

For: Bath & North East Somerset Council

**Bath & North East
Somerset Council**

Improving People's Lives

Local Plan Viability Assessment – Stage 1

Appendix 1 – Residential Assumptions Summary (Tables 1a-1c)

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Bath and North East Somerset Council - Local Plan Viability Assessment (Stage 1) - Appendix 1: Residential Assumptions
- Table 1a: High-Level Site Typologies and Value Levels / Revenue Assumptions

High-Level Typology Sensitivity Tests

Scheme Size Appraised	Type	Site Type - Description	Typical Location	Density (dph)	Net Land area (ha)	Gross Land Area (ha)	Main Build Period (Months)
2	Houses	PDL	Smaller settlements / Rural Area	40	0.05	0.06	9
5	Houses	GF	Smaller settlements / Rural Area	30	0.17	0.19	9
5	Houses	PDL	Smaller settlements / Rural Area	40	0.13	0.14	9
10	Houses	PDL	Bath City / Keynsham / Smaller settlements / Rural Area	40	0.25	0.29	12
15	Houses	GF	Smaller settlements / Rural Areas	35	0.43	0.49	12
25	Flats	PDL	Bath City / Keynsham	100	0.25	0.29	18
50	Houses	GF	Keynsham / Smaller settlements / Rural Areas	40	1.25	1.44	18
50	Houses	PDL	Bath City / Keynsham	50	1.00	1.15	18
50	Mixed (Houses/ Flats)	PDL	Bath City / Keynsham	70	0.71	0.82	18
50	Mixed (Houses/ Flats)	GF	Suburban and Market Towns / Rural Areas	50	1.00	1.15	18
75	Flats	PDL	Bath City	150	0.50	0.58	18
100	Mixed (Houses/ Flats)	GF	Keynsham / Smaller settlements / Rural Areas	40	2.50	3.25	24
100	Mixed (Houses/ Flats)	PDL	Bath City / Keynsham / Smaller settlements	50	2.00	2.60	24
200	Flats	PDL	Bath City	150	1.33	1.73	24

Notes:
Above scenarios have modelled across a range of affordable housing sensitivity tests 0% - 40%. On-site affordable housing assumed from 5 dwellings in designated rural areas and from 10 dwellings in all other areas. Appraisals completed in each case to the point at which negative results returned - we consider there to be no merit in extending testing beyond the points where there is a negative residual land value.

Affordable Housing tenure split - initial assumptions:
75% Social Rent and 25% Affordable Home Ownership (Shared Ownership) - based on the adopted position

See Table 1c for Sheltered/Extra Care Typologies and note Build to Rent / Co-Living assumptions to add at Stage 2.
For Stage 2: Self/custom-build plots potentially included in larger typologies/schemes - tbc.

Land Area Adjustment - 15% added (30% added on largest sites 100+).

Specific larger/strategic site allocation proposals to be selected for Stage 2 testing (tbc) - with adjustments to assumptions as appropriate in due course

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes (based on Nationally Described Space Standard (October 2015))		Sensitivity Test - Bath City (reflecting LHN 2024) Dwelling Mix (%)*		Sensitivity Test - Rest of district (reflecting LHN 2024) Dwelling Mix (%)*	
	Market Units	Affordable Units	Market Units	Affordable Units	Market Units	Affordable Units
1-bed flat	50	50	0.0%	20.0%	10.0%	10.0%
2-bed flat	61	61		15.0%		10.0%
2-bed house	79	79		30.0%	5.0%	20.0%
3-bed house	93	93	75.0%	25.0%	65.0%	45.0%
4-bed house**	130	106	25.0%	10.0%	20.0%	15.0%

*Proportions rounded, based on DSP analysis of the LHNA (2024). Flatted only development in Bath City assumes 1 and 2-bed flats with an adjusted dwelling mix of 60% 1-beds, 40% 2-beds (market) and 40% 1-beds, 60% 2-beds (AH).

Affordable Housing Revenue Assumptions

Unit Type	Social Rent (% MV)	Affordable Rent (% MV)	Shared Ownership
			% Market Value
1-Bed Flat	45%	55%	70%
2-Beds Flat			
2-Bed House			
3-Bed House			
4-Bed House			

Note: % MV based on VL3 £4,750 (below). Revenue assumptions based on information provided by B&NES, DSP review and consultation feedback from RPs.

Residential Sales Value Level (VL) Assumptions - Indicative relevance by area within District

Market Values (MV)	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9	VL10	VL11	VL12	VL13
1-bed flat	£212,500	£225,000	£237,500	£250,000	£262,500	£275,000	£287,500	£300,000	£312,500	£325,000	£337,500	£350,000	£375,000
2-bed flat	£259,250	£274,500	£289,750	£305,000	£320,250	£335,500	£350,750	£366,000	£381,250	£396,500	£411,750	£427,000	£457,500
2-bed house	£335,750	£355,500	£375,250	£395,000	£414,750	£434,500	£454,250	£474,000	£493,750	£513,500	£533,250	£553,000	£592,500
3-bed house	£395,250	£418,500	£441,750	£465,000	£488,250	£511,500	£534,750	£558,000	£581,250	£604,500	£627,750	£651,000	£697,500
4-bed house	£552,500	£585,000	£617,500	£650,000	£682,500	£715,000	£747,500	£780,000	£812,500	£845,000	£877,500	£910,000	£975,000
MV (£ / sq. m.)	£4,250	£4,500	£4,750	£5,000	£5,250	£5,500	£5,750	£6,000	£6,250	£6,500	£6,750	£7,000	£7,500

Value Levels - Locations by ward area

Ward	Value Level Range
Chew Valley	VL4 - VL7
Ciutton & Farmborough	VL1 - VL3
High Littleton	VL1 - VL3
Keynsham East	VL1 - VL5
Keynsham North	VL2 - VL5
Keynsham South	VL1 - VL3
Mendip	VL1 - VL3
Midsomer Norton North	VL1 - VL3
Midsomer Norton Redfield	VL1 - VL3
Moorlands	VL2 - VL5
Paulton	VL1 - VL3
Peasedown	VL1 - VL3
Publow & Whitchurch	VL2 - VL5
Radstock	VL1 - VL3
Saltford	VL3 - VL7
Timsbury	VL1 - VL3
Westfield	VL1 - VL3
Bathavon North	VL4 - VL7
Bathavon South	VL2 - VL5
Abbey	VL9 - VL12
Bathwick	VL8 - VL12
Combe Down	VL5 - VL8
Kingsmead	VL9 - VL13
Lambridge	VL6 - VL9
Lansdown	VL8 - VL13
Newbridge	VL4 - VL7
Odd Down	VL4 - VL7
Oldfield Park	VL4 - VL7
Southdown	VL4 - VL7
Twerton & Whiteway	VL1 - VL4
Walcot	VL9 - VL13
Westmoreland	VL9 - VL13
Weston	VL4 - VL7
Widcombe & Lyncombe	VL6 - VL10
Typical New Build Value - Bath City	VL6 - VL10
Keynsham	VL2 - VL5
Typical New Build Values Range - Smaller Settlements / Rural Area	VL1 - VL6

DSP (2025)

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- Table 1b: Development Cost Assumptions & Key Sensitivity Testing Parameters

See Table 1c for Older Persons typologies/assumptions

Base Appraisal Cost Description	Cost Assumption	Notes
Build cost - Mixed Developments (generally - houses/flats)	£1,560/sq. m. (LQ £1,399/sq. m.) (UQ £1,770/sq. m.)	
Build cost - Estate housing (generally)	£1,532/sq. m.	
Build cost - Estate housing (terrace)	£1,509/sq. m.	Based on BCIS 'median' rebased to an BANES location factor, excludes external works. Lower Quartile (LQ) rates applied to specific/strategic site testing. Sensitivity Test - Upper Quartile rates for development in Bath City.
Build cost - Flats (3-5 Storeys)	£1,764/sq. m. (UQ £2,107/sq. m.)	
Build cost - Flats (6+ Storeys)	£2,076/sq. m. (UQ £2,379/sq. m.)	
Build cost - 'One-off' housing detached (3 units or less)	£2,637/sq. m.	
External Works	10% (Flats) 15% (Houses)	
Site Prep Contingency	£500,000/ha	Non-strategic scale typology test Further bespoke assumptions apply to specific site allocations - see Appendix 2.
Contingency (% of build cost)	5%	10% contingency applied to PDL flattened development in Bath City variable depending on scale of development
Professional Fees (% of build cost)	8-10%	
CIL Rates testing scope	Tested at indexed rates plus trial rates from £0 - £500/sq. m. at £25/sq. m. increments	Indexed CIL Rates as follows:- • District wide - £150.97/sq. m. (adopted charge in 2015 - £100/sq. m.) • Strategic sites or urban extensions - £75.48/sq. m. (adopted charge in 2015 - £50/sq. m.) • Bath Western Riverside - £0/sq. m. (adopted charge in 2015 - £0/sq. m.) • Residential Care Homes & Extra Care Facilities and Sheltered Retirement - £0/sq. m. • Any other development - £0/sq. m.
Residual s106	£5,000 per dwelling (houses/mixed) £1,000 per dwelling (Flats only)	Based on B&NES s106 monitoring data and DSP analysis.
<u>Sustainability/Climate Change Response Policies</u>		
Net Zero Carbon (operational energy)	5.00%	Representing a 2021 Building Regulations baseline, based on a range of data sources.
Net Zero Carbon (operational energy) - energy offsetting	N/A	Testing assumes on-site solutions (only). Where off-site contributions are required we would expect these to reduce the total cost of on-site solutions.
Heating and cooling systems Modelled performance	N/A	Assumed within the overall NZC Operational Energy costs above.
Embodied Carbon (Upfront and Whole Lifecycle)	0% Flats 3% Houses	Assumed nominal cost (forming part of overall cost allowance).
Electric Vehicle Charging Points (£/unit)¹	£865/unit (houses) £1,961 (flats)	Whole Lifecycle Embodied Carbon (including Upfront Embodied Carbon) based on the evidence base for WoE Net Zero Building Policy (2021). Mixed (Houses/Flats) typologies - cost weighted by dwelling mix at 2.5%. Houses only typologies - assumes 1x EVCP per dwelling Flats typologies - assumes 1x EVCP per dwelling Mixed (Houses/Flats) typologies - cost weighted by dwelling mix, assumes 1x EVCP per dwelling
Water efficiency standards	110 litres per person per day	Assumed nominal cost (forming part of overall cost allowance) based on DSP research and analysis.
Biodiversity Net Gain (BNG) (% of build cost)	3.45% (Greenfield) 0.83% (PDL)	Assuming 20%, variable by site type. Proxy costs based on Impact Assessment (Scenario C) ¹ plus uplift for latest information from the 10% minimum baseline. Note: Scenario C is assumed as a proxy cost allowance based on £20,000 per Biodiversity Unit ² . A cross-over exists between GI, BNG, open space, blue infrastructure etc. and is highly variable by scheme specifics.
Green Infrastructure - Green Roofs	£100/sq. m.	Assumes roofspace only (based on 25% of total floor area for flattened development, 5% of total floor area for PDL Mixed development in Bath City). Applied to high-density flattened typologies in Bath City only. GI achieved throughout a scheme via related scheme elements such as open space, amenity, allotments, street trees, private gardens, SUDs etc. as described by Natural England. A cross-over exists between GI, BNG, open space, blue infrastructure etc. and is highly variable by scheme specifics.
M4(2) Accessible and adaptable dwellings compliance	£15.5/sq. m.	100% provision on all dwellings for M4(2) Note: LHN refers to 26%-63% M4(2) overall need range. (min>max need). 11% provision for M4(3-a) on affordable dwellings 7% provision for M4(3-a) on market dwellings
M4(3-a) Wheelchair user dwellings compliance	£155/sq. m.	High-level costs based on the analysis as described in the 'Raising accessibility standards in new homes' consultation document and DSP analysis of the EC Harris Report (2014) plus TPI uplift ³
Marketing & Sales Costs (% of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
<u>Developer's Return for Risk & Profit</u>		
Open Market Housing Profit (% of GDV)	Range of 15-20%	DSP assumed testing at mid-point of range at 17.5%.
Affordable Housing Profit (% of GDV)	6%	
<u>Finance & Acquisition Costs</u>		
Agents Fees (% of site value)	1.50%	HMRC Scale
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	
Finance Rate - Build (%)	6.50%	
Finance Rate - Land (%)	6.50%	

¹ Biodiversity Net Gain Impact Assessment - Natural England (Table 19-20)

² Biodiversity Net Gain: Market Analysis Study, Efttec (2021)

³ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#raising-accessibility-standards-of-new-homes>
EC Harris Housing Standards Review - Cost Impacts Report (2014) plus uplift by BCIS Tender Price Index

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- Table 1c: Age Friendly / Sheltered Housing

Scheme Size Appraised	Type	Site type	Density <i>(based on residential net developable area)</i>	Net Land Area (ha)	Gross Land Area (ha)	Build Period (Months) <i>(6-month lead-in)</i>	Sales Rate ¹
45	Flats (Sheltered)	PDL	125	0.36	0.41	18	1.5 unit / month 20 month (total)
60	Flats (Extra Care)	PDL	125	0.48	0.55	18	1.5 unit / month 50 month (total)

¹ Sales rate based on average across the sales period and is considered a cautious assumption. In practice sales will be weighted towards the earlier months and may include some off-plan sales
The appraisals have been completed in each case to the point at which a negative results is returned - we consider there to be no merit in extending testing beyond the points where there is a negative residual land value.

Unit sizes and dwelling mix assumptions

Property Type	Assumed Unit Sizes	Non-Saleable Floor Area Allowance <i>(net to gross ratio)</i>	Dwelling Mix (%)
1-bed flat (Sheltered)	50	75%	60%
2-bed flat (Sheltered)	75		40%
1-bed flat (Extra Care)	65	65%	60%
2-bed flat (Extra Care)	80		40%

Note: We see a range of different levels of communal facilities and the above assumptions represent the upper end of communal areas seen at application stage viability assessment.

Sheltered & Extra Care Housing - Value Levels

Market Value (MV) - Private units	VL4	VL5	VL6	VL7	VL8	VL9	VL10	VL11	VL12	VL13
	Typical New Build Sheltered Housing Values range					Typical New Build Extra Care Values range				
1-bed flat (Sheltered)	£250,000	£262,500	£275,000	£287,500	£300,000	£312,500	£325,000	£337,500	£350,000	£375,000
2-bed flat (Sheltered)	£375,000	£393,750	£412,500	£431,250	£450,000	£468,750	£487,500	£506,250	£525,000	£562,500
1-bed flat (Extra Care)	£325,000	£341,250	£357,500	£373,750	£390,000	£406,250	£422,500	£438,750	£455,000	£487,500
2-bed flat (Extra Care)	£400,000	£420,000	£440,000	£460,000	£480,000	£500,000	£520,000	£540,000	£560,000	£600,000
MV (£/sq. m.)	£5,000	£5,250	£5,500	£5,750	£6,000	£6,250	£6,500	£6,750	£7,000	£7,500

Bespoke Cost Assumptions*		
Note: Base cost assumptions set out in Table 1b		
Base Build Cost - Supported Housing	£1,685	Based on BCIS - Median rebased to the B&NES location factor, excludes external works.
External Works	7.50%	
Legal Fees	£750/unit	
Empty Property Costs - Sheltered	£4,000/unit	
Empty Property Costs - Extra Care	£7,000/unit	
Marketing & Sales Costs (% of GDV)	4.50%	