

Home Builders Federation

Matter 9

Matter 9: Transport, Infrastructure, Viability, Monitoring and Review

Issue 3: Plan-wide Viability.

9.13 Does the Viability Study of the Plan, updated in 2022, [Examination Document GS12], make reasonable assumptions, based on adequate, proportionate and up to date evidence, about the cost of meeting all of the policy requirements set out in the Plan along with any other relevant national standards? In particular, the cumulative cost of implementing Policy C11 (net zero carbon), Policies AFF1/H5 (affordable housing), Policy H8 (optional technical standards for accessible housing), Policy EV13 (water consumption standards), Habitats mitigation and costs for biodiversity net gain.

HBF's main concern, as set out in our representations, is that the Council have underestimated the cost of implementing the net zero carbon policies C11. These could be significantly higher than is suggested in the viability evidence. HBF note that sensitivity testing has been undertaken in the Viability Assessment. These are set out in Table 7 of each of the typology appraisals in Appendix 6 in many cases show that even a modest increase the cost of implementing the proposed standard will render development on a significant number of typologies unviable. Even greenfield development sites in higher values areas would be affected. For example, table 7 for typology O (100 units on a greenfield site) in appendix 6 of the viability study update indicates that such a scheme would likely be rendered unviable should the cost of delivering net zero increase to £9,000 per unit.

9.14 Has the Local Plan Viability Study examined appropriate typologies of development that reflect the types of schemes that are likely to deliver the growth identified in the Plan? Have reasonable assumptions been made on the sales values



that can be achieved on the Island and the existing use values, together with a reasonable premium necessary to incentivise the release of sites?

No comment.

9.15 Given the focus of the Plan to deliver on previously developed land (brownfield sites) does the plan-wide viability evidence demonstrate that this source of land supply can viably deliver 35% affordable housing? Is the benchmark land value for brownfield land on the Isle of Wight in the Local Plan Viability Study reasonably robust?

As set out in our representations HBF are concerned that the cumulative cost of the policies in this local plan will make development on brownfield land unviable. It is notable that summary of the appraisals in Table 6.6 of the Viability Study show that much brownfield development is marginal in lower value areas and even slight increases in costs in higher value areas would render brownfield development in those areas unviable. Re brownfield land values there is clearly limited recent evidence on this and as such HBF would urge some caution given the reliance on brownfield land to ensure the proposed housing requirement is met. There is clearly a risk that the cost of the policy requirements in this local plan could impact on brownfield sites coming forward. Whilst the Council have included a policy setting out the viability will be a consideration HBF would suggest that a more effective approach would be to reduce what is required by the local plan and provide greater certainty to the decision maker that a development meeting the policies in the local plan can be assumed to be viable.

9.16 Does the viability evidence support the requirements at Policy AFF1 and Policy H5 for older persons housing to provide affordable housing? Does the viability evidence enable a distinction to be made between older persons accommodation within either the C3 or C2 land use in terms of requiring affordable housing or accommodation?

The 2021 study suggested that both sheltered and extra care housing were unviable. These were not retested but it was noted that values have not changed and recommends a flexible site specific approach to older persons schemes. Given that such schemes are made unviable by AFF1 and H5, in combination with other policies, the evidence does not appear to support the provision of affordable housing contribution on older people's housing.

9.17 Is it necessary for soundness (justified and effective) for Policy H5 to be modified to exempt older persons housing proposals from providing affordable housing on viability grounds?

The evidence would indicate that H5 should be modified to exempt proposals for older persons housing from providing affordable housing.

9.18 Overall, taking account of the evidence in the Local Plan Viability Study, would the requirements of the policies of the Plan put the viability of its implementation at serious risk?

Policy G4 allows for some flexibility to enable development to come forward where viability is affecting the delivery new development. However, HBF are concerned that the current policies will require significant site by site negotiation that could slow the delivery of much needed new homes on the Island.

9.19 Given national planning policy states that up-to-date policies are assumed to be viable, is Policy GS4 necessary? If it is, would the Policy be effective? Would there be any prioritisation of criteria (a) to (f) or would the Council look to implement these options equally, notwithstanding the critical need for affordable housing on the Island?

The assumption must be that development is not made unviable by the policies in the local plan in order to minimise the need to negotiate any planning contributions on a case by case basis. However, there will always be situations where negotiation is required and as such G4 is necessary. The effectiveness of the policy may be limited by the opening sentence which outlines that viability negotiations will be rare. This may lead to decision makers limiting the situations where contributions are amended due to viability regardless of the evidence that is presented to them. HBF would therefore suggest that this phrase is removed.

Mark Behrendt MRTPI

Planning Manager – Local Plans SE and E