

Summary Note on the Main Areas of Dispute for the Viability Evidence

- 1.1 This document has been formed in response to Panel Note 9 (“NLP_EX_32_Panel Note No. 9 viability”) which requests that the Mayor prepares, in liaison with participants, a short summary note identifying the main areas of dispute relating to the viability evidence supporting the draft Plan.
- 1.2 Panel Note 9 identifies four areas that should be covered to help focus the discussion for Matter 92. The areas are set out below and related information can be found in Appendices A to D:
 - A list of the policies in the Plan that are likely to have a significant effect on development costs and/or development values: **Appendix A.**
 - LPVS assumptions about the costs of different types of development, with alternative figures suggested by other participants: **Appendix B.**
 - LPVS assumptions about the values of different types of development, with alternative figures suggested by other participants: **Appendix C.**
 - LPVS assumptions about benchmark land values, with alternative figures suggested by other participants: **Appendix D.**
- 1.3 The table at Appendix A includes the main policies referred to in participants’ statements as having the potential to significantly effect development costs and/ or values. The focus of the note is on the main areas of dispute and policies have not been included where these were not previously referenced as significantly effecting development costs and/ or values in participants’ statements. Inclusion of a policy within the table does not indicate that the GLA consider that this will have a significant detrimental impact on development viability.
- 1.4 The tables at Appendices B to D include the main cost/ value/ benchmark land value (as relevant) related viability assumptions within the LPVS and supporting documents referred to in participants’ statements where alternative figures were suggested and participants indicated that inputs are too high or too low, as requested in Panel Note 9.
- 1.5 A draft version of this note was provided to participants for Matter 92. The note has been updated to indicate where participants consider that policies are likely to have a significant effect on development costs and/or values; alternative figures suggested by participants; and, where participants consider that the figures adopted should be higher or lower. Comments provided by participants which repeat points made in their previous written submissions or introduce new information which is beyond the scope of Panel Note 9 have not been included.

Appendix A: Policies in the draft Plan that are likely to have a significant effect on development costs and/or development values

Policy Reference	Policy Title
H2 H	Small sites
H5	Delivering affordable housing
H6	Threshold approach to applications
H13	Build to rent
H15	Specialist older person's housing
H17	Purpose-built student accommodation
E3	Affordable workspace

E7	Industrial intensification, co-location and substitution
G5	Urban greening
SI1	Improving air quality
SI2	Minimising greenhouse gas emissions
T6.3	Retail parking

Appendix B: Main cost related viability assumptions in evidence documents and alternative figures suggested by participants

Theme	LPVS Costs Assumptions	Participant alternative figure	Participant comment where no alternative – too high/ too low																														
<p>Build costs (residential typologies)</p>	<p>The build costs applied in the LPVS vary depending on storey heights, levels of affordable housing provision, and other additional cost assumptions which are detailed in the study. Paragraph 5.6 of the LPVS outlines the base build costs ranges used in the viability testing provided by cost consultant Turner and Townsend.</p> <table border="1" data-bbox="477 619 1176 927"> <caption>Table 1: Base build costs £ per sq m gross floorspace</caption> <thead> <tr> <th>Storeys</th> <th>Base Band A</th> <th>Base Band B</th> <th>Base Band C</th> <th>Base Band D</th> <th>Base Band E</th> </tr> </thead> <tbody> <tr> <td>1 to 3</td> <td>£2,965</td> <td>£2,825</td> <td>£2,708</td> <td>£2,475</td> <td>£2,280</td> </tr> <tr> <td>4 to 10</td> <td>£3,140</td> <td>£2,990</td> <td>£2,883</td> <td>£2,625</td> <td>£2,555</td> </tr> <tr> <td>11 to 20</td> <td>£3,380</td> <td>£3,220</td> <td>£3,078</td> <td>£2,825</td> <td>£2,760</td> </tr> <tr> <td>21+</td> <td>£3,550</td> <td>£3,400</td> <td>£3,254</td> <td>£2,950</td> <td>£2,900</td> </tr> </tbody> </table> <p>Additional cost assumptions were added to the base build costs as set out in the LPVS. This includes costs for Energy Standards, Safe and Secure Environments and External Works:</p> <ul style="list-style-type: none"> • Safe and Secure Environment - relating to fire safety at £20 per sq m for schemes of 4-10 storeys (see LPVS 5.8.14), and fire evacuation lifts at £20,000 per core where appropriate (LPVS 5.8.15). • Energy Standards - relating to London LEAN performance - £1,500 per unit (LPVS 5.8.2) • External Works - relating to allowance for works such as local hard and soft landscaping, external amenity space, play, footpaths, drainage and service diversions calculated 	Storeys	Base Band A	Base Band B	Base Band C	Base Band D	Base Band E	1 to 3	£2,965	£2,825	£2,708	£2,475	£2,280	4 to 10	£3,140	£2,990	£2,883	£2,625	£2,555	11 to 20	£3,380	£3,220	£3,078	£2,825	£2,760	21+	£3,550	£3,400	£3,254	£2,950	£2,900	<p>London First: Modelled “5% increase” to base build costs.</p>	<p>Just Space: Costs too low.</p>
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	<p>at 8.55% on base build costs plus Energy Standards and Safe and Secure Environment costs (LPVS 5.6.10)</p> <table border="1" data-bbox="477 400 1218 759"> <thead> <tr> <th colspan="6" data-bbox="477 400 1218 483">Table 2: Base build costs plus additional cost assumptions (Energy Standards, Safe and Secure Environments and External Works) £ per sq m gross floorspace</th> </tr> <tr> <th data-bbox="477 483 602 564">Storeys</th> <th data-bbox="602 483 728 564">Average for Band A</th> <th data-bbox="728 483 853 564">Average for Band B</th> <th data-bbox="853 483 978 564">Average for Band C</th> <th data-bbox="978 483 1104 564">Average for Band D</th> <th data-bbox="1104 483 1218 564">Average for Band E</th> </tr> </thead> <tbody> <tr> <td data-bbox="477 564 602 612">1 to 3</td> <td data-bbox="602 564 728 612">£3,178</td> <td data-bbox="728 564 853 612">£3,029</td> <td data-bbox="853 564 978 612">£2,879</td> <td data-bbox="978 564 1104 612">£2,633</td> <td data-bbox="1104 564 1218 612">£2,533</td> </tr> <tr> <td data-bbox="477 612 602 660">4 to 10</td> <td data-bbox="602 612 728 660">£3,386</td> <td data-bbox="728 612 853 660">£3,227</td> <td data-bbox="853 612 978 660">£3,086</td> <td data-bbox="978 612 1104 660">£2,813</td> <td data-bbox="1104 612 1218 660">£2,739</td> </tr> <tr> <td data-bbox="477 660 602 708">11 to 20</td> <td data-bbox="602 660 728 708">£3,621</td> <td data-bbox="728 660 853 708">£3,450</td> <td data-bbox="853 660 978 708">£3,270</td> <td data-bbox="978 660 1104 708">£3,003</td> <td data-bbox="1104 660 1218 708">£2,934</td> </tr> <tr> <td data-bbox="477 708 602 756">21+</td> <td data-bbox="602 708 728 756">£3,807</td> <td data-bbox="728 708 853 756">£3,647</td> <td data-bbox="853 708 978 756">£3,459</td> <td data-bbox="978 708 1104 756">£3,137</td> <td data-bbox="1104 708 1218 756">£3,084</td> </tr> </tbody> </table> <ul data-bbox="477 802 1245 1235" style="list-style-type: none"> • Other Additional Costs were added to the above costs such as Demolition Costs at £29 per sq m over site area, and Electric Vehicle Charging and Provision for Cycles (LPVS 5.6 onwards). • Sensitivity Testing: Additional costs were applied to test an Abnormal Costs scenario at £183/sq m (LPVS Addendum Table 5.2). • Floor Area Efficiency Build Cost Uplift – The LPVS tested reduced gross to net efficiency for taller buildings. This results in the saleable area being the same, but build costs increasing. This is in addition to the increased build cost rate that is applied on higher storeys (see above). 	Table 2: Base build costs plus additional cost assumptions (Energy Standards, Safe and Secure Environments and External Works) £ per sq m gross floorspace						Storeys	Average for Band A	Average for Band B	Average for Band C	Average for Band D	Average for Band E	1 to 3	£3,178	£3,029	£2,879	£2,633	£2,533	4 to 10	£3,386	£3,227	£3,086	£2,813	£2,739	11 to 20	£3,621	£3,450	£3,270	£3,003	£2,934	21+	£3,807	£3,647	£3,459	£3,137	£3,084		
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<p>Build costs (student development)</p>	<p>The build costs for student accommodation assessed by Turner and Townsend are set out at Table 3 (LPVS 6.3.4).</p> <table border="1" data-bbox="477 411 1216 619"> <caption>Table 3: Student build costs for SR1 and SR2 £ per sq m gross floorspace</caption> <thead> <tr> <th></th> <th>Band A</th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td>SR1</td> <td>£2,497</td> <td>£2,459</td> <td></td> <td>£2,307</td> <td></td> </tr> <tr> <td>SR2</td> <td>£2,609</td> <td>£2,570</td> <td></td> <td>£2,411</td> <td></td> </tr> </tbody> </table> <p>These include costs for cycle parking, Electric Charging Points and parking cost allowances (LPVS 5.8).</p> <p>Additional Costs assumptions relating to abnormal costs were added to the base costs at £166 per sq m (LPVS 6.3.7), resulting in the following rate used in the testing:</p> <table border="1" data-bbox="477 874 1216 1082"> <caption>Table 4: Build costs for SR1 and SR2 with abnormal costs. £ per sq m gross floorspace</caption> <thead> <tr> <th></th> <th>Band A</th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td>9 Storeys</td> <td>£2,663</td> <td>£2,625</td> <td></td> <td>£2,473</td> <td></td> </tr> <tr> <td>15 Storeys</td> <td>£2,775</td> <td>£2,736</td> <td></td> <td>£2,577</td> <td></td> </tr> </tbody> </table> <p>Additional demolition costs were also applied at £29 per sq m over the site area (LPVS 6.3.7) together with other relevant policy costs.</p>		Band A	Band B	Band C	Band D	Band E	SR1	£2,497	£2,459		£2,307		SR2	£2,609	£2,570		£2,411			Band A	Band B	Band C	Band D	Band E	9 Storeys	£2,663	£2,625		£2,473		15 Storeys	£2,775	£2,736		£2,577			<p>Tide Construction: Too low.</p>
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<p>Build costs (mixed use /</p>	<p>Build costs for the mixed use / supermarket typologies incorporate costs for the residential component as set out</p>	<p>Tesco:</p> <ul style="list-style-type: none"> • Typology 1 (Band C) £3,509 per sqm 	<p>Sainsburys: costs too low.</p>																																				

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<p>supermarket typology)</p>	<p>above, and for the supermarket element which is detailed below.</p> <p>The build costs applied for the supermarket schemes vary depending on the location, number and form of the car park spaces (LPVS Addendum 4.26).</p> <table border="1" data-bbox="477 552 1216 762"> <caption>Table 4: Supermarket build costs for MU5 and MU6 £ per sq m on supermarket floorspace</caption> <thead> <tr> <th></th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td>MU5</td> <td colspan="2">£4,470</td> <td colspan="2">£4,289</td> </tr> <tr> <td>MU6</td> <td colspan="2">£3,054</td> <td colspan="2">£2,971</td> </tr> </tbody> </table> <p>The rates include base build costs, and costs for external works, car parking and rapid electric car charging.</p> <ul style="list-style-type: none"> • External Works – relating to allowance for works such as local hard and soft landscaping, external amenity space, play, footpaths, drainage and service diversions calculated at 8.55% on base build costs (LPVS 5.6.10). • Car Parking –58 basement parking spaces for MU5, 67 parking spaces for MU6 in Value Bands B and C and 100 parking spaces in Band D (LPVS Addendum 4.26). • Rapid Electric Car Charging calculated at £40,000 per point (LPVS Addendum 4.26). • Demolition allowance of £29 per sq m over the site area (LPVS 5.6.12). 		Band B	Band C	Band D	Band E	MU5	£4,470		£4,289		MU6	£3,054		£2,971		<ul style="list-style-type: none"> • Typology 2 (Band B) £3,529 per sqm • Typology 3 (Band D) £2,959 per sqm • Typology 4 (Band C) £2,959 per sqm <p>(Appendix B, Tesco March 2018 representations)</p>	
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	<ul style="list-style-type: none"> • Additional Abnormal Costs equating to £183 per sq m were applied in the sensitivity testing for MU5 (LPVS Addendum Table 5.2). 		
Older people’s accommodation – sheltered housing	Residential build costs as set out above. 20% allowance for communal/ circulation space for sheltered accommodation and 35% for extra care.	Retirement Housing Consortium – gross to net of 26% for sheltered housing.	
Developer return	Developer return was informed by information from various sources including developer accounts and viability appraisals assessed by the GLA (LPVS Technical Report Annex G). Returns for residential properties for sale were assessed at 15 – 20% on Gross Development Value (GDV), 11-13% on GDV for Build to Rent and 15% on GDV for non-residential development.	<p>Tesco: Testing at 35% affordable housing</p> <ul style="list-style-type: none"> • Viable > 20% on GDV • Marginal 15 < 20% GDV • Unviable < 15% GDV <p>(Appendix 1, Paragraph 6.2, March 2018 representations)</p> <p>London First: 15% on GDV for Build to Rent.</p>	London First (non-residential): Too low.
Finance	<p>Finance costs were informed by viability appraisals assessed by the GLA and were applied at a rate of 6.5% on development costs. Finance costs were applied to both developer return and land costs within the LPVS.</p> <p>Within the LPVS Addendum finance costs were not applied on developer return as finance costs would not be incurred on returns.</p>	<p>Tesco: 6.6% adopted for testing purposes (Appendix 1, para 5.13, March 2018 representations)</p> <p>London First: Modelled “1% increase” (7.5%) (Consultation response 4.3.10)</p>	Tide Construction: Too low (student accommodation)

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<p>CIL / S106</p>	<table border="1" data-bbox="477 339 1126 595"> <thead> <tr> <th colspan="5">Table 5: CIL rates</th> </tr> <tr> <th>Band A</th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td colspan="5" style="text-align: center;">Borough CIL</td> </tr> <tr> <td>£ 563</td> <td>£ 309</td> <td>£ 128</td> <td>£ 114</td> <td>£ 63</td> </tr> <tr> <td colspan="5" style="text-align: center;">Mayor of London CIL</td> </tr> <tr> <td>£ 80</td> <td>£ 80</td> <td>£ 60</td> <td>£ 60</td> <td>£ 25</td> </tr> </tbody> </table> <p>CIL is typically charged on net additional floorspace, however CIL rates were applied to all GIA floorspace in the LPVS - CIL costs do not take into account the reduction allowed for existing floorspace under the CIL Regulations (LPVS 5.8.17 to 19).</p> <p>CIL costs applied in LPVS Addendum took into account reduction allowed for existing floorspace under CIL Regulations based on LDD completions data.</p> <p>Additional allowance of £1,500 per unit for local mitigation of direct development impacts/ requirements not covered by CIL such as employment and training (LPVS 5.8.20). Separate costs for carbon offset contributions were also applied.</p>	Table 5: CIL rates					Band A	Band B	Band C	Band D	Band E	Borough CIL					£ 563	£ 309	£ 128	£ 114	£ 63	Mayor of London CIL					£ 80	£ 80	£ 60	£ 60	£ 25	<p>CIL and MCIL rate appropriate to Borough and Mayoral levels tested (Appendix 1, paragraph 5.11 and Appendix B, March 2018 representations)</p>	<p>Home Builder’s Federation: S106 cost could be too low.</p>
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<p>Urban Greening</p>	<p>LPVS costs provided by Turner and Townsend included additional external cost allowance of 8.55% which included urban greening costs (see above). Cost for premium urban greening types of £41.50 per sq m applied to all development floorspace in LPVS Addendum (Annex D).</p>	<p>SEGRO: Additional costs of green roofs on industrial development circa £123 per sq m.</p>	<p>London First: Too low</p>																														

Appendix C: Main value related assumptions in viability evidence documents and alternative figures suggested by participants

Theme	LPVS Value Assumptions	Participant Input	Participant comment where no alternative – too high/ too low																														
<p>Residential Sales Values</p>	<p>Residential sales values included in the LPVS were based on analysis of Land Registry Data and are set out in Table 1 (LPVS 5.4, Technical Report Annex B):</p> <table border="1" data-bbox="463 552 1162 684"> <thead> <tr> <th colspan="5">Table 1: Residential sales values £ per sq m</th> </tr> <tr> <th>Band A</th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td>£20,000</td> <td>£12,000</td> <td>£8,250</td> <td>£6,250</td> <td>£4,250</td> </tr> </tbody> </table> <p>Further information was considered in the LPVS Addendum. Further testing was undertaken informed by the market review at Section 2.</p> <table border="1" data-bbox="463 828 1162 976"> <thead> <tr> <th colspan="5">Table 2: Residential sales values £ per sq m (LPVS Addendum)</th> </tr> <tr> <th>Band A</th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td>£19,714</td> <td>£12,185</td> <td>£8,500</td> <td>£6,350</td> <td>£4,675</td> </tr> </tbody> </table>	Table 1: Residential sales values £ per sq m					Band A	Band B	Band C	Band D	Band E	£20,000	£12,000	£8,250	£6,250	£4,250	Table 2: Residential sales values £ per sq m (LPVS Addendum)					Band A	Band B	Band C	Band D	Band E	£19,714	£12,185	£8,500	£6,350	£4,675	<p>London First: Modelled a scenario in which residential values were reduced by 5% to represent a reasonable test of variation in the market (consultation response, ref 4.3.10).</p> <p>Tesco:</p> <ul style="list-style-type: none"> • Typology 1 (Band C) £9,146 per sqm • Typology 2 (Band B) £9,684 per sqm • Typology 3 (Band D) £5,487 per sqm • Typology 4 (Band C) £8,608 per sqm <p>(Appendix B – Tesco March 2018 representations)</p>	
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<p>Residential Rents</p>	<p>Residential rents applied in the LPVS were based on various sources including rents advertised by agents and online and published by data consultancies such as Molior (Technical Report, Annex B). Residential rents vary by bedroom size and dwelling type. The range of rents applied for each value band are set out in Table 2:</p> <table border="1" data-bbox="461 408 1155 584"> <thead> <tr> <th colspan="5">Table 3: Build to Rent – Weekly Rents (excluding service charges)</th> </tr> <tr> <th>Band A</th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td>£672 - £1,335</td> <td>£451 - £874</td> <td>£345 - £644</td> <td>£288 - £518</td> <td>£230 - £389</td> </tr> </tbody> </table>	Table 3: Build to Rent – Weekly Rents (excluding service charges)					Band A	Band B	Band C	Band D	Band E	£672 - £1,335	£451 - £874	£345 - £644	£288 - £518	£230 - £389	<p>London First: Ran an additional scenario in which residential rents and values reduced by 5% to represent a reasonable test of variation to the market (consultation response Ref 4.3.10)</p>															
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£672 - £1,335	£451 - £874	£345 - £644	£288 - £518	£230 - £389																												
<p>Affordable Housing Values</p>	<p>A range of affordable housing tenures were tested based on the Mayor’s preferred affordable housing products. Rents for London Affordable Rent (LAR) and London Living Rent (LLR) were tested at the rent benchmarks published by the GLA in 2017.</p> <table border="1" data-bbox="461 839 1348 1088"> <thead> <tr> <th colspan="6">Table 4: Weekly rents for LLR and LAR (£)</th> </tr> <tr> <th rowspan="2">Tenure</th> <th colspan="5">Band</th> </tr> <tr> <th>A</th> <th>B</th> <th>C</th> <th>D</th> <th>E</th> </tr> </thead> <tbody> <tr> <td>London Affordable Rent</td> <td>144- 170</td> <td>144- 170</td> <td>144- 170</td> <td>144- 170</td> <td>144- 170</td> </tr> <tr> <td>London Living Rent</td> <td>270 - 390</td> <td>205- 310</td> <td>180- 270</td> <td>175- 250</td> <td>180- 250</td> </tr> </tbody> </table> <p>For London Shared Ownership (LSO) rents on retained equity and shares sold were 2.50% and a 35% share sold for Value Band C; and 2.75% and 40% for Value Bands D and E. Discount Market Rent was tested at various discounts to market rent for different value bands: 40% (A), 60% (B), 80% (C-E). See LPVS Technical Report Annex B and D.</p>	Table 4: Weekly rents for LLR and LAR (£)						Tenure	Band					A	B	C	D	E	London Affordable Rent	144- 170	144- 170	144- 170	144- 170	144- 170	London Living Rent	270 - 390	205- 310	180- 270	175- 250	180- 250	<p>London First: reduction of 20% in the London First additional scenario.</p> <p>Tesco:</p> <ul style="list-style-type: none"> • Typology 1 (Band C) £4,486 per sqm • Typology 2 (Band B) £5,207 per sqm • Typology 3 (Band D) £2,980 per sqm • Typology 4 (Band C) £4,723 per sqm <p>(Appendix 1, Appraisal Typology 1 Appendix B – Tesco March 2018 representations)</p>	<p>Just Space: Too high - do not reflect social target rent levels.</p>
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London Living Rent	270 - 390	205- 310	180- 270	175- 250	180- 250																											

	<p>Further information was considered in the LPVS Addendum based on a range of sources including housing association accounts and transaction prices for S106 affordable housing units (Annex C). Testing was undertaken with LAR values at £2,200 per sq m and LSO at £3,900 - £5,100 per sq m (Bands C, D and E).</p>																	
<p>Value of Student Accommodation</p>	<p>Student accommodation values were based on market reports (See Cushman and Wakefield’s Student Bed space cost analysis, and annual market reports; and JLL’s <i>UK Student Housing Q1 2017</i>) and the <i>Student Accommodation Survey 2015</i> by the University of London:</p> <table border="1" data-bbox="461 587 1162 722"> <thead> <tr> <th colspan="5">Value Per Unit</th> </tr> <tr> <th>Band A</th> <th>Band B</th> <th>Band C</th> <th>Band D</th> <th>Band E</th> </tr> </thead> <tbody> <tr> <td>£232,000</td> <td>£204,000</td> <td>£164,000</td> <td>£129,000</td> <td>£127,000</td> </tr> </tbody> </table> <p>Student accommodation values are considered further in Annex G of the Addendum Report which reviews values for student accommodation linked to educational institutions.</p>	Value Per Unit					Band A	Band B	Band C	Band D	Band E	£232,000	£204,000	£164,000	£129,000	£127,000	<p>N/A</p>	<p>Tide Construction:</p> <ul style="list-style-type: none"> • Too high.
Value Per Unit																		
Band A	Band B	Band C	Band D	Band E														
£232,000	£204,000	£164,000	£129,000	£127,000														

Appendix D: Main benchmark land value related assumptions in viability evidence documents and alternative figures suggested by participants

Theme	LPVS Input/Position	Participant Input	Participant Comment																												
<p>Residential / Non-Residential</p>	<p>BLVs applied in the study were informed by land values for specific proposals assessed as part of the planning process (LPVS Section 8, LPVS Technical Report Annex J, LPVS Addendum Annex J).</p> <p>BLVs have been calculated on a per unit basis which enables comparison between sites where typologies are being tested and individual site characteristics are not known. This also reflects the variation in urban development sites and their capacity which may not be accounted for when calculating land values on a site area basis. Low, mid and high BLVs were calculated for residential uses as follows:</p> <table border="1" data-bbox="472 794 1272 1310"> <thead> <tr> <th colspan="4" data-bbox="472 794 1272 895">Table 1 - Residential Benchmark Land Values £ per residential unit</th> </tr> <tr> <th data-bbox="472 895 698 986">Value Band</th> <th data-bbox="698 895 887 986">Low</th> <th data-bbox="887 895 1099 986">Mid</th> <th data-bbox="1099 895 1272 986">High</th> </tr> </thead> <tbody> <tr> <td data-bbox="472 986 698 1058">Band A</td> <td data-bbox="698 986 887 1058">£75,000</td> <td data-bbox="887 986 1099 1058">£190,000</td> <td data-bbox="1099 986 1272 1058">£300,000</td> </tr> <tr> <td data-bbox="472 1058 698 1129">Band B</td> <td data-bbox="698 1058 887 1129">£40,000</td> <td data-bbox="887 1058 1099 1129">£75,000</td> <td data-bbox="1099 1058 1272 1129">£110,000</td> </tr> <tr> <td data-bbox="472 1129 698 1201">Band C</td> <td data-bbox="698 1129 887 1201">£30,000</td> <td data-bbox="887 1129 1099 1201">£55,000</td> <td data-bbox="1099 1129 1272 1201">£80,000</td> </tr> <tr> <td data-bbox="472 1201 698 1273">Band D</td> <td data-bbox="698 1201 887 1273">£20,000</td> <td data-bbox="887 1201 1099 1273">£35,000</td> <td data-bbox="1099 1201 1272 1273">£50,000</td> </tr> <tr> <td data-bbox="472 1273 698 1310">Band E</td> <td data-bbox="698 1273 887 1310">£10,000</td> <td data-bbox="887 1273 1099 1310">£20,000</td> <td data-bbox="1099 1273 1272 1310">£30,000</td> </tr> </tbody> </table>	Table 1 - Residential Benchmark Land Values £ per residential unit				Value Band	Low	Mid	High	Band A	£75,000	£190,000	£300,000	Band B	£40,000	£75,000	£110,000	Band C	£30,000	£55,000	£80,000	Band D	£20,000	£35,000	£50,000	Band E	£10,000	£20,000	£30,000	<p>London First: Increased the BLV for residential testing by 20% in additional scenario based on analysis in Part 3 of consultation response (ref 4.3.10).</p> <p>Tesco:</p> <ul style="list-style-type: none"> • Typology 1 (Band C) £175 per sqm mixed use (£16,000,000); • Typology 2 (Band B) £387.51 per sqm mixed use (£14,500,000); • Typology 3 (Band D) £209.11 per sqm mixed use (£6,500,000); • Typology 4 (Band C) £1,360 per sqm mixed use (£12,000,000) <p>(Appendix B March 2018 representations)</p>	<p>Home Builder’s Federation, London First, Tesco / Sainsburys (supermarket typologies), Tide Construction (student accommodation), Retirement Housing Consortium (Older People’s Accommodation): BLVs too low.</p>
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	<p>Tables 2 and 3 show the BLVs applied for typologies Res 7 and Res 10 as an example. These reflect significant variation in land values across London.</p> <table border="1" data-bbox="432 379 1274 778"> <thead> <tr> <th colspan="4" data-bbox="432 379 1274 440">Table 2: Typology Res 7 (300 residential units) Benchmark Land Values</th> </tr> <tr> <th data-bbox="432 440 584 507">Value Band</th> <th data-bbox="584 440 804 507">Low</th> <th data-bbox="804 440 1039 507">Mid</th> <th data-bbox="1039 440 1274 507">High</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 507 584 563">Band A</td> <td data-bbox="584 507 804 563">£22,500,000</td> <td data-bbox="804 507 1039 563">£57,000,000</td> <td data-bbox="1039 507 1274 563">£90,000,000</td> </tr> <tr> <td data-bbox="432 563 584 619">Band B</td> <td data-bbox="584 563 804 619">£12,000,000</td> <td data-bbox="804 563 1039 619">£22,500,000</td> <td data-bbox="1039 563 1274 619">£33,000,000</td> </tr> <tr> <td data-bbox="432 619 584 675">Band C</td> <td data-bbox="584 619 804 675">£9,000,000</td> <td data-bbox="804 619 1039 675">£16,500,000</td> <td data-bbox="1039 619 1274 675">£24,000,000</td> </tr> <tr> <td data-bbox="432 675 584 730">Band D</td> <td data-bbox="584 675 804 730">£6,000,000</td> <td data-bbox="804 675 1039 730">£10,500,000</td> <td data-bbox="1039 675 1274 730">£15,000,000</td> </tr> <tr> <td data-bbox="432 730 584 778">Band E</td> <td data-bbox="584 730 804 778">£3,000,000</td> <td data-bbox="804 730 1039 778">£6,000,000</td> <td data-bbox="1039 730 1274 778">£9,000,000</td> </tr> </tbody> </table> <table border="1" data-bbox="432 817 1274 1222"> <thead> <tr> <th colspan="4" data-bbox="432 817 1274 877">Table 3: Typology Res 10 (750 residential units) Benchmark Land Values</th> </tr> <tr> <th data-bbox="432 877 584 944">Value Band</th> <th data-bbox="584 877 804 944">Low</th> <th data-bbox="804 877 1039 944">Mid</th> <th data-bbox="1039 877 1274 944">High</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 944 584 1000">Band A</td> <td data-bbox="584 944 804 1000">£56,250,000</td> <td data-bbox="804 944 1039 1000">£142,500,000</td> <td data-bbox="1039 944 1274 1000">£225,000,000</td> </tr> <tr> <td data-bbox="432 1000 584 1056">Band B</td> <td data-bbox="584 1000 804 1056">£30,000,000</td> <td data-bbox="804 1000 1039 1056">£56,250,000</td> <td data-bbox="1039 1000 1274 1056">£82,500,000</td> </tr> <tr> <td data-bbox="432 1056 584 1112">Band C</td> <td data-bbox="584 1056 804 1112">£22,500,000</td> <td data-bbox="804 1056 1039 1112">£41,250,000</td> <td data-bbox="1039 1056 1274 1112">£60,000,000</td> </tr> <tr> <td data-bbox="432 1112 584 1168">Band D</td> <td data-bbox="584 1112 804 1168">£15,000,000</td> <td data-bbox="804 1112 1039 1168">£26,250,000</td> <td data-bbox="1039 1112 1274 1168">£37,500,000</td> </tr> <tr> <td data-bbox="432 1168 584 1222">Band E</td> <td data-bbox="584 1168 804 1222">£7,500,000</td> <td data-bbox="804 1168 1039 1222">£15,000,000</td> <td data-bbox="1039 1168 1274 1222">£22,500,000</td> </tr> </tbody> </table> <p data-bbox="432 1264 1312 1362">BLV data assessed for development proposals was also used to inform BLVs for residential and non-residential uses. This was calculated on a floorspace basis to enable application to residential uses with a smaller</p>	Table 2: Typology Res 7 (300 residential units) Benchmark Land Values				Value Band	Low	Mid	High	Band A	£22,500,000	£57,000,000	£90,000,000	Band B	£12,000,000	£22,500,000	£33,000,000	Band C	£9,000,000	£16,500,000	£24,000,000	Band D	£6,000,000	£10,500,000	£15,000,000	Band E	£3,000,000	£6,000,000	£9,000,000	Table 3: Typology Res 10 (750 residential units) Benchmark Land Values				Value Band	Low	Mid	High	Band A	£56,250,000	£142,500,000	£225,000,000	Band B	£30,000,000	£56,250,000	£82,500,000	Band C	£22,500,000	£41,250,000	£60,000,000	Band D	£15,000,000	£26,250,000	£37,500,000	Band E	£7,500,000	£15,000,000	£22,500,000		
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