demonstrate how changes in market values of up to plus or minus 20 percent affect viability outcomes. This testing illustrates that, while older persons housing is not viable within the lower value zone under current assumptions, increases in value materially improve scheme performance. The results therefore suggest that older persons housing is more likely to be deliverable in higher value zones or where site-specific circumstances allow for stronger values, reduced costs, or greater flexibility in policy requirements.

Affordable Housing

- 7.18 In line with the emerging policies, we have tested older persons' affordable housing at 25% Affordable Housing for brownfield and greenfield and 50% for Green Belt. The tenure mix is as follows:
- o Affordable rent – 30%
 - o Social rent – 45%
 - o Intermediate – 25%

Older Persons Typology Assumptions

- 7.19 It is assumed that older person's specialist accommodation is delivered as flatted development.
- 7.20 Table 7.1 outlines our typology assumptions for older persons' housing. Note that we have appraised brownfield, greenfield and Green Belt typologies.

Table 7.1 – Typology assumptions for Older Persons' Housing

	Older Persons' Housing
Number of Units	50
Development Density (dph)	100
1 Bed Unit Mix	50%
2 Bed Unit Mix	50%
Non-chargeable communal space (net-to-gross ratio)	75%

Source: AspinallVerdi, November 2025

- 7.21 As there were no new build retirement properties on the market, we have based our assumptions on the market value of new build flats within the lower value zones. To reflect that values for retirement properties are typically higher, we have added a 10% premium. We have then taken into consideration the limited amount of second-hand asking prices available to cross check our specialist accommodation assumptions. See Table 7.2 below.

Table 7.2 – Retirement Living / Sheltered Housing Value Assumptions

No. of Beds	Unit Price including 10% premium	Floor Area (sqm)	Price psm
-------------	----------------------------------	------------------	-----------

1-Bedroom	£137,500	50	£2,750
2-Bedroom	£154,000	62	£2,483

Source: AspinallVerdi (November 2025)

- 7.22 The older persons appraisals assume a 25% affordable housing requirement, with the same split of affordable rent (30%), social rent (45%) and shared ownership/intermediate (25%).

Older Persons Cost Assumptions

- 7.23 Table 7.3 outlines the cost assumptions (where different from general needs housing).

Table 7.3 – Older persons accommodation Cost Assumptions

Typologies	Build Cost	Comments
“Supported Housing Generally”	£2,260 psm	Median BCIS – Supported Housing Generally (Rebased to Wigan, last 5 years)
External Works	+10%	These schemes generally have fewer external areas (e.g. less car parking). This is consistent with the higher development density assumptions.

Source: AspinallVerdi, November 2025

8 Build to Rent

- 8.1 This section considers evidence to inform the rental values for the Build to Rent (BTR) accommodation in Wigan.
- 8.2 BTR is in effect its own asset class and is a subsidiary of the wider private rented sector which includes private landlords, institutional and large corporate investors.
- 8.3 This section refers to evidence from the rented sector in general, where information is specifically related to BtR we explicitly state this. The floor areas are the same across all typologies. For clarity, we have assumed a 1-bed flat is 50sqm and a 2-bed flat is 62 sqm as found in Table 4.5 of the Residential Market Paper (Appendix 3).

National Context

- 8.4 The private rented sector statistics in England 2025 state that the average monthly rent in England is £1,354 in the 12 months to September 2025⁴⁴. The property size with the highest monthly rent was properties with four or more bedrooms (£2,021). Single rooms had the lowest monthly rent of all property sizes, at £1,099 pcm.
- 8.5 The interquartile range increased with property size. The spread of rents was greatest for the "four or more bedrooms" category because of the inclusion of very large properties. The correspondingly higher rents of these large properties drove the sharp increase in both median rent and spread of rents in this category compared with three-bedroom properties.

Investment Yield

- 8.6 Investment yields are difficult to determine in the Build to Rent sector. Yields vary significantly by location, the quality of the stock and particularly the management approach. The landlord will be responsible for a number of costs including the operating costs and market risk. The latter has a significant impact on the net operating income (net rent). Prospects of rental growth and wider factors such as financing costs and regulatory risks also need to be reflected in the investment yield applied.
- 8.7 We have reviewed the Knight Frank Prime Yield Guide (August 2025). This shows the yields of 4.75% for Build to Rent in Tier 2 Regional Cities.
- 8.8 We have capitalised the net rental income by a yield of 4.75%. It must be stressed that wider economic factors will also influence the yield expectations of investors and with uncertainty in the market place, this is subject to change.

⁴⁴ [Private rent and house prices, UK - Office for National Statistics](#)

Build to Rent Value Assumptions

8.9 Table 8.1 sets out our BTR value assumptions below.

Table 8.1 – Build to Rent Value Assumptions

	Zone 1 – Low Value	Zone 2 – Low-Medium Value	Zone 3 – Higher-Medium Value	Zone 3 – High Value
1 Bed rent (£ pcm)	£600	£650	£675	£700
2 Bed rent (£ pcm)	£675	£725	£750	£770
Management costs (%)	25%	25%	25%	25%
Yield (%)	4.75%	4.75%	4.75%	4.75%

Source: AspinallVerdi (November 2025)

Net Rental Assumptions

8.10 We have assumed a 25% deduction from the gross headline rent to the net rent. This is to take into consideration the cost of: Void Loss / Write-offs / Expend on Voids; Regular Maintenance / Insurance / Utilities; Management Fees / Letting Costs; and Major repairs / refurb (SF) etc.

Build to Rent Cost Assumptions

8.11 Table 8.2 outlines the cost assumptions (where different from general needs housing).

Table 8.2 – Build to Rent Cost Assumptions

Typologies	Build Cost	Comments
Build costs for “Flats Generally”	£2,522 psm	Median BCIS – 6+ Storey Flats Generally (Rebased to Wigan, last 5 years)
External Works	+10%	These schemes generally have fewer external areas (e.g. less car parking). This is consistent with the higher development density assumptions.

Source: AspinallVerdi, November 2025

9 Stakeholder Consultation

- 9.1 We have consulted with industry by way of a stakeholder consultation workshop held on Tuesday 14th October 2025.
- 9.2 A copy of the slide presentation is attached at Appendix 6.
- 9.3 As part of the consultation, we requested written feedback on the appraisal assumptions.
- 9.4 We received 1 response letter as feedback in addition to the issues raised during the stakeholder workshop. The responses have been reviewed and attached in Appendix 6. Relevant changes have been incorporated into the assumptions above.
- 9.5 Please note the assumptions within the stakeholder consultation remain the same as per 14th October. Changes to assumptions have been made after feedback was received, meaning there are differences between the figures stated in the stakeholder workshop presentation and the assumptions used within the appraisals.

10 Viability Results

- 10.1 In this section we draw together the results from the viability modelling.
- 10.2 This section sets out the viability results of our financial appraisals for the residential typologies.
- 10.3 Our viability assessments, have been through an iterative process with Wigan Council, to inform our recommendations about the scope to align the affordable housing in the context of the emerging Wigan Borough Local Plan policies and infrastructure requirements across the Borough.
- 10.4 We have appraised the typologies based upon the baseline assumptions described above and included extensive sensitivity testing for each appraisal.
- 10.5 The appraisals are fully policy compliant where all the policy costs are 'layered-on'. They also include generous allowances for land value and profit. In this respect they could be considered to be 'worst-case scenarios'.

Green Belt Testing

- 10.6 As national planning policy continues to change, planning applications on Green Belt and Grey Belt land may become more commonplace over the duration of the plan period. We note that the local plan is being assessed against the NPPF (Dec 2023) before the introduction of Grey Belt. Also, all current allocations within the Green Belt are for employment uses with minimal residential proposals. Our default starting point is to test the 50% affordable housing threshold set out within the December 2024 NPPF. Notably, our approach follows the wording of Paragraphs 67-68, which set out the following:

As part of the 'Golden Rules' for Green Belt development set out in paragraphs 156-157 of this Framework, a specific affordable housing requirement (or requirements) should be set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should:

a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and

b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability). The affordable housing requirement for land within or released from the Green Belt may be set as a single rate or be set at differential rates, subject to the criteria above.

- 10.7 Whilst the above indicates that at least 50% of the housing on Green Belt release sites should be affordable, this is not the case where the 50% threshold makes the development of these sites unviable.
- 10.8 The Viability PPG Paragraph 029 sets out that site specific viability assessment should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing. However, the wording of this paragraph does not appear to preclude viability testing undertaken for the purpose of plan making from recommending lower affordable housing levels, should sites not be able to support the 50% target set out in Paragraph 67 of the NPPF.
- 10.9 Therefore, where our typology appraisals identify that Green Belt release sites are unlikely to be able to viably support the 50% threshold set out within the NPPF, we recommend the highest proportion of affordable housing which can generally be supported in the respective value zones.

Residential Viability Results:

- 10.10 We set out the results in the order of the Typologies Matrix from Low Value Zone - brownfield; to Higher Value Zone: Green Belt. The residential appraisals are appended in full at Appendix 7. These include a summary table at the end of each set of appraisals.
- 10.11 There are no exclusively residential Green Belt allocations within the plan. However, there may be potential future developments in the Borough that are within the Green Belt. Therefore, we have included a set of Green Belt typologies in accordance with the latest NPPF.
- 10.12 Particular attention should be paid to the sensitivity tables across all typologies. These are shown at the bottom of each appraisal at Appendix 7. We have provided sensitivity analysis for:
- Table 1 – Site Specific S106 v Affordable Housing %
 - Table 2 – Profit v Affordable Housing %
 - Table 3 – BLV v Affordable Housing %
 - Table 3 – BLV v Affordable Housing %
 - Table 4 – Density v Affordable Housing %
 - Table 5 – Build Cost v Affordable Housing %
 - Table 6 – Market Values v Affordable Housing %
 - Table 7 – Grant v Affordable Housing %
- 10.13 The results of the viability assessments are set out in the following sections. The full appraisals are provided in Appendix 7. The results tables should be read in conjunction with the Typologies Matrix (Appendix 2). The sensitivity tables provide two-way comparisons, showing how various parameters change when different affordable-housing assumptions are applied. Further

sensitivity testing could be undertaken to show the impact of multiple ‘pragmatic’ changes such as reduced land value and profit.

- 10.14 We have undertaken all our appraisals based on 50% affordable housing provision for Green Belt typologies. Although there are no Green Belt residential allocations currently, applications may come forward over the plan period. We have included an affordable housing provision of 25% for the non-Green Belt greenfield and brownfield typologies as requested by the council. Older persons accommodation has been tested at 20% in accordance with the Policy H2 (Housing mix).
- 10.15 Our sensitivity analysis shows the impact of reducing affordable housing policy on the various appraisals.

Wigan Brownfield

- 10.16 The following tables summarise the viability results of the brownfield typologies in Wigan. The tables indicate viability using a RAG rating system as indicated below.

Table 10.1 – Viability RAG rating

Viable	if $RLV > BLV$
Marginal	if $RLV < BLV$, but RLV is positive
Not Viable	if $RLV < BLV$, and RLV is negative

Source: AspinallVerdi, 2025

- 10.17 We have conducted viability testing across the lower, low-medium, higher-medium, higher zones. Across the zones we have appraised housing schemes of the following sizes:
- 9 units
 - 25 units
 - 50 units
 - 100 units
 - 200 units
 - 400 units
 - 600 units

Table 10.2 – Lower Value Zone Brownfield Typology Summary

Appraisal Ref:	BF LV 9	BF LV 25	BF LV 50	BF LV 100	BF LV 200	BF LV 400	BF LV 600
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Lower	Lower	Lower	Lower	Lower	Lower	Lower
Greenfield/Brownfield:	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield
Notes/Comments:				Higher Density			
Total GDV (£)	2,385,000	6,694,406	13,188,613	26,377,625	52,755,250	105,610,500	158,265,750
Policy Assumptions	-	-	0%	0%	0%	0%	0%
AH Target %	0%	25%	25%	25%	25%	25%	25%
Max CIL (£/perm)	-	-	-	-	-	-	-
Max CIL (£/per unit)	-	-	-	-	-	-	-
Site Specific S106 (£/per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£/per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£/per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra (£/per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	17.93%	17.93%	17.93%	17.93%	17.93%	17.93%
Developers Profit (% on costs)	23.31%	16.36%					
Developers Profit Total (£)	477,000	1,182,508	2,365,016	4,730,033	9,460,066	18,920,130	28,380,195
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	(217,250)	(183,674)	(164,591)	(159,633)	(142,066)	(140,265)	(133,350)
RLV (£/ha (net))	(536,843)	(1,442,259)	(1,493,843)	(1,457,729)	(1,568,623)	(1,596,820)	(1,614,427)
RLV (% of GDV)	-5.79%	-15.62%	-16.18%	-15.79%	-17.21%	-17.30%	-17.49%
RLV Total (£)	(138,047)	(1,039,189)	(2,134,203)	(4,164,629)	(9,077,272)	(18,280,519)	(27,675,899)
BLV (£/acre (net))	262,500	262,500	262,500	262,500	262,500	262,500	262,500
BLV (£/ha (net))	648,638	648,638	648,638	648,638	648,638	648,638	648,638
BLV Total (£)	166,793	483,313	926,625	1,853,250	3,706,500	7,413,000	11,119,500
Surplus/Deficit (£/acre) [RLV-BLV]	(479,750)	(846,174)	(987,091)	(1,892,433)	(1,805,566)	(1,908,765)	(1,915,850)
Surplus/Deficit (£/ha)	(1,195,487)	(2,096,897)	(2,112,562)	(2,106,363)	(2,237,160)	(2,245,558)	(2,263,684)
Surplus/Deficit Total (£)	(304,639)	(1,483,486)	(3,060,631)	(6,018,179)	(12,763,772)	(25,683,619)	(38,785,389)
RAG	Not Passed	Not Passed	Not Passed	Not Passed	Not Passed	Not Passed	Not Passed

Source: AspinallVerdi, November 2025

Table 10.3 – Low-Medium Value Zone Brownfield Typology Summary

Appraisal Ref:	BF LMV 9	BF LMV 25	BF LMV 50	BF LMV 100	BF LMV 200	BF LMV 400	BF LMV 600
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Low-Medium	Low-Medium	Low-Medium	Low-Medium	Low-Medium	Low-Medium	Low-Medium
Greenfield/Brownfield:	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield
Notes/Comments:				Higher Density			
Total GDV (£)	2,587,500	7,142,500	14,285,000	28,570,000	57,140,000	114,280,000	171,420,000
Policy Assumptions	-	-	-	-	-	-	-
AH Target %	0%	25%	25%	25%	25%	25%	25%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Developers Profit (% on GMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	17.91%	17.91%	17.91%	17.91%	17.91%	17.91%
Developers Profit (% on costs)	25.21%	20.51%					
Developers Profit Total (£)	517,500	1,279,050	2,558,100	5,116,200	10,232,400	20,464,800	30,697,200
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	25,027	(210,880)	(228,923)	(211,179)	(193,674)	(212,921)	(204,287)
RLV (£/ha (net))	61,842	(521,084)	(565,670)	(521,802)	(479,568)	(526,125)	(504,818)
RLV (% of GDV)	0.61%	-5.21%	-5.68%	-5.22%	-4.79%	-5.26%	-5.05%
RLV Total (£)	15,902	(372,203)	(808,100)	(1,490,853)	(2,794,673)	(6,012,894)	(8,654,615)
BLV (£/acre (net))	268,750	268,750	268,750	268,750	268,750	268,750	268,750
BLV (£/ha (net))	664,081	664,081	664,081	664,081	664,081	664,081	664,081
BLV Total (£)	170,764	474,344	948,688	1,897,375	3,794,750	7,589,500	11,384,250
Surplus/Deficit (£/acre) (RLV-BLV)	(243,723)	(479,630)	(497,673)	(479,920)	(462,424)	(448,167)	(473,047)
Surplus/Deficit (£/ha)	(602,239)	(1,185,165)	(1,220,751)	(1,185,853)	(1,142,649)	(1,100,210)	(1,168,899)
Surplus/Deficit Total (£)	(154,861)	(646,546)	(1,756,797)	(3,386,238)	(6,529,423)	(13,602,394)	(20,036,205)
RAG	Marginal	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable

Source: AspinallVerdi, November 2025

Table 10.4 – Higher-Medium Value Zone Brownfield Typology Summary

Appraisal Ref:	BF MV 9	BF HMV 25	BF HMV 50	BF HMV 100	BF HMV 200	BF HMV 400	BF HMV 600
Scheme Typology:	Houses	Houses	Houses	Houses & Flats	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium
Greenfield/Brownfield:	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield
Notes/Comments:							
Total GDV (£)	2,745,000	7,547,594	15,095,188	30,190,375	60,380,750	120,761,500	181,142,250
Policy Assumptions							
AH Target %:	0%	25%	25%	25%	25%	25%	25%
Max CIL (£/pair)	-	-	-	-	-	-	-
Max CIL (£/per unit)	-	-	-	-	-	-	-
Site Specific S106 (£/per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL=S106 (£/per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£/per unit)	-	-	-	-	-	-	-
Sub-total CIL=S106+Infra (£/per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's							
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Developers Profit (% blended)	20.00%	17.90%	17.90%	17.90%	17.90%	17.90%	17.90%
Developers Profit (% on costs)	26.68%	21.64%					
Developers Profit Total (£)	549,000	1,351,262	2,702,524	5,405,048	10,810,095	21,620,190	32,430,285
Land Value KPI's							
RLV (£/acre (net))	198,910	(27,970)	(18,275)	(26,478)	(17,913)	(29,432)	(14,994)
RLV (£/ha (net))	491,506	(69,114)	(109,403)	(62,950)	(19,594)	(53,058)	(26,728)
RLV (% of GDV)	-4.80%	-0.85%	-1.04%	-0.60%	-0.19%	-0.50%	-0.35%
RLV Total (£)	125,387	(49,367)	(156,290)	(179,855)	(111,738)	(809,375)	(629,627)
BLV (£/acre (net))	268,750	268,750	268,750	268,750	268,750	268,750	268,750
BLV (£/ha (net))	664,081	664,081	664,081	664,081	664,081	664,081	664,081
BLV Total (£)	170,764	474,344	948,688	1,897,375	3,794,750	7,589,500	11,384,250
Surplus/Deficit (£/acre) (RLV-BLV)	(69,840)	(299,720)	(312,025)	(294,228)	(279,463)	(290,222)	(233,614)
Surplus/Deficit (£/ha)	(172,976)	(733,195)	(773,464)	(727,031)	(684,835)	(717,139)	(580,810)
Surplus/Deficit Total (£)	(44,377)	(523,711)	(1,104,978)	(2,077,233)	(3,909,488)	(6,105,675)	(12,613,877)
RAG	Marginal	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable

Source: AspinallVerdi, November 2025

Table 10.5 – High Value Zone Brownfield Typology Summary

Appraisal Ref:	BF HV 9	BF HV 25	BF HV 50	BF HV 100	BF HV 200	BF HV 400	BF HV 600
Scheme Typology:	Houses	Houses	Houses	Houses & Flats	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Higher	Higher	Higher	Higher	Higher	Higher	Higher
Greenfield/Brownfield:	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield
Notes/Comments:							
Total GDV (£)	2,925,000	8,079,719	16,159,438	32,318,875	64,637,750	129,275,500	193,913,250
Policy Assumptions							
AH Target %	0%	25%	25%	25%	25%	25%	25%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's							
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	17.88%	17.88%	17.88%	17.88%	17.88%	17.88%
Developers Profit (% on costs)	28.34%	28.54%	28.41%	28.58%	28.66%	28.62%	28.64%
Developers Profit Total (£)	585,000	1,444,877	2,889,754	5,779,508	11,559,015	23,118,030	34,677,045
Land Value KPI's							
RLV (£/acre (net))	392,429	776,268	761,710	775,623	781,757	777,608	779,702
RLV (£/ha (net))	969,692	1,918,157	1,882,186	1,916,564	1,931,721	1,921,463	1,926,643
RLV (% of GDV)	8.52%	16.96%	16.64%	16.94%	17.08%	16.99%	17.03%
RLV Total (£)	249,349	1,370,112	2,688,838	5,475,897	11,038,408	21,959,583	33,026,158
BLV (£/acre (net))	275,000	275,000	275,000	275,000	275,000	275,000	275,000
BLV (£/ha (net))	679,525	679,525	679,525	679,525	679,525	679,525	679,525
BLV Total (£)	174,735	485,375	970,750	1,941,500	3,883,000	7,766,000	11,649,000
Surplus/Deficit (£/acre) (RLV-BLV)	117,429	501,268	486,710	500,623	506,757	502,608	504,702
Surplus/Deficit (£/ha)	290,167	1,238,632	1,202,661	1,237,038	1,252,198	1,241,938	1,247,116
Surplus/Deficit Total (£)	74,614	884,737	1,718,088	3,534,397	7,155,408	14,193,583	21,379,158
RAG	Viable	Viable	Viable	Viable	Viable	Viable	Viable

Source: AspinallVerdi, November 2025

Lower Value Zone (Brownfield)

10.18 Table 10.2 summarises the appraisal results for lower value brownfield typologies.

All the schemes in the lower value zone result in negative residual land values and are therefore unviable.

10.19 It can be seen that across the lower value zone there are significant viability issues at 0% affordable housing for 9 units, and 25% affordable housing for 25 – 600 units. There is also a S106 policy cost of £5,500 per unit for all schemes.

10.20 Due to the 9-unit schemes having a 0% affordable housing policy, the brownfield lower value zone is unviable due to the RLV being -£138,047 and the benchmark land value being £166,793. Sensitivity testing shows that delivering 25% affordable housing would require a grant of £50,000 per unit. The analysis also shows that, with the same £50,000 per-unit grant, up to 30% affordable housing could be supported.

10.21 For the 25, 50, 100, 200, 400 and 600-unit schemes, there is no sensitivity scenario that would make the scheme viable.

10.22 Viability issues arise from a mix of factors. The current economic climate, with its rising interest rates and high construction costs. This is coupled with additional policy costs, such as Biodiversity Net Gain further increasing the already high construction expenses. These puts added strain on areas with lower market values, making it harder for the lower value zone to deliver housing whilst also implementing affordable housing. There is a cumulative impact of the above additional policy expense and, in accordance with the Written Ministerial Statement, we recommend the minimum policy requirements to be imposed for development not to be stymied on brownfield land in the lower value zone.

Low-Medium Value Zone (Brownfield)

10.23 Table 10.3 summarises the appraisal results for low-medium value brownfield typologies.

All schemes in the lower–medium value zone generate negative residual land values and are therefore unviable, with the exception of the 9-unit scheme at 0% affordable housing. This scheme is considered marginal as although it produces a positive residual land value, it does not exceed the benchmark land value.

10.24 Across the lower–medium value zone, all schemes face significant viability challenges. The 9-unit scheme at 0% affordable housing is only marginal, as its positive residual land value does not exceed the benchmark land value. Schemes of 25–600 units at 25% affordable housing are unviable. All schemes also include a £5,500 per-unit S106 policy cost.

- 10.25 Due to the 9-unit schemes having a 0% affordable housing policy, the brownfield low-medium zone is marginal due to the RLV being £15,902 and the benchmark land value being £170,764. Sensitivity testing shows that delivering 25% affordable housing would require a grant of £25,000 per unit. The analysis also shows that, with the same £25,000 per-unit grant, up to 30% affordable housing could be supported.
- 10.26 For the 25-unit scheme, market values would need to increase by 20% for 25% affordable housing to be viable. The sensitivity analysis shows that delivering 25% affordable housing would alternatively require a £40,000 per-unit grant. It also shows that, with the same £40,000 per-unit grant, up to 35% affordable housing could be supported.
- 10.27 For the 50-unit scheme a grant of £40,000 per unit would be required to deliver 25% affordable housing. It also shows that, with the same £40,000 per-unit grant, up to 30% affordable housing could be supported.
- 10.28 For the 100, 400 and 600-unit scheme market values would need to increase by 20% for 25% affordable housing to be viable. The sensitivity analysis shows that delivering 25% affordable housing would alternatively require a £40,000 per-unit grant. It also shows that, with the same £40,000 per-unit grant, up to 35% affordable housing could be supported.
- 10.29 For the 200-unit scheme market values would need to increase by 20% for 25% affordable housing to be viable. The sensitivity analysis shows that delivering 25% affordable housing would alternatively require a £35,000 per-unit grant.

Higher-Medium Value Zone (Brownfield)

- 10.30 Table 10.4 summarises the appraisal results for medium value brownfield typologies.
- All schemes in the higher–medium value zone generate negative residual land values and are therefore unviable, with the exception of the 9-unit scheme at 0% affordable housing. This scheme is considered marginal as although it produces a positive residual land value, it does not exceed the benchmark land value.**
- 10.31 Across the higher–medium value zone, all schemes face significant viability challenges. The 9-unit scheme at 0% affordable housing is only marginal, as its positive residual land value does not exceed the benchmark land value. Schemes of 25–600 units at 25% affordable housing are unviable. All schemes also include a £5,500 per-unit S106 policy cost.
- 10.32 Due to the 9-unit schemes having a 0% affordable housing policy, this typology is marginal due to the RLV being £126,387 and the BLV being £ 170,764.
- 10.33 For the 25 and 100-unit scheme, market values would have to increase by 12% or a £25,000 per unit grant would be required to deliver the 25% affordable housing target.

- 10.34 For the 50-unit scheme, market values would have to increase by 14% or a £25,000 per unit grant would be required to deliver the 25% affordable housing target.
- 10.35 For the 200, 400 and 600-unit schemes, achieving 25% affordable housing would require either an increase in market values of around 12% or a £25,000 per-unit grant. Sensitivity testing indicates that the £25,000 per-unit grant could also support an affordable housing provision of up to 30%.

Higher Value Zone (Brownfield)

- 10.36 Table 10.5 summarises the appraisal results for high value brownfield typologies.
- The 25, 50, 100, 200, 400 and 600-unit schemes in the high-value zone are viable under the current assumptions including 25% affordable housing and £5,500 S106 per unit. The 9-unit scheme is viable at 0% affordable housing.**
- 10.37 The sensitivity analysis on the 25, 50, 100, 200, 400 and 600-unit schemes shows that at 25% affordable housing all the schemes would still be viable with a S106 contribution of up to £14,000.
- 10.38 The sensitivity analysis on the 25, 50, 100, 200, 400 and 600-unit schemes shows that under the current assumptions up to 35% affordable housing would be viable in the high-value brownfield areas.

Wigan Greenfield

- 10.39 The following tables summarise the viability results of the greenfield typologies in Wigan.
- 10.40 We have conducted viability testing across the lower, low-medium, higher-medium, higher zones. Across the zones we have appraised housing schemes of the following sizes:
- 9 units
 - 25 units
 - 50 units
 - 100 units
 - 200 units
 - 400 units
 - 600 units

Table 10.6 – Lower Value Greenfield Typology Summary

Appraisal Ref:	GF LV 9	GF LV 25	GF LV 50	GF LV 100	GF LV 200	GF LV 400	GF LV 600
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Lower	Lower	Lower	Lower	Lower	Lower	Lower
Greenfield/Brownfield:	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield
Notes/Comments:				Higher Density			
Total GDV (£)	2,385,000	6,594,408	13,188,813	26,377,625	52,755,250	105,510,500	158,265,750
Policy Assumptions	-	-	0%	0%	0%	0%	0%
AH Target %	0%	25%	25%	25%	25%	25%	25%
Max CIL (£ per sqm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Developers Profit (% on DMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	8.0%	8.0%	8.00%	8.00%	8.00%	8.00%	8.00%
Developers Profit (% blended)	20.00%	17.93%	17.93%	17.93%	17.93%	17.93%	17.93%
Developers Profit (% on costs)	24.03%	19.57%	19.46%	19.56%	19.65%	19.51%	19.60%
Developers Profit Total (£)	477,000	1,182,508	2,365,016	4,730,033	9,460,065	18,920,130	28,380,195
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	(120,894)	(352,758)	(375,875)	(353,405)	(343,564)	(352,041)	(351,149)
RLV (£/ha (net))	(298,851)	(884,020)	(939,797)	(885,009)	(848,921)	(880,957)	(867,688)
RLV (% of GDV)	-3.22%	-9.58%	-10.08%	-9.82%	-9.20%	-9.82%	-9.40%
RLV Total (£)	(76,873)	(163,443)	(1,326,839)	(2,537,396)	(4,850,976)	(10,385,220)	(14,874,664)
BLV (£/acre (net))	150,000	150,000	150,000	150,000	150,000	150,000	150,000
BLV (£/ha (net))	370,650	370,650	370,650	370,650	370,650	370,650	370,650
BLV Total (£)	95,310	284,750	529,500	1,059,000	2,118,000	4,236,000	6,354,000
Surplus/Deficit (£/acre) [RLV-BLV]	(270,894)	(502,758)	(525,875)	(503,405)	(493,564)	(517,041)	(501,149)
Surplus/Deficit (£/ha)	(689,801)	(1,256,870)	(1,289,437)	(1,258,729)	(1,219,573)	(1,277,607)	(1,238,389)
Surplus/Deficit Total (£)	(172,183)	(108,193)	(1,868,389)	(3,586,396)	(6,968,976)	(14,607,220)	(21,228,663)
RAG	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Source: AspinallVerdi, November 2025

Table 10.7 – Low-Medium Value Greenfield Typology Summary

Appraisal Ref:	GF LMV 9	GF LMV 25	GF LMV 50	GF LMV 100	GF LMV 200	GF LMV 400	GF LMV 600
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Lower Medium	Lower Medium	Lower Medium	Lower Medium	Lower Medium	Lower Medium	Lower Medium
Greenfield/Brownfield:	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield
Notes/Comments:				Higher Density			
Total GDV (£)	2,587,500	7,142,500	14,285,000	29,829,125	57,140,000	114,280,000	171,420,000
Policy Assumptions	-	-	-	-	-	-	-
AH Target %	0%	25%	25%	25%	25%	25%	25%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	-	-	-	-	-
Developers Profit (% on GMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	17.91%	17.91%	17.41%	17.91%	17.91%	17.91%
Developers Profit (% on costs)	25.98%	21.12%	21.02%	19.49%	21.26%	21.19%	21.24%
Developers Profit Total (£)	517,500	1,279,050	2,558,100	5,191,688	10,232,400	20,464,800	30,697,200
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	112,863	(108,513)	(124,939)	(293,403)	(87,189)	(95,326)	(89,658)
RLV (£/ha (net))	278,884	(268,137)	(308,725)	(700,288)	(215,187)	(242,983)	(221,619)
RLV (% of GDV)	2.77%	-2.68%	-3.09%	-6.71%	-2.15%	-2.43%	-2.22%
RLV Total (£)	71,713	(191,525)	(441,035)	(2,000,823)	(1,229,698)	(2,776,723)	(3,789,185)
BLV (£/acre (net))	187,500	187,500	187,500	187,500	187,500	187,500	187,500
BLV (£/ha (net))	463,313	463,313	463,313	463,313	463,313	463,313	463,313
BLV Total (£)	119,138	330,838	661,875	1,323,750	2,647,500	5,295,000	7,942,500
Surplus/Deficit (£/acre) [RLV-BLV]	(74,637)	(296,013)	(312,438)	(470,803)	(274,584)	(285,826)	(277,188)
Surplus/Deficit (£/ha)	(194,428)	(731,449)	(772,037)	(1,163,600)	(678,510)	(706,276)	(684,932)
Surplus/Deficit Total (£)	(47,428)	(522,464)	(1,102,910)	(3,324,573)	(3,877,198)	(8,071,723)	(11,741,685)
RAG	Marginal	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable

Source: AspinallVerdi, November 2025

Table 10.8 – Higher-Medium Value Greenfield Typology Summary

Appraisal Ref:	GF HMV 9	GF HMV 25	GF HMV 50	GF HMV 100	GF HMV 200	GF HMV 400	GF HMV 600
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium
Greenfield/Brownfield:	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield
Notes/Comments:				Higher Density			
Total GDV (£)	2,058,750	7,547,594	15,095,188	30,190,375	60,380,750	120,761,500	181,142,250
Policy Assumptions	-	-	-	-	-	-	-
AH Target %	25%	25%	25%	25%	25%	25%	25%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	-	-	-	-	-
Developers Profit (% on GMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	17.90%	17.90%	17.90%	17.90%	17.90%	17.90%
Developers Profit (% on costs)	26.91%	22.28%	22.18%	22.31%	22.42%	22.37%	22.41%
Developers Profit Total (£)	411,750	1,351,262	2,702,524	5,405,048	10,810,095	21,620,190	32,430,285
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	168,300	67,964	54,082	89,637	84,279	76,825	82,484
RLV (£/ha (net))	415,869	167,938	133,636	172,566	208,255	189,835	203,818
RLV (% of GDV)	5.19%	1.59%	1.26%	1.63%	1.97%	1.80%	1.93%
RLV Total (£)	106,938	119,956	190,908	493,048	1,190,026	2,169,543	3,494,024
BLV (£/acre (net))	187,500	187,500	187,500	187,500	187,500	187,500	187,500
BLV (£/ha (net))	463,313	463,313	463,313	463,313	463,313	463,313	463,313
BLV Total (£)	119,138	330,938	661,875	1,323,750	2,647,500	5,295,000	7,942,500
Surplus/Deficit (£/acre) (RLV-BLV)	(19,200)	(119,536)	(133,418)	(117,663)	(103,221)	(110,675)	(105,016)
Surplus/Deficit (£/ha)	(47,443)	(296,374)	(329,877)	(290,746)	(255,068)	(273,477)	(259,484)
Surplus/Deficit Total (£)	(12,209)	(210,981)	(470,967)	(830,784)	(1,457,474)	(3,125,457)	(4,448,476)
RAG	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal	Marginal

Source: AspinallVerdi, November 2025

Table 10.9 – Higher Value Greenfield Typology Summary

Appraisal Ref:	GF HV 9	GF HV 25	GF HV 50	GF HV 100	GF HV 200	GF HV 400	GF HV 600
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Higher	Higher	Higher	Higher	Higher	Higher	Higher
Greenfield/Brownfield:	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield	Greenfield
Notes/Comments:				Higher Density			
Total GDV (£)	2,193,750	6,079,719	16,159,438	32,316,875	64,637,750	129,275,500	193,913,250
Policy Assumptions	-	-	-	-	-	-	-
AH Target %	25%	25%	25%	25%	25%	25%	25%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	-	-	-	-	-
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	17.88%	17.88%	17.88%	17.88%	17.88%	17.88%
Developers Profit (% on costs)	28.59%	23.77%	23.68%	23.82%	23.92%	23.88%	23.92%
Developers Profit Total (£)	438,750	1,444,877	2,859,754	5,779,608	11,559,015	23,118,030	34,677,045
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	315,127	278,728	263,886	260,451	292,102	286,480	290,829
RLV (£/ha (net))	778,879	688,737	652,062	642,894	721,783	707,892	718,886
RLV (% of GDV)	9.13%	6.09%	5.78%	6.13%	6.38%	6.26%	6.30%
RLV Total (£)	200,232	491,955	931,517	1,979,984	4,124,476	8,090,199	12,323,758
BLV (£/acre (net))	225,000	225,000	225,000	225,000	225,000	225,000	225,000
BLV (£/ha (net))	555,975	555,975	555,975	555,975	555,975	555,975	555,975
BLV Total (£)	142,965	397,125	794,250	1,588,500	3,177,000	6,354,000	9,531,000
Surplus/Deficit (£/acre) [RLV-BLV]	90,127	53,728	38,886	55,451	67,102	61,480	65,828
Surplus/Deficit (£/ha)	222,704	132,762	96,007	137,019	165,808	151,817	162,911
Surplus/Deficit Total (£)	57,267	94,830	137,267	391,484	947,476	1,736,199	2,792,758
RAG	viable	viable	viable	viable	viable	viable	viable

Source: AspinallVerdi, November 2025

Lower Value Zone (Greenfield)

10.41 Table 10.6 summarises the appraisal results for the lower value zone greenfield typologies.

All the schemes in the lower value zone result in negative residual land values and are therefore unviable.

10.42 The appraisal results indicate that the lower value typologies for greenfield sites are all unviable, generating negative RLV's between -£76,873 and -£14,874,664.

10.43 Due to the 9-unit schemes having a 0% affordable housing policy, it is unviable due to the RLV being -£76,873 and the BLV being £95,310.

10.44 For the 25, 200, 400 and 600-unit scheme a grant of £40,000 per unit would be required to deliver the 25% affordable housing target. Sensitivity testing indicates that the £40,000 per-unit grant could also support an affordable housing provision of up to 35%.

10.45 For the 50 and 100-unit scheme a grant of £40,000 per unit would be required to deliver the 25% affordable housing target. Sensitivity testing indicates that the £40,000 per-unit grant could also support an affordable housing provision of up to 30%.

Low-Medium Value Zone (Greenfield)

10.46 Table 10.7 summarises the appraisal results for the low-medium value zone greenfield typologies.

The 9-unit scheme is marginally viable. The 25, 50, 100, 200, 400 and 600-unit schemes are unviable.

10.47 Due to the 9-unit schemes having a 0% affordable housing policy, it is marginally viable due to the RLV being £71,713 and the BLV being £119,138. Marginally viable means the residual land value is positive but it doesn't meet the benchmark land value.

10.48 For the 25-unit scheme, a 14% increase in market values or £25,000 per unit grant would make the scheme viable, at 25% affordable housing. Sensitivity testing indicates that the £25,000 per-unit grant could also support an affordable housing provision of up to 30%.

10.49 For the 50-unit scheme, a 14% increase in market values or £25,000 per unit grant would make the scheme viable, at 25% affordable housing.

10.50 For the 100-unit scheme, a 20% increase in market values or £35,000 per unit grant would make the scheme viable, at 25% affordable housing.

10.51 For the 200, 400 and 600-unit scheme, a 12% increase in market values or £25,000 per unit grant would make the scheme viable, at 25% affordable housing. Sensitivity testing indicates that the £25,000 per-unit grant could also support an affordable housing provision of up to 30%.

Higher-Medium Value Zone (Greenfield)

10.52 Table 10.8 summarises the appraisal results for the higher-medium value zone greenfield typologies.

The 9, 25, 50, 100, 200, 400 and 600-unit schemes are marginally viable. These schemes are considered marginal as although they produce a positive residual land value, it does not exceed the benchmark land value.

10.53 For the 25-unit scheme, increasing the market values by 6% or applying a grant of £10,000 per unit would make the 25% affordable housing scheme viable.

10.54 For the 50-unit scheme, increasing the market values by 6% or applying a grant of £15,000 per unit would make the 25% affordable housing scheme viable. Sensitivity testing indicates that the £15,000 per-unit grant could also support an affordable housing provision of up to 30%.

10.55 For the 100, 200, 400 and 600-unit scheme, increasing the market values by 6% or applying a grant of £10,000 per unit would make the 25% affordable housing scheme viable.

Higher Value Zone (Greenfield)

10.56 Table 10.9 summarises the appraisal results for the higher value zone greenfield typologies.

10.57 The 9, 25, 50, 100, 200, 400 and 600-unit schemes are all viable under the current assumptions.

10.58 For the 9-unit scheme, the sensitivity analysis indicates that under the current assumption of 0% affordable housing, the scheme could viably support a Section 106 contribution of £12,000 per unit.

10.59 For the 25-unit scheme, the sensitivity analysis indicates that under the current assumption of 25% affordable housing, the scheme could viably support a Section 106 contribution of £9,000 per unit.

10.60 For the 50-unit scheme, the sensitivity analysis indicates that under the current assumption of 25% affordable housing, the scheme could viably support a Section 106 contribution of £8,000 per unit.

10.61 For the 100-unit scheme, the sensitivity analysis indicates that under the current assumption of 25% affordable housing, the scheme could viably support a Section 106 contribution of £9,000 per unit.

10.62 For the 200, 400 and 600-unit scheme, the sensitivity analysis indicates that under the current assumption of 25% affordable housing, the scheme could viably support a Section 106 contribution of £10,000 per unit.

Wigan Green Belt

10.63 The following tables summarise the viability results of the Green Belt typologies in Wigan

10.64 We have conducted viability testing across the lower, low-medium, higher-medium and higher value zones. Across the zones we have appraised housing schemes of the following sizes:

- 9 units
- 25 units
- 50 units
- 100 units
- 200 units
- 400 units
- 600 units

Table 10.10 – Lower Value Green Belt Typology Summary

Appraisal Ref:	GB LV 9	GB LV 25	GB LV 50	GB LV 100	GB LV 200	GB LV 400	GB LV 600
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Lower	Lower	Lower	Lower	Lower	Lower	Lower
Greenfield/Brownfield:	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt
Notes/Comments:				Higher Density			
Total GDV (£)	2,385,000	5,695,063	11,390,125	22,780,250	45,560,500	91,121,000	136,681,500
Policy Assumptions	-	-	-	-	-	-	-
AH Target %	0%	50%	50%	50%	50%	50%	50%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra. (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	15.21%	15.21%	15.21%	15.21%	15.21%	15.21%
Developers Profit (% on costs)	24.03%	15.14%	14.46%	14.92%	13.95%	14.06%	14.12%
Developers Profit Total (£)	477,000	866,266	1,732,533	3,465,065	6,930,130	13,860,260	20,790,390
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	(120,984)	(505,566)	(659,271)	(553,917)	(783,373)	(788,550)	(738,859)
RLV (£/ha (net))	(298,951)	(1,249,254)	(1,629,058)	(1,368,729)	(1,936,714)	(1,966,965)	(1,826,722)
RLV (% of GDV)	-3.22%	-15.67%	-20.43%	-17.17%	-24.28%	-23.42%	-22.90%
RLV Total (£)	(76,873)	(892,325)	(2,327,226)	(3,910,654)	(11,061,225)	(21,336,738)	(31,298,083)
BLV (£/acre (net))	75,000	75,000	75,000	75,000	75,000	75,000	75,000
BLV (£/ha (net))	185,325	185,325	185,325	185,325	185,325	185,325	185,325
BLV Total (£)	47,655	132,375	264,750	529,500	1,059,000	2,118,000	3,177,000
Surplus/Deficit (£/acre) [RLV-BLV]	(195,984)	(580,566)	(734,271)	(628,917)	(858,373)	(830,550)	(813,859)
Surplus/Deficit (£/ha)	(484,276)	(1,434,579)	(1,814,383)	(1,554,054)	(2,121,039)	(2,052,290)	(2,011,047)
Surplus/Deficit Total (£)	(124,528)	(1,024,700)	(2,591,976)	(4,440,154)	(12,120,225)	(23,454,738)	(34,475,083)
RAG	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable

Source: AspinallVerdi November 2025

Table 10.11 – Lower Medium Value Green Belt Typology Summary

Appraisal Ref:	GB LMV 9	GB LMV 25	GB LMV 50	GB LMV 100	GB LMV 200	GB LMV 400	GB LMV 600
Scheme Typology:	Houses	Houses	Houses	Houses & Flats	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Lower Medium	Lower Medium	Lower Medium	Lower Medium	Lower Medium	Lower Medium	Lower Medium
Greenfield/Brownfield:	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt
Notes/Comments:				Higher Density			
Total GDV (£)	2,587,500	6,185,000	12,370,000	24,740,000	49,480,000	98,960,000	148,440,000
Policy Assumptions	-	-	-	0%	0%	0%	0%
AH Target %	0%	50%	50%	50%	50%	50%	50%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra. (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	15.17%	15.17%	15.17%	15.17%	15.17%	15.17%
Developers Profit (% on costs)	25.98%	16.45%	16.36%	16.44%	16.51%	16.44%	16.50%
Developers Profit Total (£)	517,500	938,100	1,876,200	3,752,400	7,504,800	15,009,600	22,514,400
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	112,863	(268,301)	(276,859)	(260,801)	(246,974)	(289,935)	(249,225)
RLV (£/ha (net))	278,884	(638,263)	(684,117)	(644,439)	(610,273)	(642,300)	(615,835)
RLV (% of GDV)	2.77%	-7.37%	-7.90%	-7.44%	-7.05%	-7.42%	-7.11%
RLV Total (£)	71,713	(455,902)	(977,311)	(1,841,255)	(3,487,272)	(7,340,569)	(10,557,168)
BLV (£/acre (net))	75,000	75,000	75,000	75,000	75,000	75,000	75,000
BLV (£/ha (net))	185,325	185,325	185,325	185,325	185,325	185,325	185,325
BLV Total (£)	47,655	132,375	264,750	529,500	1,059,000	2,118,000	3,177,000
Surplus/Deficit (£/acre) [RLV-BLV]	37,863	(333,301)	(351,859)	(336,801)	(321,974)	(334,935)	(324,225)
Surplus/Deficit (£/ha)	93,559	(823,588)	(869,442)	(829,764)	(795,598)	(827,625)	(801,160)
Surplus/Deficit Total (£)	24,059	(588,277)	(1,242,061)	(2,370,755)	(4,546,272)	(9,458,569)	(13,734,168)
RAG	Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable

Source: AspinallVerdi November 2025

Table 10.12 – Higher Medium Value Green Belt Typology Summary

Appraisal Ref:	GB HMV 9	GB HMV 25	GB HMV 50	GB HMV 100	GB HMV 200	GB HMV 400	GB HMV 600
Scheme Typology:	Houses	Houses	Houses	Houses & Flats	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium	Higher Medium
Greenfield/Brownfield:	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt
Notes/Comments:				-			
Total GDV (£)	2,745,000	6,538,938	13,077,875	26,155,750	52,311,500	104,623,000	156,934,500
Policy Assumptions	-	-	0%	0%	0%	0%	0%
AH Target %	0%	50%	50%	50%	50%	50%	50%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra. (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	15.16%	15.16%	15.16%	15.16%	15.16%	15.16%
Developers Profit (% on costs)	27.49%	17.37%	17.28%	17.37%	17.46%	17.42%	17.46%
Developers Profit Total (£)	549,000	991,274	1,982,548	3,965,095	7,930,190	15,860,380	23,790,570
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	285,199	(90,431)	(107,805)	(90,390)	(74,130)	(80,941)	(74,393)
RLV (£/ha (net))	704,727	(223,455)	(266,385)	(223,354)	(183,174)	(200,005)	(183,825)
RLV (% of GDV)	6.60%	-2.44%	-2.91%	-2.44%	-2.00%	-2.18%	-2.01%
RLV Total (£)	181,216	(159,610)	(380,550)	(638,154)	(1,046,711)	(2,265,768)	(3,151,293)
BLV (£/acre (net))	75,000	75,000	75,000	75,000	75,000	75,000	75,000
BLV (£/ha (net))	185,325	185,325	185,325	185,325	185,325	185,325	185,325
BLV Total (£)	47,655	132,375	264,750	529,500	1,059,000	2,118,000	3,177,000
Surplus/Deficit (£/acre) [RLV-BLV]	210,199	(165,431)	(182,805)	(165,390)	(149,130)	(155,941)	(149,393)
Surplus/Deficit (£/ha)	519,402	(408,780)	(451,710)	(408,679)	(368,499)	(385,300)	(369,150)
Surplus/Deficit Total (£)	133,561	(291,985)	(645,300)	(1,167,654)	(2,105,711)	(4,403,768)	(6,328,293)
RAG	Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable	Not Viable

Source: AspinallVerdi November 2025

Table 10.13 – Higher Value Zone Green Belt Typology Summary

Appraisal Ref:	GB HV 9	GB HV 25	GB HV 50	GB HV 100	GB HV 200	GB HV 400	GB HV 600
Scheme Typology:	Houses	Houses	Houses	Houses & Flats	Houses	Houses	Houses
No Units:	9	25	50	100	200	400	600
Location / Value Zone:	Higher	Higher	Higher	Higher	Higher	Higher	Higher
Greenfield/Brownfield:	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt	Green Belt
Notes/Comments:				-			
Total GDV (£)	2,925,000	7,015,688	14,031,375	28,062,750	56,125,500	112,251,000	168,376,500
Policy Assumptions	-	-	-	-	-	-	-
AH Target %	0%	50%	50%	50%	50%	50%	50%
Max CIL (£ psm)	-	-	-	-	-	-	-
Max CIL (£ per unit)	-	-	-	-	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-	-	-	-	-
Sub-total CIL+S106+Infra. (£ per unit)	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Profit KPI's	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
Developers Profit (% on OMS)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	20.00%	15.12%	15.12%	15.12%	15.12%	15.12%	15.12%
Developers Profit (% on costs)	30.10%	19.16%	19.06%	19.18%	19.25%	19.25%	19.26%
Developers Profit Total (£)	585,000	1,061,004	2,122,008	4,244,015	8,488,030	16,976,060	25,464,090
Land Value KPI's	-	-	-	-	-	-	-
RLV (£/acre (net))	556,557	209,679	193,200	208,558	218,203	217,741	218,266
RLV (£/ha (net))	1,375,253	518,117	477,396	515,346	539,180	536,036	539,337
RLV (% of GDV)	12.09%	5.28%	4.86%	5.25%	5.49%	5.48%	5.49%
RLV Total (£)	353,636	370,083	681,995	1,472,417	3,081,031	6,149,008	9,245,769
BLV (£/acre (net))	75,000	75,000	75,000	75,000	75,000	75,000	75,000
BLV (£/ha (net))	185,325	185,325	185,325	185,325	185,325	185,325	185,325
BLV Total (£)	47,655	132,375	264,750	529,500	1,059,000	2,118,000	3,177,000
Surplus/Deficit (£/acre) [RLV-BLV]	481,557	134,679	118,200	133,558	143,203	142,741	143,266
Surplus/Deficit (£/ha)	1,189,928	332,792	292,071	330,021	353,855	352,713	354,012
Surplus/Deficit Total (£)	305,981	237,708	417,245	942,917	2,022,031	4,031,008	6,068,769
RAG	viable	viable	viable	viable	viable	viable	viable

Source: AspinallVerdi November 2025

Green Belt Lower Value Zone

10.65 Table 10.10 summarises the appraisal results for lower value Green Belt typologies.

All schemes tested within the Green Belt Lower Value typologies are unviable as all the residual land values are negative.

10.66 All schemes in the Green Belt are tested at a level of 50% affordable housing, excluding the 9-unit scheme which is 0% affordable housing. All schemes include a S106 policy cost of £4,379 per-unit.

10.67 For the 9-unit scheme, the sensitivity testing shows that the scheme would be viable under the current assumptions of 0% level affordable housing if the build costs decreased by 8%, market values increased by 8% or there was a grant of £15,000 per unit.

10.68 For the 50 and 200-unit scheme, the only sensitivity scenario in which the scheme becomes viable is where a grant of £45,000 per unit is provided to support the 50% affordable housing target.

10.69 For the 25, 100, 400, 600-unit schemes, the only sensitivity scenario in which the scheme becomes viable is where a grant of £40,000 per unit is provided to support the 50% affordable housing target.

Green Belt Low-Medium Value Zone

10.70 Table 10.11 summarises the appraisal results for low-medium value Green Belt typologies.

The 9-unit scheme is viable at 0% affordable housing.

The 25, 50 and 100, 200, 400 and 600-unit schemes are all unviable as all the residual land values are negative.

10.71 For the 25, 100, 200, 400 and 600-unit schemes, the sensitivity testing indicates that the scheme would be viable at the current 50% affordable housing assumption if either market values increased by 20% or a grant of £25,000 per unit was provided.

For the 50-unit scheme, the sensitivity testing indicates that the scheme would be viable at the current 50% affordable housing assumption if a grant of £25,000 per unit was provided.

Green Belt Higher-Medium Value Zone

10.72 Table 10.12 summarises the appraisal results for higher-medium value Green Belt typologies.

The 9-unit scheme is viable at 0% affordable housing. The 25, 50 and 100, 200, 400 and 600-unit schemes are all unviable as all the residual land values are negative.

- 10.73 For the 25 and 100-unit schemes, the sensitivity testing indicates that the scheme would be viable at the current 50% affordable housing assumption if build costs decreased by 8%, market values increased by 10% or if a grant of £15,000 per unit was provided.
- 10.74 For the 50-unit scheme, the sensitivity testing indicates that the scheme would be viable at the current 50% affordable housing assumption if build costs decreased by 8%, market values increased by 12% or if a grant of £15,000 per unit was provided.
- 10.75 For the 200, 400 and 600-unit schemes, the sensitivity testing indicates that the scheme would be viable at the current 50% affordable housing assumption if build costs decreased by 6%, market values increased by 10% or if a grant of £15,000 per unit was provided.

Green Belt Higher Value Zone

- 10.76 Table 10.13 summarises the appraisal results for higher value Green Belt typologies.
- The 9, 25, 50 and 100, 200, 400 and 600-unit schemes are all viable under the current assumptions.**
- 10.77 For the 9-unit scheme, the sensitivity analysis indicates that under the current assumption of 0% affordable housing, the scheme could viably support a Section 106 contribution of £14,000 per unit.
- 10.78 For the 25, 50, 100, 200, 400 and 600-unit schemes, the sensitivity analysis indicates that under the current assumption of 50% affordable housing, the scheme could viably support a Section 106 contribution of £14,000 per unit.

Wigan Older Persons

10.79 The following tables summarise the viability results of the Brownfield, Greenfield and Green Belt typologies in Wigan

10.80 We have conducted viability testing across the lower value zones. The sensitivity testing shows how an increase in market values of up to 20% impacts the viability of the scheme. Across the zones we have appraised housing schemes of the following sizes:

- 50 units

Table 10.14 – Older Persons Typology Summary All Land Types

Appraisal Ref:	BF Lower Value - Older Persons	GF Lower Value - Older Persons	GB Lower Value - Older Persons
Scheme Typology:	Flats	Flats	Flats
No Units:	50	50	50
Location / Value Zone:	Low	Low	Low
Greenfield/Brownfield:	Brownfield	Greenfield	Green Belt
Notes/Comments:			
Total GDV (£)	6,576,969	6,576,969	5,866,438
Policy Assumptions			
AH Target %	25%	25%	50%
Max CIL (£ psm)	-	-	-
Max CIL (£ per unit)	-	-	-
Site Specific S106 (£ per unit)	5,500	5,500	5,500
Sub-total CIL+S106 (£ per unit)	5,500	5,500	5,500
Site Infrastructure (£ per unit)	-	-	-
Sub-total CIL+S106+Infra. (£ per unit)	5,500	5,500	5,500
Profit KPI's			
Developers Profit (% on OMS)	20.0%	20.0%	20.0%
Developers Profit (% on AH)	6.0%	6.0%	6.0%
Developers Profit (% blended)	17.63%	17.63%	14.70%
Developers Profit (% on costs)	9.50%	9.69%	7.25%
Developers Profit Total (£)	1,159,806	1,159,806	862,111
Land Value KPI's			
RLV (£/acre (net))	(5,441,795)	(5,305,319)	(5,570,493)
RLV (£/ha (net))	(13,570,224)	(13,112,410)	(13,764,605)
RLV (% of GDV)	-103.16%	-99.68%	-117.32%
RLV Total (£)	(6,785,112)	(6,556,205)	(6,682,302)
BLV (£/acre (net))	262,500	150,000	75,000
BLV (£/ha (net))	648,638	370,650	185,325
BLV Total (£)	324,319	185,325	92,683
Surplus/Deficit (£/acre) [RLV-BLV]	(5,754,295)	(5,496,319)	(5,645,493)
Surplus/Deficit (£/ha)	(14,218,862)	(13,483,060)	(13,949,830)
Surplus/Deficit Total (£)	(7,109,431)	(6,741,530)	(6,974,950)
RAG	Not Viable	Not Viable	Not Viable

Source: AspinallVerdi, November 2025

10.81 The sensitivity testing shows that all scenarios are all unviable. Sensitivity changes in any of the assumptions would make the scheme unviable. This is because the residual land value is negative and does not exceed the benchmark land value.

Wigan Build to Rent

10.82 The following tables summarise the viability results of the Brownfield, Greenfield and Green Belt typologies in Wigan

10.83 We have conducted viability testing across the lower value zones. The sensitivity testing shows how an increase in market values of up to 20% impacts the viability of the scheme. Across the zones we have appraised housing schemes of the following sizes:

- 50 units

Table 10.15 – Build to Rent Typology Summary All Land Types

Appraisal Ref:	BTR Brownfield Low Value 50 units	BTR Greenfield Low Value 50 units	BTR Green Belt Low Value 50 units
Appraisal Ref:	Flats	Flats	Flats
No Units:	50	50	50
Location / Value Zone:	Low	Low	Low
Greenfield/Brownfield:	Brownfield	Greenfield	Green belt
Notes:	BTR	BTR	BTR
Total GCV (£)	£5,600,788	£5,600,788	£5,072,680
Policy Assumptions	0.00%	0.00%	0.00%
AH Target %:	20.00%	20.00%	60.0%
CIL (£ psm)	0.00%	0.00%	0.00%
CIL (£ per unit)	0.00%	0.00%	0.00%
Site Specific S106 (£ psm)	£53.48	£53.48	£53.48
Site Specific S106 (£ per unit)	£5.30	£5.30	£5.30
Sub-Total CIL + S106 (£ per unit)	£5.800	£5.800	£5.800
Profit KPI's			
Developers Profit (% of costs)	-10.0%	-10.0%	-10.0%
Total Developers Profit (£)	£1,240,721	£1,230,280	£1,215,210
Land Value KPI's			
RLV (£/acre (net))	0.07,407	0.315,408	0.700,073
RLV (£/ha (net))	£16,005,229	£10,005,045	£16,598,251
RLV (£/unit)	£3,027,645	£7,802,799	£3,334,125
RLV Total (£)	£3,027,645	£7,802,799	£3,334,125
BLV (£/acre (net))	202,300	180,000	75,000
BLV (£/ha (net))	648,638	370,650	370,650
BLV Total (£)	324,319	185,325	92,663
Surplus/Deficit (£/acre) (RLV-BLV)	£6,799,567	£8,405,498	£6,780,070
Surplus/Deficit (£/ha)	£16,703,027	£16,376,245	£16,753,575
Surplus/Deficit Total (£)	£6,351,063	£7,086,120	£6,375,789
Plan Viability comments	unviable	unviable	unviable

Source: AspinallVerdi, November 2025

10.84 The sensitivity testing shows that all scenarios are all unviable. No change in any of the assumptions would make the scheme viable. This is because the residual land value is negative and does not exceed the benchmark land value.

11 Conclusions and Recommendations

11.1 In this section we draw together the recommendations from the viability modelling.

Residential (General Needs)

- 11.2 We understand the council may want to apply a single affordable housing target across the borough. Therefore, a balance is required between deciding on a broadly achievable affordable housing level whilst also not discouraging development. This aligns with the NPPF which states that there should be a level set for affordable housing.
- 11.3 The previous version of the NPPF required local authorities to have a minimum target level of 10% for affordable housing but this is no longer the case. The NPPF still expects affordable housing to be provided and policies on affordable housing still must be included, the difference is that it is no longer required as a nationally prescribed proportion, which makes it difficult to recommend target levels for a local authority when viability is particularly challenging.
- 11.4 For brownfield typologies, viability is particularly challenging. Testing on lower and medium value zones indicates that no affordable housing could be afforded and the schemes are all unviable. S106 costs were also tested within the sensitivity analysis and demonstrate a lack of viability where affordable housing is provided. Due to how unviable these typologies are, the council could set 0% affordable housing within the lower, low-medium and higher-medium value zones to encourage development. However, it is understandable that the council may want to include an affordable housing target within areas with high affordable housing need as some developments may still be able to provide some level of affordable housing. Furthermore, as the target is set at the outset of the plan, changing market conditions could result in a 0% affordable housing target being in place when future markets may allow for affordable housing delivery.
- 11.5 The high value zone (brownfield) sensitivity analysis demonstrates that 30% affordable housing can be afforded alongside S106 costs. The council could adopt an approach of including a higher target (than the other value zones) within the higher value zone on brownfield land. If a single target is set, we would expect the high value zones to be able to afford the 25% target, alongside S106 in most cases.
- 11.6 For the greenfield typologies, viability is challenging. The lower and low-medium value zone results show they are unviable and therefore cannot support any affordable housing. Again, S106 was tested in the sensitivity analysis. However, for greenfield land, there are far fewer issues associated with development, particularly ground costs, compared to brownfield.
- 11.7 The lower and low-medium value zones all indicate that no affordable housing could be afforded and the schemes are all unviable. S106 costs were also tested within the sensitivity analysis and

demonstrate a lack of viability where affordable housing is provided. It is also important to attempt to strike a balance between viability realism based on current evidence and policy aspiration by securing affordable housing where possible.

- 11.8 Within the higher-medium value zone, the appraisals demonstrate that some schemes (200, 400 and 600 units) can afford 5% affordable housing.
- 11.9 Within the higher value zone, the appraisals demonstrate that the schemes can afford 25%+ affordable housing. We note that the councils' intention is to set the target at 25%, which our appraisals have suggested can be afforded within the higher value zone.
- 11.10 For the Green Belt typologies, the affordable housing target was set at 50%, which is in-line with the latest NPPF (December 2024).
- 11.11 Paragraphs 66 and 67 of the NPPF December 2024 state the following:

As part of the 'Golden Rules' for Green Belt development set out in paragraphs 156-157 of this Framework, a specific affordable housing requirement (or requirements) should be set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should:

*a) be set at a **higher level** than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and*

*b) require **at least 50% of the housing to be affordable**, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability).*

The affordable housing requirement for land within or released from the Green Belt may be set as a single rate or be set at differential rates, subject to the criteria above.

- 11.12 At 50%, viability is challenging, resulting in none of the schemes being able to afford this target within the lower, low-medium and higher-medium value zones. However, due to the lower BLV, the viability slightly improves in comparison to the greenfield typologies.
- 11.13 The low and lower-medium value zones cannot afford any affordable housing but due to the challenges that come with releasing Green Belt, there needs to be a target set that is in line with point a) being 'set at a higher level' than non-Green Belt land.
- 11.14 The council should set the affordable housing target for Green Belt land at a higher level than is set for non-Green Belt land. As the results show 50% is not viable, the target could be set lower than 50% as long as it is set higher than the other land types. We believe this approach would

still contribute to affordable housing need, while remaining realistic and being in line with paragraph 67 of NPPF.

- 11.15 For most of the schemes within the higher-medium value zone, the achieved level of affordable housing varies. The 25, 50 and 100-unit can afford 20% affordable housing and the 200, 400 and 600-unit schemes can afford 25% affordable housing. As discussed above, the council may decide to set their affordable housing target at a higher level than non-Green Belt land but lower than 50%, as viability does not support this.
- 11.16 For the higher value zone, all schemes can afford 50% affordable housing. The council may decide to set this as their affordable housing target for Green Belt land within the higher-value zone.
- 11.17 Wigan Council should also consider other proactive interventions in the market to support the delivery of housing and affordable housing.
- 11.18 We highlight that the lack of viability in the area is largely down to the high build costs and lower sales values across Wigan. We note, that across the plan period, both land values and build costs are likely to experience changes, which may lead to a shift in the viability position across the borough.
- 11.19 Developers are currently facing multiple challenges of high interest rates (which impacts both development finance and mortgage rates) and mandatory policy costs (e.g. BNG). We therefore recommend that any discretionary requirements are minimised in order to focus on the delivery of housing generally and affordable housing specifically.
- 11.20 The above recommended rates are based upon: the detailed research and analysis here-in; consultation with industry and Wigan Council officers; the appraisal results and particularly the series of sensitivity scenarios which we have prepared for each of the typologies. The sensitivity tables (see Viability Modelling Best Practice and 'How to Interpret the Viability Appraisals' in Section 4 above) in particular assist in the analysis of viability and to appreciate the sensitivity of the appraisals to key variables such as: Affordable Housing %; S106 Costs; BLV, profit; grant and, to consider the impact of rising construction costs.
- 11.21 This is to de-emphasise the BLV in each typology and help consider viability 'in-the-round' i.e., in the context of sales values, development costs, contingency, developer's profit which make up the appraisal inputs. It should be appreciated that the typologies cannot possibly model every single actual development scheme that may come forward, and the sensitivity tables show where the margins of viability are (based on the baseline appraisal assumptions) and where buffers can be found e.g., developer profit, BLV etc. Wigan Council have informed us that affordable housing has been achieved in all value zones, demonstrating the potential variance in viability depending on individual scheme specifics.

- 11.22 Wigan Council could adopt a consistent percentage requirement for affordable housing across the borough, acknowledging that lower value areas are unlikely to be able to afford the full contribution level and use the planning process to assess viability on a site-specific basis. This will ensure that the affordable housing target remains aspirational without undermining delivery. Consideration could also be given to the following:
- direct development of housing by Wigan Council (at lower profit margins);
 - partnering with Registered Providers;
 - delivery of brownfield/regeneration sites (e.g., in the strategic centres) through partnership and delivery funding schemes;
 - use of grant and soft-loans e.g. Brownfield Housing Fund; Brownfield Infrastructure Land Fund etc. This could be linked to targets for lower carbon homes as well as affordable housing.
- 11.23 It is important that Wigan Council continues to consult and refine the policy requirements (and may need to make difficult choices) as to what is viable and deliverable. It is also important that Wigan Council continues to work with all agencies (national and regional) to tackle market failure in the regeneration areas.

Best Practice

- 11.24 In addition, we recommend that, in accordance with best practice, the Wigan plan wide viability is reviewed on a regular basis to ensure that the Plan remains relevant as the property market cycle(s) change. We recommend that the Plan is reviewed simultaneously and that steps are made towards aligning the Wigan Borough Local Plan.
- 11.25 Furthermore, to facilitate the process of review, we recommend that Wigan Council monitor the development appraisal parameters herein, but particularly the data on land values, delivery rates and grant funding.