

Scoping opinion on viability of

Leighton-Linslade Neighbourhood Plan

LL4: Land South of the High Street

by  
Bailey Venning Associates Limited on behalf of  
Leighton-Linslade Town Council

July 2025

Content

1.0 Introduction ..... 3

2.0 Methodology ..... 5

3.0 The site ..... 10

4.0 Main appraisal assumptions..... 13

5.0 Options analysis and conclusions..... 17

6.0 Glossary..... 19

Appendices

1 Composition of site and title references

2 Comparable new build sales and commercial values

3 Extract of BCIS build costs

4 Appraisal models for Option 1

5 Appraisal models for Option 2

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## 1.0 Introduction

- 1.1 Bailey Venning Associates Limited (BVA) is instructed by Leighton-Linslade Town Council through Locality, to undertake a scoping viability assessment and to prepare this report to review the development potential of site LL4: Land South of the High Street under consideration for allocation in the draft Neighbourhood Plan within the Bedfordshire town of Leighton Buzzard.
- 1.2 *The contents of this report are for feasibility assessment purposes only and are conducted on current values and costs specific to the site as at the date of report and do not constitute a valuation, in accordance with Valuation Standards of the RICS Valuation – Professional Standards – Global Standards 2022, and should not be relied upon as such.*
- 1.3 *In preparing this report, no ‘performance-related’ or ‘contingent’ fees have been agreed.*
- 1.4 *This report is addressed to our client only and its contents should not be reproduced in part or in full without our prior consent. No duty of care can be extended to any other party other than our client.*
- 1.5 *In carrying out this assessment, we have acted with objectivity, impartiality, without interference and with reference to all appropriate, available, sources of information. We are not aware of any conflicts of interest in relation to this assessment.*
- 1.6 This report has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) “Professional Statement on Financial Viability in Planning: conduct and reporting” (1st Edition, May 2019). The report has been prepared by Richard Bailey and in line with the requirements of this guidance I can confirm the following is true.
- The author of this report has acted with objectivity, impartially, without interference and references all appropriate sources of information.
  - Terms of Engagement were set out clearly and included in all reports and comply with the RICS statement ‘Conflicts of Interest’.
  - No performance-related or contingent fees have been agreed.
  - Information used is market led and not client driven.
  - Inputs to the Financial Viability Appraisal (FVA) are reasonably justified and based upon industry benchmarks and the Local Plan Evidence Base.

### Accessibility

- 1.7 This report has prepared to meet Bailey Venning Associates and Locality's accessibility standards for neighbourhood plan documents in association with the requirements of the Accessibility Regulations 2018.

### Information

- 1.8 This report has been completed taking additional information from:
- Central Bedfordshire Local Plan 2015 – 2035, adopted July 2021
  - Draft Leighton-Linslade Neighbourhood Plan
  - Aspinall Verdi Local Plan Viability Assessment, Central Bedfordshire Council, December 2017
  - Aspinall Verdi Viability Assessment Addendum, Central Bedfordshire Council Local Plan(2015-2035), April 2018
  - AECOM Leighton Linslade Land South of High Street Spatial Framework, Draft Report, March 2025

## 2.0 Methodology

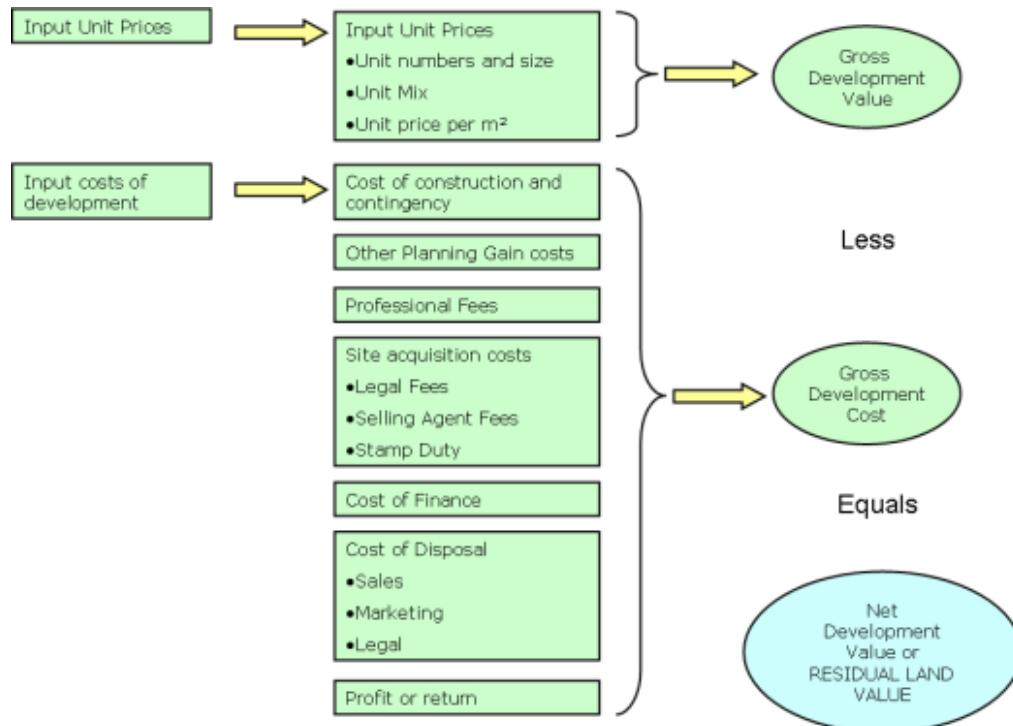
- 2.1 Economic Viability is established as a material consideration in the establishment of planning policy and determination of planning applications. The NPPF considers development viability to be a central consideration in delivering sustainable development.
- 2.2 It is therefore important to assess whether the Planning Authority's requirements for planning obligations, biodiversity net gain, nutrient neutrality and any negotiated levels of planning gain and affordable housing can be delivered as part of a financially viable development.
- 2.3 The principles underlying economic viability rely on the assumption that land will be used in the form that secures an appropriate site value for the landowner. Therefore, unless the Residual Land Value (RLV) of a proposed development exceeds the market value in existing use or Alternative Use Value for the land, then the landowner will not release or sell the land, and it will not be brought forward for development. The threshold to test the viability of the proposed scheme against other alternatives is referred to as the Benchmark Land Value.
- 2.4 To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.
- 2.5 The methodology to assess viability in this case is the commonly used Residual Land Value (RLV) appraisal. This method is one which is used industry wide in land purchase and that has been established as the pre-eminent method through various development plan examinations and planning appeals.
- 2.6 An RLV appraisal treats the land value as the output of a calculation which compares the costs of development with the revenue generated by it. Since the revenues from housing and the costs of development are relatively inelastic and outside the developer's control the one element of the appraisal that can vary is the land value. Therefore, where planning gain and affordable housing is required, the cost of it must be deducted from the land value where possible.
- 2.7 The residual amount contained within the appraisal is assessed using the following formula:

$$\text{Gross Development Value LESS Gross Development Cost}$$

=

Residual Land Value

2.8 This is represented by the following figure:



2.9 For this scoping opinion we are seeking to determine whether the sites would generate a positive land value when comparing the value of development against the costs of achieving it, firstly for 100% open market housing, and then if viable the impact on land value of the introduction of affordable housing as required by the local plan policy. This is then measured against the benchmark land value to determine viability.

2.10 Testing is conducted using Argus Developer.

### Local Plan Context

2.11 The current local plan for Leighton is the Central Bedfordshire Local Plan 2015 - 2035.

2.12 The plan sets out a number of priorities, targets and, of course, allocations, few of which are directly relevant here.

- 2.13 We are, however, very much concerned with its approach to planning gain – to costs imposed through the policies of the plan. There are two key elements here – the first is the affordable housing policy – H4 – of which a partial extract is reproduced below.

*All qualifying sites of 10 or more units will provide 30% affordable housing. The affordable housing from qualifying sites should be provided on-site.*

...

*The affordable homes should meet all of the following requirements:*

- 1. Provide 72% affordable rent and 28% intermediate tenure or have regard to the most up-to-date SHMA\*;*
- 2. Affordable units should be dispersed throughout the site and integrated with the market housing to promote community cohesion & tenure blindness;*
- 3. Large clusters of affordable units should be avoided and will be considered at the design stage and determined on a case-by-case basis;*
- 4. Affordable units to meet all nationally described space standards, in accordance with H2: Housing Standards;*
- 5. Where policy compliant affordable housing cannot be achieved, viability will determine affordable housing provision on a case-by-case basis; and*
- 6. Quality and design of the affordable homes must be of an equally high standard to that of the private units on site.*

*\* This proportion may change in accordance with the most up to date version of the SHMA, in which event the new revised proportions will be applied.*

- 2.14 The nature of the open market housing to be provided is controlled (but not dictated) by policy H1

*“All major\* developments for new dwellings must include a mix of housing types and sizes in order to meet the needs of all sections of the community, to encourage sustainable, inclusive and mixed communities in accordance with the housing mix set out within the SHMA, or other more up-to-date evidence, where appropriate. Other small-scale development will be assessed on a case-by-case basis.”*

- 2.15 Further, Policy H2 also sets out provisions for space standards:

*“Internal space standards for all residential development will be applied to all dwelling types and tenures, including flats in accordance with the Nationally Described Space Standards.”*

- 2.16 The plan anticipates the requirement to provide planning obligations to resolve and mitigate the impacts of development. This is through Policy HQ2.

*“Developments will be required to make appropriate contributions to provide new physical, social and environmental infrastructure or the enhancement of existing infrastructure, where necessary to mitigate the impact of the proposals. Contributions will be made either by way of financial contributions, or direct provision of such infrastructure.”*

- 2.17 Viability testing for Neighbourhood plans must take account of the cumulative impact of all the policies introduced by the *current* regime – both planning policies and emerging standards in building regulations (about which we will say more below). It is of note that Neighbourhood Plans can also set different affordable housing percentages and thresholds where appropriate.

#### Community Infrastructure Levy

- 2.18 The Council’s website<sup>1</sup> confirms that there is no current intent to introduce CIL.

#### Aspinall Verdi Viability work

- 2.19 The Viability report undertaken by Aspinall Verdi in 2017 / 2018 on behalf of CBC was concerned with testing the policies of the then emerging Central Bedfordshire Council Local Plan. The plan has since been adopted with those studies as part of the evidence base.

- 2.20 However, the Aspinall Verdi report also reflects a number of costs that will be imposed upon developments not through planning policy but through changes in Building Standards.

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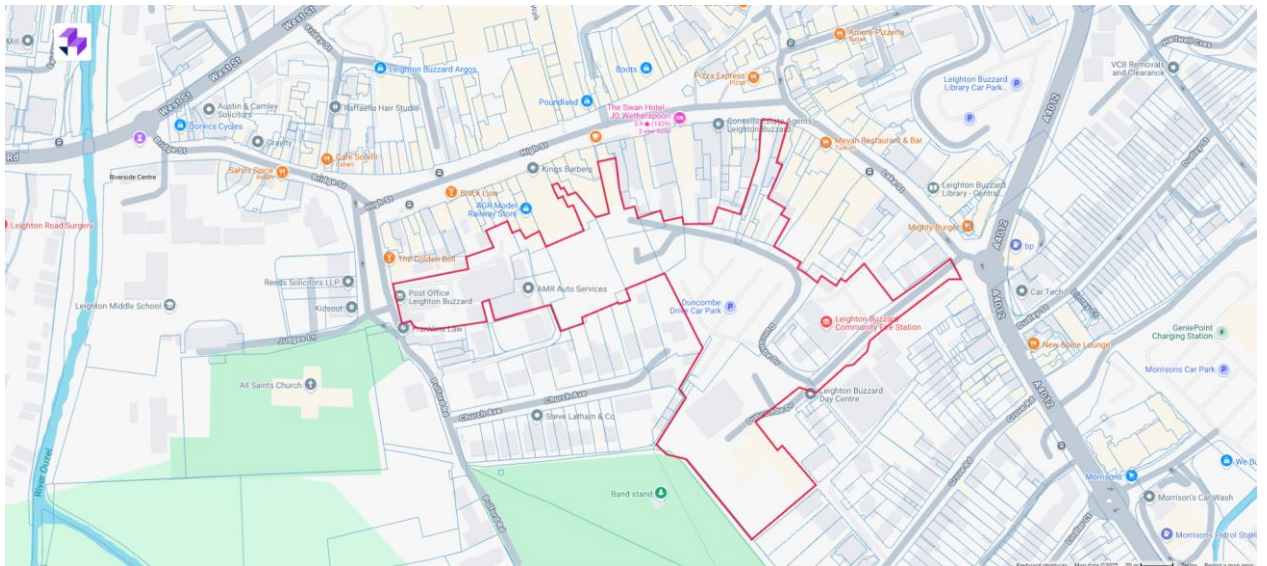
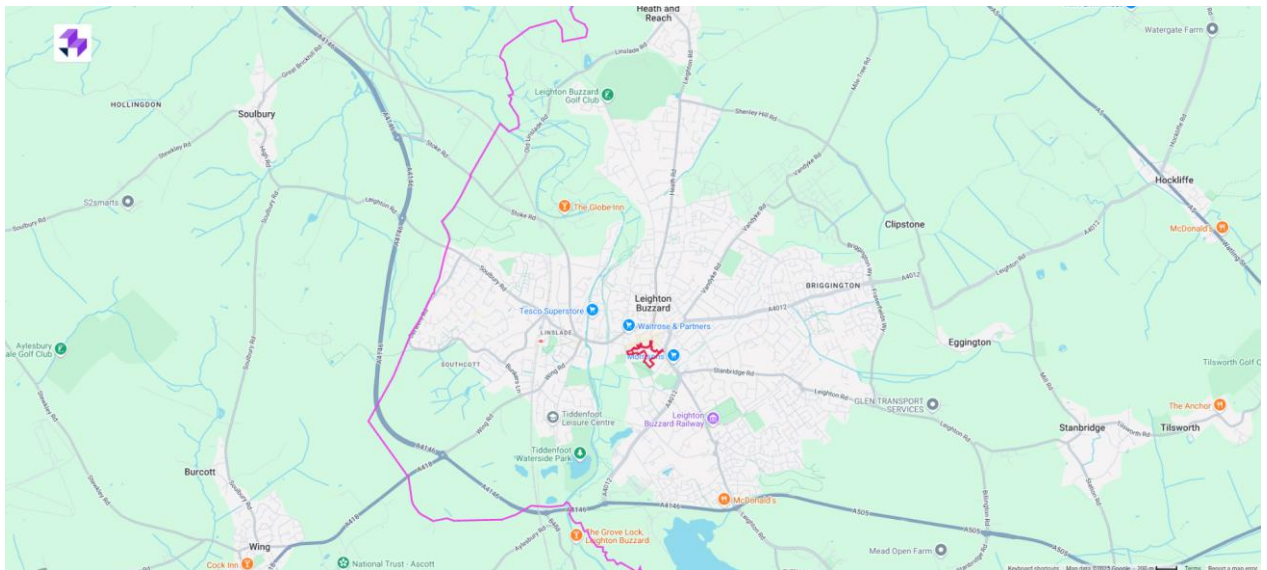
<sup>1</sup> [https://www.centralbedfordshire.gov.uk/info/44/planning/458/planning\\_obligations](https://www.centralbedfordshire.gov.uk/info/44/planning/458/planning_obligations)



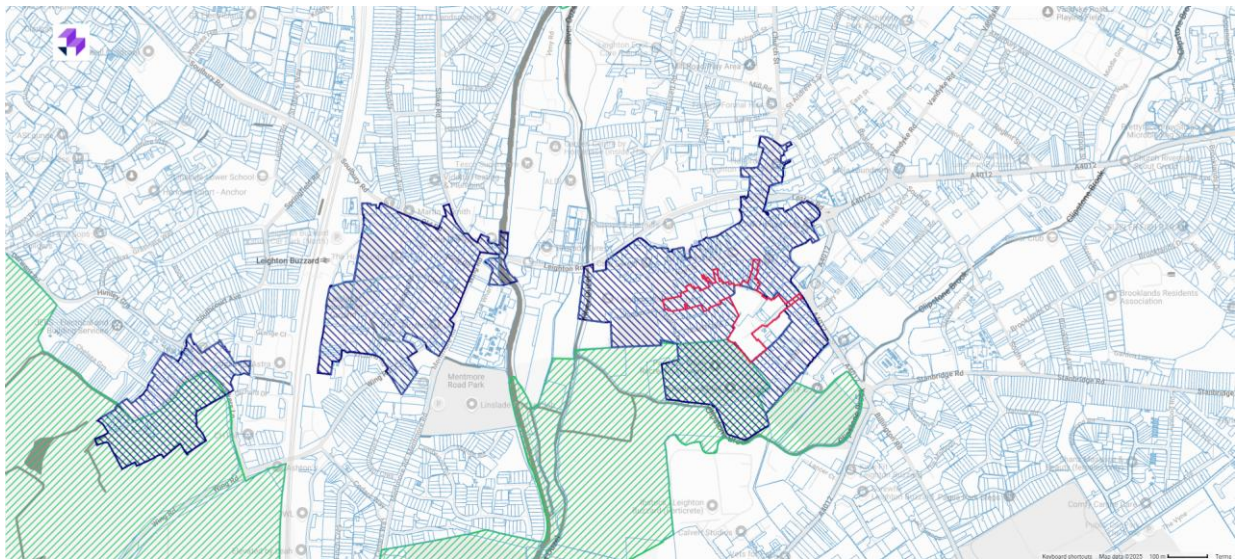
- 2.21 Additional costs were identified by Aspinall Verdi associated with upgrades to Building Regulations which at the time of writing that study were on the horizon or had only just been introduced. These were standards primarily based around reducing the carbon impact of building in terms of water use, insulation standards and heat sources. It is considered that the majority of those costs have now been subsumed within the average BCIS build cost rates. I have included a cost of £2,200 per flat for low carbon heat sources as an extra over base build costs as these costs are unlikely to be included in BCIS rates at this time.
- 2.22 Of the other additional costs that apply, I have made an allowance of £2,500 per dwelling for biodiversity net gain. In due course, individual assessments will need to be made for each site together with a bespoke biodiversity strategy taking into account the development proposed at that time.
- 2.23 I have assumed that the cost of car charging, normally set at a ratio of one charger per two apartments is built into the cost of the car parking provision.

### 3.0 The site

- 3.1 The site under review falls within the centre of Leighton Buzzard, to the south of the High Street. The site is bounded by the backs of property fronting the High Street, the Post Office, existing residential properties and recreational open space. The site was identified in a 2012 development brief prepared by Central Bedfordshire Council.

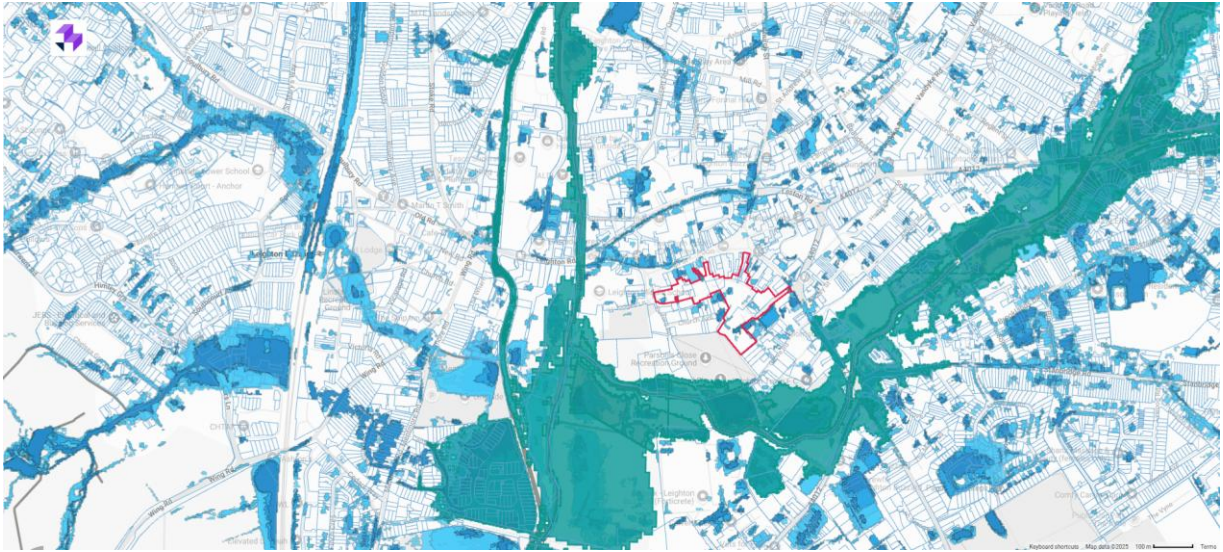


- 3.2 The site falls within multiple land ownerships and uses. The uses are broadly characterised as a care home and day care centre, fire station, disused former cattle market, disused postal sorting office, ancillary land to the rear of the High Street, and the Duncombe Drive car park. The list of land titles is scheduled in Appendix 1.
- 3.3 In terms of land designation, the eastern half of the site falls within the Leighton Buzzard central conservation area and also the London Greenbelt, shown in blue and green hatching respectively on the below map.



- 3.4 In terms of flood risk, the site is at low risk of flooding from watercourses, shown in teal, though has a moderate level of risk arising from surface water flood risk. Any development of the site should make accommodation for mitigating this risk.





3.5 The proposed development is presented as two options, Option 1 and Option 2, following the master planning exercise by AECOM.

Option 1: sheltered housing block, retail, health hub, 150 apartments as a mix of 1 bed and 2 bed, ground floor retail in mixed use blocks.

Option 2: community and creative uses, offices, health hub, 182 apartments as a mix of 1 bed and 2 bed, minimal retail.

## 4.0 Main appraisal assumptions

- 4.1 In order to conduct an appraisal, underlying assumptions need to be made across a range of areas. In the main these assumptions are based upon those derived in the report carried out by Aspinall Verdi for CBC. Construction cost and value assessments have been rebased to account for temporal adjustments with other assumptions as noted below.

### Open market values of homes

- 4.2 In order to determine open market values, sales of new build homes are analysed, the majority of which are in the surrounding towns and villages within 5km of Leighton Buzzard. I have also considered second hand sales within Leighton as a sense check against the proposed new build values and consider the values used to be appropriate.
- 4.3 In order to arrive at values for viability testing, historic sales are indexed based on Land Registry house price indices and average price per m<sup>2</sup> is calculated for each of the home typologies (terraced, semi-detached, and detached).
- 4.4 For the sheltered housing, the RHG methodology is followed whereby the value of two bed sheltered apartments is set by reference to the value of second hand three bed semidetached and terraced homes locally. One bed sheltered apartments are the assessed at 75% of the value of the two bed sheltered.
- 4.5 This is set out in Appendix 2.
- 4.6 It is assumed that all apartment sizes meet those required in NDSS,
- 4.7 The values on which modelling is based are therefore:

#### Option 1: Sheltered apartments

|       | No units | Unit size<br>m <sup>2</sup> | £ / m <sup>2</sup> | £ / unit |
|-------|----------|-----------------------------|--------------------|----------|
| 1 bed | 26       | 55                          | 5,590.91           | 307,500  |
| 2 bed | 10       | 73                          | 5,616.44           | 410,000  |

#### Option 1: open market apartments

|       | No units | Unit size<br>m <sup>2</sup> | £ / m <sup>2</sup> | £ / unit |
|-------|----------|-----------------------------|--------------------|----------|
| 1 bed | 60       | 52                          | 3,950.00           | 205,400  |
| 2 bed | 90       | 71                          | 3,650.00           | 259,150  |

Option 2: open market apartments

|       | No units | Unit size<br>m <sup>2</sup> | £ / m <sup>2</sup> | £ / unit |
|-------|----------|-----------------------------|--------------------|----------|
| 1 bed | 72       | 52                          | 3,950.00           | 205,400  |
| 2 bed | 110      | 71                          | 3,650.00           | 259,150  |

### Affordable housing values

- 4.8 In line with the Aspinall Verdi local plan viability assessment, values for affordable housing are determined on the basis of rented affordable housing or intermediate housing. The local plan viability work estimates values of 61% of open market value for affordable rent and 73% of value for low cost home ownership options including shared ownership and discounted market sale. These proportions are applied to each unit type identified above where affordable housing is included in modelling if viable.

### Commercial value

- 4.9 In order to determine the value of the commercial uses I have accessed sold values recorded at Land Registry within the locality of the site with a particular focus on comparables from within Leighton Buzzard itself. These are then separated into use types (retail, offices, healthcare etc) and the values per sq m averaged for each use type. Values used for the modelling then are:

| Ave comps value     | £ / m <sup>2</sup> |
|---------------------|--------------------|
| retail average      | 3,383              |
| office              | 2,274              |
| healthcare: surgery | 2,340              |

### Costs of construction

- 4.10 In order to determine build costs, data from the RICS BCIS tables is extracted, as attached to this scoping report at Appendix 3. Build costs relevant to the typology are selected, rebased to the location, using mean for two storey construction based on the 10 year sample where available, unless otherwise noted in the BCIS data. Build costs applied are for new build apartments at £1,831 per m<sup>2</sup> and sheltered housing at £1,911 per m<sup>2</sup>. GP healthcare centre is based on a private practice model at £2,500 per m<sup>2</sup>. Retail is based on a shell and core model at £1,428 per m<sup>2</sup>. I have based the community offices / retail at an average of the two rates at £2,167 per m<sup>2</sup>.
- 4.11 Lifetime Homes standards have now been incorporated into Part M of the Building Regulations. The majority of the standard reflects spatial standards which are incorporated into the unit sizes assumed for assessment and the rates in BCIS.

### External works costs

- 4.12 In order to determine the costs of external works, I have broken this down into four main areas.
- 4.13 Services connections and external works etc to buildings I have assumed at 5% of construction cost.
- 4.14 I have then measured the approximate area of the central road and circulation space indicated on the two development options within the master planning. This equates to 3,000m<sup>2</sup> for which I have allowed a rate of £250 per m<sup>2</sup>.
- 4.15 I have then considered car parking areas which I have estimated at 3,925m<sup>2</sup> and made an allowance of £140 per m<sup>2</sup>.
- 4.16 The area of other soft landscaping is based on the site area less building footprint, less road and car parking area. This is priced at £110 per m<sup>2</sup>.
- 4.17 The total allowance within the models is therefore equivalent to approximately 8.6% of construction cost and is broken down as follows:
- Road and central circulation spine £750,000
  - Car parking £550,000
  - Public realm soft landscaping £1,450,000

### Other assumptions

- 4.18 Other assumptions are:

- Contingency: 5.00% of build costs.
- Demolition and clearance: £250,000.
- Professional fees: 8% of base build cost reflecting the nature of the sites in question.
- Sales fees on sales and marketing: 2.50% of market housing sales value and commercial sales value, plus sales legal fees of £1,000 per dwelling.
- Interest on development cost: 7.250% per annum, based on cashflow.
- Profit on GDV: 17.5% of value of market housing + 6% of value of affordable housing, reflecting current market conditions. Whilst the Aspinall Verdi report relied on a higher profit margin of 20% of GDV, it also applied a lower contingency rate of 3%. I consider the overall assumptions to be equivalent. For the commercial uses, I have assumed profit at 15% of GDV.
- site agent fees: 1% of residual land value
- legal fees on site acquisition: 0.75% of residual land value
- stamp duty: prevailing rate based on residual land value

#### Planning obligations

- 4.19 With regard to planning obligations, for the purposes of initial scoping testing, planning obligations of £10,000 per unit are included.
- 4.20 There is no locally adopted CIL.
- 4.21 Biodiversity net gain costs are estimated at £2,500 per dwelling.



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## 5.0 Options analysis and conclusions

- 5.1 Firstly I report on the modelled outcomes for each development option. The models at present do not include affordable housing as the residual land values for each option were negative (below zero).

### Option 1

- 5.2 Following modelling of the above described options, the residual land value is negative at -£2,265,014 (model output sheets in Appendix 4). This negative land value is in the context of a model which includes £1,900,000 of Section 106 contribution and £9,610,016 in profit (average 17.2% profit on GDV). The scheme might be proceedable if the developer were willing to accept a lower profit rate (13.1% profit) and the benchmark land value were set at a nominal amount.

### Option 2

- 5.3 Modelling on the above assumptions, the residual land value is negative at -£5,434,296 (model output sheets in Appendix 5). This negative land value is in the context of a model which includes £1,870,000 of Section 106 contributions and £8,893,095 in profit (average 17.1% profit on GDV). However, if the benchmark land value were nominal then the resultant profit would have to reduce to below 6.7% of GDV to breakeven. This is unlikely to be considered to be viable.

### Viability challenges

- 5.4 Of the two development options, Option 1 would appear to be the more viable. The models are undertaken on the basis of 100% market housing. It is noted that the Local Plan policy context requires 30% affordable housing where viable. However, the imposition of affordable housing would reduce land values even further due to a reduction in modelled revenue, without any significant change in cost. This would reduce viability even further and hamper delivery.
- 5.5 The differential between construction cost and value per square meter is an important metric to note. The commercial uses (offices, healthcare, mixed retail) have values that are close to their construction cost, though retail provides the highest level of surplus. This means that those commercial uses will generally act as a drag on viability, in comparison to residential that has a more positive relationship of value to cost.

- 5.6 I have considered all non-residential commercial uses on the basis of typical commercial terms. I have applied a value to the floorspace and allowed profits to be taken within the model. That may not be the model that the qualifying body are considering, in which case if for instance profit is removed then viability may improve a little. However, if those uses do not generate any revenue, then they become a pure cost to the model without corresponding revenue which reduces viability further.
- 5.7 In terms of the healthcare use, this should be investigated further with the local health commissioners to determine the exact requirements and budget for funding it. For the purposes of modelling, I have assumed standard commercial terms, though that may not be practical for the local health board in funding terms.

## 6.0 Glossary

**Abnormal development costs:** Costs that are not allowed for specifically within normal development costs. These can include costs associated with unusual ground conditions, contamination, etc.

**Affordable housing:** The NPPF defines affordable housing as:

*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

*a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

*b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*

*c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

*d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low*

*cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.*

**Base Build Costs:** for construction only (excluding external works, fees, contingencies and extras such as abnormal costs) as set out in the study

**Benchmark land value:** The Viability PPG defines that 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+). Benchmark land value should reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees.

**Building Cost Information Services (BCIS):** A subscriber service available to RICS members and others to facilitate the exchange of detailed building construction costs. The service is available from an independent body to those of any discipline who are willing and able to contribute and receive data on a reciprocal basis.

**Cashflow:** The movement of money by way of income, expenditure and capital receipts and payments during the course of a development.

**Charging Authority:** is the Local Planning Authority as defined by section 37 of the Planning and Compulsory Purchase Act 2004 for England.

**Community Infrastructure Levy:** A levy allowing local authorities to raise funds from owners or developers of land undertaking new building projects in their area. Charging authorities must express CIL rates as pounds per square metre, as CIL will be levied on the gross internal floorspace of the net additional liable development. The published rate(s) within an authority's charging schedule will enable liable parties to anticipate their expected CIL liability.

**Development Cost:** This is the cost associated with the development of a scheme and includes acquisition costs, site-specific related costs, build costs, fees and expenses, interest and financing costs.

**Developer's Profit:** The developer's reward for risk taken in pursuing and running the project, required to secure project funding. This is the gross profit, before tax. It will usually cover an element of overheads, but varies. The profit element used in these appraisals is profit expressed as a percentage of Gross Development Value (the most commonly expressed way) although developers will sometimes use other methods, for example profit on cost.

**Development Viability (or 'Viability'):** The viability of the development - meaning its health in financial terms. A viable development would normally be one which proceeds (or at least there is no financial reason for it not to proceed) – it would show the correct relationship between GDV (see below) and Development Cost. There would be a sufficient gap between the GDV and Development Cost to support a sufficient return (developer's profit) for the risk taken by the developer in pursuing the scheme (and possibly in this connection to support funding requirements), and a sufficiently attractive land value for the landowner. An un-viable scheme is one where a poor relationship exists between GDV and Development Cost, so that insufficient profit rewards and/or land value can be generated.

**Existing Use Value (EUV):** is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller, in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion, assuming the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market value to differ from that needed to replace the remaining service potential at least cost. It applies the special assumption that it is the value of land in its existing use, with no expectation of that use changing in the foreseeable future.

**Finance:** Costs associated with financing the development cost. Varying views are taken on the length of the relevant construction projects as to how long these costs need to be carried for on each occasion.

**First Homes:** 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 discounted by a minimum of 30% against the market value;

b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);

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 no higher than £250,000 outside of London.

**Gross Internal Area (GIA):** GIA is area of a building within the external walls taking each floor into account and excluding the thickness of the external walls. GIA will include: Areas occupied by internal walls (whether structural or not) and partitions; service accommodation such as WCs, showers, changing rooms and the like; columns, piers, whether free standing or projecting inwards from an external wall, chimney breasts, lift wells, stairwells etc; lift rooms, plant rooms, tank rooms, fuel stores, whether or not above roof level; open-sided covered areas.

**Gross Development Value (GDV):** The amount the developer receives on completion or sale of the scheme whether through open market sales alone or a combination of those and the receipt from a Registered Provider or individual qualifying households for completed affordable housing units - before all costs are subtracted.

**Intermediate Affordable Housing:** Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include discounted market sale, shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing, See also 'Affordable Housing' above.

**Open Market Value ('OMV') or Market Value ('MV'):** is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The usual measure of value in this study context. Used here to build up the development scheme's GDV and also to distinguish between this level of value and the lower level of receipt usually associated with the affordable dwellings.

**Planning obligations or Planning gain** A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

**Residual Valuation:** The process by which Residual Land Value ('RLV') is estimated. So called because it starts with the GDV at the top of the calculation and deducts all Development Costs and Developer's Profit so as to indicate the amount remaining (hence "residual") or available for land purchase.

**Residual Land Value (RLV):** The amount left for land purchase once all development, finance, land costs and profit have been deducted from the GDV, normally expressed in monetary terms (£). This acknowledges the provision for affordable housing and other planning obligations where applicable. It is relevant to calculate land value in this way as land value is a direct result of what scheme type specifically can be created on a site, the issues that have to be dealt with to create it and costs associated with those.

**Registered Provider (RP):** This legal definition incorporates most Housing Associations and has replaced the previously recognised term of Registered Social Landlord (RSL). The new definition explicitly allows both profit and non-profit making social housing providers to be registered (with the Regulator of Social Housing).

**Section 106 Agreement ('S106'):** (of the Town and Country Planning Act 1990). The legally binding planning agreement which runs with the interest in the land and requires the landowner (noting that ultimately the developer usually becomes the landowner) through covenants to agree to meet the various planning obligations once they implement the planning permission to which the S106 agreement relates. Section 106 of the Act refers to "agreements regulating development or use of land". These agreements often cover a range of planning obligations as well as affordable housing. There is a related type of agreement borne out of the same requirements and legislation – whereby a developer unilaterally offers a similar set of obligations, often in appeal or similar set of circumstances where a quick route to confirming a commitment to a set of obligations may be needed (a Unilateral Undertaking – a term not used in this study).

**Shared Ownership:** Shared ownership is an intermediate form of Affordable Housing and provides a way of buying a stake in a property where the purchaser cannot afford to buy it outright. The purchaser has sole occupancy rights. Shared ownership properties are usually offered for sale by Registered Providers. The purchaser buys a share of a property and pays rent to the RP for the remainder. The monthly outgoings will include repayments on any mortgage taken out, plus rent on the part of the property retained by the housing association. The rent increases each year according to a set formula linked to RPI. Later, as the purchaser's financial circumstances change, they may be able to increase their share until they own the whole property. See also Affordable Housing.

**Transfer Value:** the value a dwelling of, typically, affordable housing transfers from developer to Registered Provider in an arm's length transaction.



LL4: Land South of the High Street  
Leighton-Linslade, Bedfordshire  
Scoping opinion on viability



**Yields:** As applied to different commercial elements of a scheme (i.e. care home, office, retail, etc.) and is usually calculated as a year's rental income as a percentage of the value of the property.