ANALYSIS OF NORTHUMBERLAND THRESHOLD LAND VALUES

Completed on behalf of Northumberland County Council

Undertaken in connection with the Council's Core Strategy

by

District Valuer Services (DVS)

September 2015

EXECUTIVE SUMMARY

1. District Valuer Services, part of the Valuation Office Agency, has been commissioned by Northumberland County Council to undertake a detailed analysis to assist in determining appropriate Threshold Land Values ("TLVs), used for the purposes of the Northumberland Core Strategy and CIL Viability Assessment.

2. We have looked to establish any relevant land transactions which could assist our review. However, in its instructions the Council acknowledged the limitations of trying to analyse land transactions, particularly when looking to formulate appropriate TLVs. As part of the exercise we have therefore also identified direct evidence of TLVs, established through our day to day involvement in undertaking viability assessments.

3. In analysing TLVs we have therefore identified various sources of direct evidence of TLVs. As a 'sense check', in line with the relevant guidance, we have also considered market transactions. Having reviewed all of the available information we have concluded the following:

    - The Council's current views on TLVs for greenfield sites (as indicated in the Northumberland Core Strategy & CIL Viability Assessment: Interim Report Dec 2014 and being circa £113,000 to £202,000 per gross acre) is not significantly out of kilter with our experience of the viability market. We have arrived at a range of £100,000 - £130,000 per gross acre for low value areas (average house prices sub £1,750 per sq m), £130,000 - £150,000 per gross acre for medium value areas (average house prices £1,750 to £2,250 per sq m) and £150,000 per gross acre to £200,000 per gross acre for high value areas (average house prices over £2,250 per sq m).

    - Brownfield sites are slightly different, because the underlying Current Use Value ("CUV"), which is used to assess the TLV, can vary more significantly than greenfield land. The Council's brownfield TLV figure of £105,000 per gross acre (as stated in the Dec 14 report) is considered to be a broadly reasonable for secondary / tertiary industrial land, albeit we have concluded that applying a range of £75,000 - £125,000 per gross acre may be prudent. However, this may not be suitable for other types of brownfield land with different existing uses (e.g. offices, leisure etc). For 'non-industrial' uses we have concluded that a broad brush assessment is of limited value and assessment should be undertaken on a site by site basis.

1. INTRODUCTION	**Pg 4**
Instruction	4
District Valuer Services	4
2. THRESHOLD LAND VALUES	**5**
Introduction	5
Northumberland Core Strategy & CIL Viability Assessment Interim Report Dec 14	9
DVS approach: evidence types identified	10
Direct TLV evidence identified for this study: Greenfield sites	12
Direct TLV evidence identified for this study: Greenfield sites	20
Market transactions	24
Conclusions	29
3. CONCLUSIONS	**30**
Table 1 – Overview of market transactions	26
Table 2 – DVS recommended greenfield TLVs	31

APPENDIX 1 – Land transaction summary schedule: deals identified by the Council

1 INTRODUCTION

1.1 Instruction

1.1.1 Northumberland County Council ("the Council") is currently in the process of developing a Local Plan: Core Strategy. In parallel the Council is undertaking a Viability Assessment of the Core Strategy (i.e. a whole plan viability assessment). This assessment will also underpin the proposed introduction of a Community Infrastructure Levy ("CIL"). The Council is therefore looking to ensure, through a robust evidence based assessment, that the Northumberland Core Strategy will be deliverable and viable.

1.1.2 In the context of the above District Valuer Services ("DVS"), part of the Valuation Office Agency, has been commissioned by Northumberland County Council to undertake a detailed analysis to assist in determining appropriate Threshold Land Values ("TLV's") for residential opportunities, used for the purposes of viability assessments. Please see below Section 2 for a full definition of Threshold Land Value.

1.2 District Valuer Services (DVS)

1.2.1 DVS, part of The Valuation Office Agency, provides valuation advice to public bodies throughout the UK. It has extensive experience in undertaking development appraisals and employs specialists in development work, together with dedicated environmental and quantity surveyors to assist in appraisal work.

2 THRESHOLD LAND VALUES

2.1 Introduction

2.1.1 Land value is a key component of a development appraisal, albeit it can often be the 'outcome' of the appraisal rather than being a fixed figure (hence why appraisals are often referred to as being 'residual', because once all the inputs are included the 'residue', if there is any, is used as the sum which a developer could pay for the site).

2.1.2 However, the 'residue' from the appraisal (as a land value) does not always meet the expectations of the landowner. If the developer is only able to pay a significantly reduced sum below the landowner's expectations then the outcome is fairly straight forward; the land would not be sold for development. In undertaking a viability assessment a minimum land value is therefore identified (sometimes referred to as the "benchmark" or "threshold" land value - TLV).

2.1.3 This slightly changes the focus of a development appraisal when used for testing viability, because rather than the land value being freely subject to change there becomes a minimum figure below which a landowner would not release the land for development. If this minimum figure is reached, other inputs within the appraisal would need to be subject to change to ensure viability. As the majority of development costs (like build costs, professional fees, funding etc) are relatively fixed the only 'flex' could therefore be in the developer's profit or the Council's policy. Paragraph 173 of the National Planning Policy Framework ("NPPF") indicates that the Council's policy should be at a level which provides the developer and landowner with a competitive return, which is often taken to mean that the Council's policies should be an input subject to change if the minimum land value has not been met but the Council's full policies have been achieved.

2.1.4 However, identifying the level of an appropriate TLV is itself not straight forward. Surveyors are now assisted by two relatively recent publications, although the guidance between each is somewhat contradictory. We have commented on each publication as follows:

"Financial viability in planning" August 2012 by the Royal Institution of Chartered Surveyors (RICS):

Para 2.5.2, Box 10, *"…nature of the applicant should normally be disregarded as should the benefits or dis-benefits that are unique to the applicant."*

2.1.5 Thus, appraisals should be done assuming hypothetical, typical landowners and developers and the views and aspirations of the actual owner are not relevant if these views differ from general market practice.

Para 2.3.2, Box 7*, "Site value should equate to the market value subject to the following assumption: that the value has regard to the development plan policies and all other material planning considerations and disregards that which is contrary to the development plan."*

2.1.6 As indicated above, this refers to the site value as usually being assessed by means of a residual development appraisal. However, the suggestion seems to be that planning policies should be fixed and land value subject to change (which contradicts the view of the landowner having a minimum land value below which they would sell).

Para 2.1.2 *"It follows, for example, that the land value is flexible and not a fixed figure to the extent that Site Value has to be determined as part of the viability assessment."*

2.1.7 This appears to support the above view that it is the Council's policy which drives the land value, not the other way round. However, the RICS document does acknowledge that the flexibility in land value cannot result in the value going below the Current Use Value (CUV), stating:

Para 3.4.4 *"The return to the landowner will be in the form of a land value in excess of current use value but it would be inappropriate to assume an uplift based on set percentages."*

2.1.8 This appears to support the view of setting a TLV for development appraisals, which is to somehow be linked to the Current Use Value ("CUV"). However, no guidance is given as to how to determine the link between the CUV and the TLV.

2.1.9 Furthermore, in particular no guidance is given to assessing greenfield land, where the CUV may only be £5,000 - £10,000 per acre and clearly a TLV only slightly above the CUV would not represent a sufficient incentive for a landowner to sell for development.

"Viability Testing Local Plans" June 2012 by the Local Housing Delivery Group ("The Harman Review").

Pg 29 *"We recommend that the Threshold Land Value is based on a premium over current use values and credible alternative use value (noting the exceptions below)"*

2.1.10 This therefore contradicts the guidance provided by the RICS, where adopting a percentage uplift above the CUV is not recommended.

2.1.11 One of the exceptions referred to relates to "non-urban" and "greenfield" sites.

Pg 30 *" It is widely recognized that this approach* [i.e. a percentage increase over CUV] *can be less straight forward for non urban sites or urban extensions, where land owners are rarely forced or distressed sellers…This is particularly the case in relation to large greenfield sites…Accordingly, the uplift to current use value sought by the landowners will invariably be significantly higher than in an urban context and requires very careful consideration".*

2.1.12 This does not mean that an assessment of the CUV has no part to play in the process of assessing greenfield sites. A typical landowner will still want to know what the value of his/her site is without the planning permission applied for, and then judge by how much, if at all, the CUV increases when planning consent is granted. The difference is that, for urban brownfield sites a premium uplift of circa 25 – 50% of the CUV may be deemed sufficient to incentivize a landowner to sell (e.g. if the CUV is £100,000 per acre, applying a 50% uplift would mean a TLV of £150,000 per acre, which would be attractive to a landowner). For a greenfield site, if the CUV is only £5,000 per acre then a 50% uplift (i.e. a TLV of £7,500 per acre) would clearly not incentivize a landowner to release the land for development. In reality, the 'uplift' would need to be more like 15 – 25 times (or more) the CUV.

2.1.13 In terms of how to evidence the approach to greenfield sites the document goes on to say:

Pg 30 *"…local sources should be used to provide a view on market values (the 'going rate'), as a means of giving a further sense check on the outcome of the current use plus premium calculation".*

Pg 30 *"…for sites of this nature* [i.e. greenfield]*, it will be necessary to make greater use of benchmarks, taking into account of local partner views on market data and information on typical minimum price provisions used within developer / site promoter agreements for sites of this nature".*

2.1.14 This therefore seems to advocate using evidence of TLVs identified as part of the viability process, as well as using market transactions as a general 'sense check'. However, there are limitations of assessing land sales (please see below section 2.3 DVS approach: evidence types identified).

2.1.15 In summary, a TLV can be regarded as being effectively the average price that an average developer / house builder would be willing to pay for a site, being at a level which would incentivize an average landowner to release the site for development. A TLV does not therefore seek to reflect excessive demands from unreasonable parties, but instead looks to reflect a reasonable price for all parties concerned.

2.1.16 The valuation process to identify this 'reasonable' price involves the surveyor judging where the value of the site would be if the respective costs of applying all the Council's existing and emerging planning policies and undertaking abnormal works (if applicable) were fully reflected. This is then viewed alongside the price at which a reasonable, hypothetical, commercially-minded landowner would dispose of the land having regard to the site's Current Use Value (CUV) or any Alternative Use Value (AUV), should one be available.

2.1.17 Settling on this 'reasonable' land value in an appraisal is not therefore straightforward and the guidance is contradictory and can be interpreted in different ways. Landowners naturally want as a high a price as they can achieve and some of them are not prepared to recognise how the impact of the cost of planning gain and abnormals drives down net land values materially.

2.1.18 As indicated above, to complicate matters the approach to assessing an appropriate TLV for greenfield sites is also slightly different to brownfield land, because the ‘premium uplift’ on a greenfield site should be significantly higher than that of brownfield land.

2.1.19 Furthermore, abnormal costs should also be a key consideration when assessing an appropriate TLV for a particular site. If there are 2 identical sites next door to one another, but one has significant abnormal works and the other doesn’t, then the TLV for the site affected by the abnormal works should have a lower TLV than the unaffected site.

2.2 Northumberland Core Strategy & CIL Viability Assessment: Interim Report Dec 2014

2.2.1 This interim report was an earlier output of the Viability Assessment process. It was prepared by Council officers, with input from a variety of different teams within the Council. The report also went through a consultation process with stakeholders (including local landowners, developers, agents etc).

2.2.2 The report seeks to follow the guidance of the Harman Review, adopting an approach of applying a premium over and above the CUV, or where applicable the AUV. Market transactions were then used as a general sense check, although the limitations of comparing land sales was referenced (see below 2.3 for details of why comparing land sales is considered to be difficult).

2.2.3 The report recognizes that when seeking to apply an appropriate premium above the CUV the nature of the site must be taken into account, as, for example, a brownfield site in a town centre will have a significantly higher CUV than a greenfield site in a predominantly agricultural location and therefore the level of premium will need to be adjusted accordingly.

2.2.4 The report indicates that agricultural land makes up a significant proportion of the future housing land in Northumberland. In terms of appropriate CUV’s for agricultural land a range of £8,000 per Ha (£3,238 per acre) to £16,000 per Ha (£6,475 per acre) is initially referenced. However, following consultation it was agreed that a slightly higher average figure equivalent to £19,768 per Ha (or £8,000 per acre) should be applied across the County.

2.2.5 The other land type referenced is Industrial Land, to which an average figure of £260,000 per Ha (or £105,200 per acre) is identified.

2.2.6 The report identifies TLVs of £280,000 per Ha (£113,314 per acre) and £500,000 per Ha (£202,347 per acre). These figures refer to the gross area of the development sites.

2.2.7 Threshold Land Values have been a point of divergence between the Council and some stakeholders within the development industry. The intention of this discrete piece of work is therefore to get the DVS's input based on our experience and expertise. The purpose is to develop further evidence, to appraise Threshold Land Values afresh and to validate, discard or at least challenge the suggested TVLs within the interim Report.

2.3 DVS approach: evidence types identified

2.3.1 In accordance with the Harman Review and the approach adopted by the Council in its Interim report from Dec 14, we concur that market transactions alone do not provide an adequate evidence base on which to consider TLVs.

2.3.2 When assessing TLVs we look to assess a variety of evidence sources, including:

- TLVs submitted by developers / house builders in their own viability appraisals.
- TLVs as agreed with developers / house builders as part of negotiations over individual viability appraisals.
- TLVs determined as part of the planning appeal decisions.
- TLVs assessed for the purposes of area wide studies.

2.3.3 The above therefore provides direct evidence sources on actual TLVs, and therefore it is easier to make a direct comparison. The Harman Guidance suggests this should be the 'first step' when looking to identify appropriate TLVs.

2.3.4 The ‘second step’ is to then consider market transactions / land sales. However, assessing actual land sales for the purposes of identifying a TLV is not straight forward, as the price someone is willing to pay for a piece of development land (and indeed accept for a piece of development land) is subject to many factors, which includes:

- The type of development that could be brought forward.
- The gross the net ratio (it may be that a large section of the site is constrained and cannot be developed).
- The potential density any of proposed scheme.
- Whether any third parties benefit from a ransom position preventing access to the site.
- Whether there are any title constraints.
- The abnormal costs associated with developing the site (i.e. any untypical cost, such as deep pile foundations to mitigate ground concerns, flooding mitigation works etc).
- The planning policies that relate to a specific type of scheme.
- Whether a purchaser benefits from synergistic value (formerly known as marriage value) with any neighbouring land they already own or will own in the future.
- Whether a vendor is under financial pressure to sell.
- Whether a house-builder is keen to have a presence in a particular location etc etc.

2.3.5 There are therefore a number of factors which impact the price someone is willing to pay for development land, because ultimately each development site is unique. For example, you could have 2 sites next to each other sold at the same time, each being 5 Ha and the same shape. However, one may have significant flooding issues and a poor access route, whereas the other may have no concerns. The price paid for the land affected by ‘abnormal’ development costs (i.e. in this case flooding and a poor access route) would therefore most likely be significantly less than the unaffected site. The reasons for the difference in value, though, would not be identifiable by simply looking at the price paid for the land on a ‘per acre’ basis.

2.3.6 This means it is extremely difficult to compare two land transactions because in reality only some of the factors outlined above (which is not an exhaustive list) will be known to the analysing surveyor.

2.3.7 In this respect, land transactions are useful in providing a 'sense check' but they should not be regarded a providing a definitive view on values, particularly on a 'price per acre' basis, because in most cases the full details of the transaction (and the factors which impact value) will not be known. Land sales should be therefore considered after the other sources of evidence identified, and provide a 'sense check' only.

2.3.8 Please note, when assessing the evidence and considering appropriate TLVs we have looked to distinguish between greenfield and brownfield sites, for the reasons outlined above in 2.2.3 onwards).

2.4 Direct TLV evidence identified for this study: Greenfield sites

2.4.1 We have identified the following TLVs for greenfield sites, identified from viability appraisals received from applicants. For the purposes of this exercise we have looked at TLVs for greenfield sites across the North East of England, Yorkshire and the East Midlands. Whilst a large geographical area this gives a good indication of how TLVs for greenfield sites remain relatively consistent across regions (please note for confidentiality reasons we are unable to provide the full details of each case):

1. Medium value area near to Leeds, West Yorkshire – greenfield site, net acreage 15.99 acres, proposal for 181 dwellings. Abnormals circa £135,000 per net acre. Average house price £1,888 per sq m. January 14 a regional developer submitted a viability appraisal, indicating a TLV equivalent to £275,000 per net acre (£232,000 per gross acre).

2. Low value area near The Wash, Lincolnshire – greenfield site, net acreage 3.77 acres, proposal for 48 dwellings. Abnormals circa £87,000 per net acre. Average house price £1,733 per sq m March 14 a regional house builder submitted a viability appraisal, indicating a TLV equivalent to £250,000 per net acre (£181,599 per gross acre).

3. Medium value area North Yorkshire, commutable to Leeds – greenfield site, net acreage 19.94 acres, proposal for 179 dwellings. Abnormals circa £168,000 per net acre. Average house price £1,977 per sq m April 14 a national house builder submitted a viability appraisal, indicating a TLV equivalent to £200,000 per net acre (£149,587 per gross acre).

4. Low value area South Yorkshire – greenfield site, net acreage 6.82 acres, proposal for 97 dwellings. Abnormals circa £22,000 per net acre. Average house price £1,391 per sq m. June 14 a national house builder submitted a viability appraisal, indicating a TLV equivalent to £88,000 per net acre (£80,667 per gross acre).

5. Medium value area North Yorkshire, commutable to Leeds – greenfield site, net acreage 8.82 acres, proposal for 103 dwellings. Abnormals circa £165,000 per net acre. Average house price £1,842 per sq m. June 14 a regional house builder submitted a viability appraisal, indicating a TLV equivalent to £115,000 per net acre (£100,000 per gross acre).

6. Medium value area West Yorkshire – greenfield site, net acreage 22.70 acres, proposal for 166 dwellings. Abnormals circa £239,000 per net acre. Average house price £1,923 per sq m Sept 14 a national house builder submitted a viability appraisal, indicating a TLV equivalent to £255,500 per net acre (£192,048 per gross acre).

7. Low value area West Yorkshire – greenfield site, net acreage 20.93 acres, proposal for 283 dwellings. Abnormals circa £70,000 per net acre. Average house price £1,587 per sq m. Nov 14 a national house builder submitted a viability appraisal, indicating a TLV equivalent to £119,000 per net acre (£108.055 per gross acre).

8. Low value area in Derbyshire – greenfield site, net acreage 5.31 acres, proposal for 61 dwellings. Abnormals circa £63,000 per net acre. Average house price £1,718 per sq m. Jan 15 a national house builder submitted a viability appraisal, indicating a TLV equivalent to £226,000 per net acre (£223,892 per gross acre).

9. Medium value in West Yorkshire - greenfield site, net acreage 39.73 acres, proposal for 560 dwellings. Abnormals circa £60,000 per net acre. Average house price £2,099 per sq m. April 15 a national firm of chartered surveyors submitted a viability appraisal, indicating a TLV equivalent to £250,000 per net acre (£157,934 per gross acre).

10. Medium value in West Yorkshire - greenfield site, net acreage 3.13 acres, proposal for 42 dwellings. Abnormals circa £287,000 per net acre. Average house price £2,152 per sq m. Mar 15 a national house builder submitted a viability appraisal, indicating a TLV equivalent to £147,000 per net acre (£125,713 per gross acre).

11. High value area in West Yorkshire – greenfield site, net acreage 8.65 acres, proposal for 84 dwellings. Abnormals circa £88,000 per gross acre. Average house price circa £1,958 per sq m (please note DVS argued this should have been in excess of £2,500 per sq m given the high value area). May 15 a national house builder submitted a viability appraisal, indicating a TLV equivalent to £180,000 per gross acre (net acreage unknown).

12. Low value area in Lincolnshire – greenfield site, net acreage 7.91 acres, proposal for 108 dwellings. Abnormals circa £205,000 per net acre. Average house price £1,629 per sq m. June 15 a regional house builder submitted a viability appraisal, indicating a TLV equivalent to £125,000 per net acre (£112,084 per gross acre).

2.4.2 It is stressed that when submitting a viability appraisal it is in the interests of the applicant to adopt a higher TLV, as this will help to justify a reduction in the affordable housing provision or help negotiate other reduced requirements. It should therefore be recognized that the above figures are naturally ‘on the high side’.

2.4.3 Based on the above sample of 12 identified TLVs the average equates to £153,631 per <u>gross</u> acre, ranging from £80,667 per gross acre to £232,000 per gross acre.

2.4.4 More specifically, in the areas considered to be 'low value' (which we have defined as being areas where average values are sub £1,750 per sq m), the average across the sample of 5 TLVs equates to £141,259 per gross acre. For the 7 'medium value' sites (average dwelling values between £1,750 and £2,250 per sq m) the average increases to £156,912 per gross acre. The only 'high value' site (average house prices in excess of £2,250 per sq m) equates to £180,000 per gross acre.

2.4.5 Although not a definitive source of information, this at least gives a general indication of the levels of TLVs being applied by developers / house builders to greenfield sites across the wider regions in viability appraisals (albeit with the acknowledgement that these figures are naturally on the high side). It therefore stands to reason that TLVs within an area such as Northumberland (not considered to be vastly different in terms of the types of houses being provided and the values achieved to Yorkshire and the East Midlands) should certainly not exceed the upper end of this range.

2.4.6 In terms of further sources of information, we have also identified TLVs negotiated between DVS and applicants when assessing individual viability appraisals and also TLVs assessed as part of planning appeals:

1. Medium value area near to Leeds, West Yorkshire – greenfield site, gross acreage 15.99 acres, proposal for 181 dwellings. Abnormals circa £135,000 per net acre. Average house price £1,888 per sq m. January 14 a regional developer submitted a viability appraisal, indicating a TLV equivalent to £275,172 per net acre (£232,000 per gross acre). Following various discussions / negotiations a TLV of circa £217,000 per net acre (£183,000 per gross acre) was agreed by both DVS and the applicant for the purposes of the viability modelling.

2. Low value area in Lincolnshire – greenfield site, net acreage 27.75 acres, proposal for 500 dwellings. Abnormals circa £176,000 per net acre. Average house price £1,649 per sq m. In June 2014, following various discussions / negotiations a TLV of circa £150,000 per net acre (£112,500 per gross acre) was agreed by both DVS and the applicant (a regional developer) for the purposes of the viability modelling.

3. High value area in Derbyshire – greenfield site, net acreage 6.89 acres, proposal for 62 dwellings. Abnormals circa £117,000 per net acre. Average house price £2,316 per sq m. In Aug 2014, following various discussions / negotiations a TLV of circa £138,000 per net acre (£88,531 per gross acre) was agreed by both DVS and the applicant (a regional developer) for the purposes of the viability modelling.

4. Low value area in South Yorkshire – greenfield site, net acreage 4.55 acres, proposal for 58 dwellings. Abnormals circa £56,000 per net acre. Average house price £1,513 per sq m. In Jan 2015, following various discussions / negotiations a TLV of circa £100,000 per net acre (£85,248 per gross acre) was agreed by both DVS and the applicant (a national house builder) for the purposes of the viability modelling.

5. Medium value area on edge of suburban settlement near Nottingham – greenfield site, net acreage 10.72 acres, proposal for 116 dwellings. Abnormals circa £89,000 per net acre. Average house price £1,929 per sq m. Planning Appeal Hearing May 2015. Ahead of the hearing both DVS and the applicant (the landowner) agreed a TLV equivalent to £107,000 per net acre (£93,043 per gross acre).

6. High value area, large strategic site in North Yorkshire – greenfield site, gross area circa 126 acres. Proposal for 900 dwellings. Abnormals and infrastructure circa £250,000 per gross acre. Average house price £2,315 per sq m. Viability negotiations currently ongoing. Applicant proposed TLV equivalent to £210,000 per gross acre. DVS arguing that a figure of £170,000 per gross acre (taking into account the high abnormal and infrastructure costs) is more appropriate. Negotiations are ongoing but the half-way point between the 2 is considered to be a reasonable assumption, being £190,000 per gross acre.

2.4.7 Based on the above sample of 6 identified TLVs established through negotiation the average equates to £125,387 per <u>gross</u> acre, ranging from £85,248 per gross acre to £190,000 per gross acre. The average is a circa 18% reduction from TLVs taken directly from applicant's viability appraisals.

2.4.8 More specifically, for 'low value' sites the average TLV equates to £98,874 per gross acre, increasing to £138,022 per gross acre for the 'medium value' sites and £139,266 per gross acre for the high value sites.

2.4.9 Whilst a smaller sample, it does appear to show that the TLVs that have been negotiated and agreed between DVS and the applicant are generally at a lower level than the unchallenged TLVs put forward by developers / house builders. This supports the general view that TLVs submitted by applicants tend to be on the high side. We have therefore taken this into consideration when analysing this evidence.

2.4.10 Finally, in addition to the above we have also considered TLVs identified by private practice chartered surveyors in CIL / general area wide studies undertaken on behalf of local authorities. Again, we have considered these from a broader region, to include Yorkshire and the East Midlands, as follows:

- Durham County Council Affordable Housing & CIL Viability Study – undertaken by HDH Planning in September 2012. For greenfield sites, the report assumes an average TLV equivalent to £111,291 per gross acre.

- Leicester, Leicestershire & Rutland CIL Viability Study – undertaken by HDH Planning, dated January 2013. For greenfield sites, the report assumes an average TLV equivalent to £112,809 per gross acre.

- North York Moors National Park Authority CIL Economic Viability Assessment – undertaken by Peter Brett Associates, dated November 2013. The report doesn't appear to distinguish between greenfield and brownfield sites. For moderate value areas a TLV equivalent to £303,521 per <u>net</u> developable acre (so likely to be £250,000 to £275,000 on a gross acre basis). For high value areas this increases to £364,225 per net acre (so again on a gross basis more likely to be £300,000 - £325,000 per gross acre).

- The Leeds Community Infrastructure Levy Economic Viability Study – undertaken by GVA in January 2013. For greenfield sites, the report assumes a TLV of £100,000 per gross acre.

- North East Lincolnshire Local Plan and CIL Viability Assessment – undertaken by GVA, dated September 2013. For greenfield sites the assessment adopts the approach of identifying an average agricultural land value, which is assessed as being £7,062 per acre. A premium above this CUV of 10 to 20 times this amount is then referenced (giving a TLV range of £70,620 per gross acre to £141,240 per gross acre). The middle point of this range is then adopted as essentially being the average TLV for a greenfield site - £105,930 per gross acre.

- Selby CIL Addendum Report – undertaken by Peter Brett Associates in April 2014. The report doesn't appear to distinguish between greenfield and brownfield sites. For low value areas a TLV equivalent to £182,113 per net developable acre (so likely to be sub £150,000 on a gross acre basis). For medium value areas this increases to £263,051 per net acre (so again on a gross basis more likely to be £200,000 - £225,000 per gross acre). For high value areas this increases to £364,225 per net acre (so more like £300,000 - £325,000 on a gross basis per acre).

- Carlisle City Council Local Viability Study – undertaken by HDH Planning in July 2014. For greenfield sites assumed a TLV of £133,549 per gross acre.

- Leicester City Council CIL Viability Study Update – undertaken by HDH Planning in December 2014. For greenfield sites assumed a TLV range of £113,314 per gross acre (£280,000 per gross Ha) to £125,455 per gross acre (£310,000 per gross Ha).

2.4.11 Of the 8 studies referenced, 6 suggest a greenfield TLV range of between £100,000 and £133,549 per gross acre, with an average of £113,827 per gross acre. These 6 studies were undertaken by 2 different market practitioners, 1 being GVA (a national firm of chartered surveyors), the other being HDH Planning and Development. GVA undertook 2 of the studies in Leeds and North East Lincolnshire, HDH Planning undertook the remaining 4 in Durham, Leicestershire (inc Rutland) and Carlisle. Despite these studies being undertaken by 2 different firms from different market sectors, and covering a large geographical area, both are broadly in agreement as a suitable average TLV for a greenfield site, being somewhere in the order of £100,000 to £135,000 per gross acre.

2.4.12 However, the conclusions reached in the North York Moors and Selby studies (undertaken by Peter Brett Associates) are significantly different. Both provide a range of figures (and it should be noted these are based on net developable areas, so are naturally higher rates per acre than the gross figures). Equally, there appears to be no distinction between greenfield and brownfield sites, therefore there is a risk the figures are 'skewed' when being compared to the conclusions of the other studies (as we have only presented the conclusions on the greenfield sites for the other studies). Notwithstanding this, for medium value areas, with our assumed adjustments of net to gross, the suggestion seems to be that TLVs in the region of £200,000 - £275,000 per gross acre are appropriate. For high value areas this range increases to broadly £300,000 - £325,000 per gross acre.

2.4.13 The differences in conclusions between GVA and HDH Planning when compared with Peter Brett Associates highlights the difficulties in assessing TLVs. However, having considered the other evidence we have concluded that the average figures presented by GVA and HDH Planning appear to be more in line with general average TLVs identified above than the conclusions of Peter Bretts.

2.4.14 In conclusion, we would stress that each site should still be taken on its merits when looking to identify a suitable TLV, as this will fluctuate on a site by site basis depending on the abnormal costs of development, impact of Council policies etc. However there are some broadly accepted 'norms' or range of norms.

2.4.15 It should also be noted that quantum is likely to play a role on larger schemes (i.e. to reflect the fact a developer would effectively be buying in 'bulk', the TLV for large sites (in particular strategic sites) should be discounted on a price per acre basis.

2.4.16 Based on the above evidence we consider the following average TLVs for greenfield sites to be appropriate in Northumberland:

<u>Low value area</u> (where house sales achieved are sub £1,750 per sq m) – £100,000 to £130,000 per gross acre.

Medium value area (where house sales achieved are between £1,750 and £2,250 per sq m) – £130,000 to £150,000 per gross acre.

High value areas (where house sales achieved are in excess of £2,250 per sq m) – £150,000 to £200,000 per gross acre.

2.4.17 **However, please note for significantly larger strategic sites, as indicated above, we would expect a level of discount from the above figures to reflect quantum.**

2.4.18 The above range therefore broadly supports the suggested range as presented in the Northumberland Core Strategy & CIL Viability Assessment: Interim Report Dec 2014 (which test TLVs at circa £113,000 per gross acre and £202,000 per gross acre.

2.4.19 As a ‘sense check’ we have subsequently reviewed market transactions to determine whether these suggested figures are appropriate (please see below section 2.6).

2.5 Direct TLV evidence identified for this study: Brownfield sites

2.5.1 We have identified the following TLVs for brownfield sites, identified from viability appraisals received from applicants. For the purposes of this exercise we have looked at TLVs for brownfield sites again across the North East of England, Yorkshire and the East Midlands. Whilst a large geographical area this gives a good indication of how TLVs for brownfield sites are assessed in other regions. Please note we have limited the data to schemes providing 50 or more residential units:

1. Low value area Lincolnshire – former garage, gross acreage 2.82 acres, proposal for 55 dwellings. Abnormals circa £71,500 per net acre. Average house price £1,660 per sq m. December 13 a regional developer submitted a viability appraisal, indicating a TLV equivalent to £344,000 per gross acre).

2. Low value area South Yorkshire – former industrial facility, cleared. Gross acreage 4.05 acres, proposal for 60 dwellings. Abnormals circa £289,000 per net acre. Average house price £1,560 per sq m. June 14 a regional

house builder submitted a viability appraisal, indicating a TLV equivalent to £111,000 per gross acre).

3. Medium value area West Yorkshire – existing industrial buildings. Gross acreage 3.59 acres, proposal for 65 dwellings. Abnormals circa £217,500 per net acre. Average house price £1,950 per sq m. Jan 15 a local landowner submitted a viability appraisal, indicating a TLV equivalent to £264,600 per gross acre).

4. Medium value area West Yorkshire – cleared former industrial works. Gross acreage 4.77 acres, proposal for 68 dwellings. Abnormals circa £246,600 per net acre. Average house price £1,750 per sq m. Jan 15 a regional firm of chartered surveyors submitted a viability appraisal, indicating a TLV equivalent to £339,660 per gross acre).

5. Low value area South Yorkshire – former colliery. Gross acreage 39 acres, proposal for 325 dwellings. Abnormals circa £99,800 per net acre. Average house price £1,650 per sq m. Jul 14 a regional landowner submitted a viability appraisal, indicating a TLV equivalent to £58,900 per gross acre).

6. High value area West Yorkshire – former quarry. Gross acreage 55 acres, proposal for 363 dwellings. Abnormals circa £508,000 per net acre. Average house price £2,350 per sq m. Jan 12 a national firm of chartered surveyors submitted a viability appraisal, indicating a TLV equivalent to £264,500 per gross acre).

7. Medium value area Derbyshire – former airfield. Gross acreage 97 acres, proposal for 367 dwellings. Abnormals circa £105,000 per net acre. Average house price £2,100 per sq m. May 14 a regional developer submitted a viability appraisal, indicating a TLV equivalent to £69,200 per gross acre).

8. Low value area Derbyshire – existing industrial complex. Gross acreage 44.5 acres, proposal for 600 dwellings. Abnormals circa £66,000 per net acre. Average house price £1,660 per sq m. Mar 15 a national firm of chartered surveyors submitted a viability appraisal, indicating a TLV equivalent to £206,750 per gross acre).

2.5.2 Of the sample of 8 brownfield TLVs identified the average equates to £207,326 per gross acre. However, the range of TLVs is significantly broader than the greenfield data, ranging from £58,900 per gross acre to £344,000 per gross acre. One of the key drivers for this variance is due to the different CUV's for each site. For example, where the current use of a site is as a quarry, which is considered to be redundant, clearly the underlying value of the land based on the existing planning consent will be significantly lower than say an existing employment site with occupied buildings in situ providing industrial accommodation.

2.5.3 Furthermore, the variance between CUVs for brownfield sites across different locations is also considered to be higher than for greenfield sites. Agricultural land values remain relatively consistent across regions, therefore the underlying CUV of a greenfield site will not be subject to any significant change across low, medium and high value areas. In contrast, the CUV's for brownfield sites are likely to vary more significantly. For example, a prime serviced industrial site (with good links to the motorway network) may have a CUV of £300,000 - £400,000 per acre. A tertiary industrial site, with poor access to the motorways, may only have a CUV of sub £100,000 per acre. Whilst perhaps an extreme example, it highlights the potential for variance in brownfield site TLVs.

2.5.4 Equally, our experience is that the AUV is likely to play a bigger role on brownfield rather than greenfield sites. For example, a brownfield site in an old industrial area may be viewed as having potential for long term regeneration, therefore other employment uses (offices, retail, leisure etc) may need to be factored into the TLV (which may have a significantly higher value). This, in some cases, this may significantly increase the TLV for a brownfield site.

2.5.5 For these reasons, the method of establishing a CUV and then adding some level of incentive uplift (which in our experience tends to be an uplift of between 10% and 30%), alongside an assessment of any credible AUV, can produce a wide range of TLVs for brownfield sites. It is therefore difficult to provide 1 or 2 overall averages across an area for brownfield sites, because the CUV / AUV of each site will need to be rigorously assessed before any meaningful conclusion is made.

2.5.6 In this regard, we have considered the conclusions drawn on suitable brownfield TLVs from other area wide studies (please note we have excluded the Peter Brett reports referenced above, on the basis that these reports do not give explicit figures for brownfield sites, they only provide a combined average for greenfield and brownfield sites. Furthermore, we have not included the GVA reports as it is unclear what TLVs have been applied to brownfield sites):

- Durham County Council Affordable Housing & CIL Viability Study – undertaken by HDH Planning in September 2012. For brownfield sites, the report assumes an average TLV range (based on the CUV + 20%) of £145,690 to £242,817 per gross acre (depending on the nature of the current use and location).

- Leicester, Leicestershire & Rutland CIL Viability Study – undertaken by HDH Planning, dated January 2013. For brownfield sites, the report assumes an average TLV (based on the CUV + 15%) of £139,620 per gross acre (considered appropriate for industrial sites across a variety of locations).

- Carlisle City Council Local Viability Study – undertaken by HDH Planning in July 2014. For brownfield sites, the report assumes an average TLV (based on the CUV + 20%) of £169,972 per gross acre (considered appropriate for industrial sites across a variety of locations).

- Leicester City Council CIL Viability Study Update – undertaken by HDH Planning in December 2014. For brownfield sites, the report assumes an average TLV range (based on the CUV + 20%) of £169,972 to £213,679 per gross acre (depending on the nature of the current use and location).

2.5.7 Taking the mid-point of the ranges (where applicable) the above shows an average TLV for a brownfield site of £173,918 per gross acre, circa 17% below the average shown from unchallenged viability assessments received from developers / house builders. However, as shown in some cases a range is deemed appropriate, recognizing the significant potential ‘swing’ in TLVs depending on locational factors and the existing uses.

2.5.8 It is therefore difficult to draw any firm conclusions from the data assessed, and we would again stress that it is less reliable to establish an average TLV for brownfield sites than greenfield sites due to the potential variance in CUVs and greater impact of locational factors. That said, based on the evidence identified the Council's average TLV figure for brownfield sites of £105,200 per gross acre (as shown in the Northumberland Core Strategy & CIL Viability Assessment: Interim Report Dec 2014) appears on the low side.

2.5.9 Please note, the evidence identified is related to other market locations, and as indicated above when assessing brownfield sites locational factors are even more important when assessing appropriate TLVs. We have subsequently assessed market transactions to provide a further insight into the local market.

2.6 Market transactions

2.6.1 As indicated above, in addition to the 'direct' TLV evidence identified above, we have also looked to analyse actual land transactions as part of our considerations. However, it is stressed (as detailed above in 2.3.4) comparing land transactions can be extremely difficult due to the unique nature of development sites, and therefore this evidence should be assessed carefully and only used as a general 'sense check'. It also builds in the risk of taking account of land values based on current planning policies rather than the emerging policies of the Core Strategy, and it is stressed that future planning policies will have an impact on land values and land owner expectations.

2.6.2 The Council provided us with some basic details of a sample of transactions it was aware of (please see attached Appendix 1 for a summary of these transactions). The Council recognised that sourcing land transactions could be complex. As part of this exercise we have been instructed to review the transactions identified by the Council, establish further details (where possible) and provide our comments / conclusions but also to identify any additional relevant transactions. The work should then form part of our considerations when reaching conclusions on appropriate TLV's.

2.6.3 In the first instance in reviewing the transactions identified by the Council we have undertaken a data gathering exercise where we have looked to establish the full facts (as far as possible) of each transaction. This has allowed us to identify the transactions that are relevant to establishing current TLVs.

2.6.4 Those not considered to be of relevance have been discounted for a variety of reasons. However, the most common reason was due to the historic nature of the evidence. When considering any comparable transactional evidence the RICS Guidance is clear that the sale should ideally be as close to the date of valuation as possible. Clearly, though, this is not always practical and often transactions from a number of months (or even years) prior to the date of valuation can be legitimately analysed by a surveyor, providing adjustments are made to ensure the prevalent market conditions are reflected.

2.6.5 That said, there comes a point when a transaction was so historic (when demand levels etc were so different to the current market conditions) that no meaningful analysis of the data can take place. For example, prior to 2008 the residential market experienced a boom period where house prices enjoyed high and sustained capital growth over a number of years. As a consequence, demand for land from developers / house builders was buoyant (even for sites which, with hindsight, were in more secondary and even tertiary locations). Bank funding was also easier to secure, which meant there were a high proportion of smaller developers looking to enter the residential development market. This high level of competition for land ultimately drove higher land values, and as the market continued to rise the ‘gap’ (in value terms) between purely speculative acquisitions and subject to planning deals also narrowed. The consequence of all these factors was that high ‘rates per acre’ were being achieved for sites, both on deals subject to planning and speculative purchases. In contrast, the current climate is a lot more cautious. Whilst there have been tentative improvements in the residential market in recent years, funding institutions are still generally taking a cautious approach to the sector. There is also still more caution from house builders when seeking to acquire land on a speculative basis therefore the ‘gap’ between subject to planning deals and ‘no planning’ sales remains significant. In this respect, trying to compare a land transaction from prior to the crash in 2008 (for example) to today’s climate is extremely difficult and in reality no firm conclusions could be drawn from any comparisons made given the difference in market conditions.

2.6.6 In terms of determining an appropriate ‘cut off’ for assessing land transactions there is no fixed rule, and in reality a surveyor will have to make their own judgement. In this instance we have taken the view that any transaction from prior to September 2010 (i.e. over 5 years from the date of this report) is so historic and taken from a period when market conditions were so different that no meaningful comparison can be made from the evidence when looking to identify current TLVs.

2.6.7 Other reasons for discounting land evidence includes:

- The transaction was not ‘arms length’ (i.e. connected parties were involved in the disposal and acquisition of the land.)
- The full details of the exact price paid are not provided on the title (e.g. a range is given), therefore a robust analysis cannot be undertaken.
- The site area of the land cannot be established, therefore again a robust analysis cannot be undertaken.

2.6.8 Having undertaken this analysis and our own research, we have identified 10 transactions as being or relevance to establishing current TLVs.

2.6.9 We have provided an overview on each transaction below:

Table 1 – Overview of market transactions

Address	**Location**	**Land type**	**Planning consent when bought?**	**Gross area (acres)**	**£ per gross acre**
Willoughby Bank	Alnwick	Greenfield	Yes	7.76	92,552
Slaley Court	Bedlington	Greenfield	No	4.50	125,500
Wheatridge Farm	Seaton Delaval	Greenfield	Yes	17.30	108,571
Broadway House Farm	Bedlington	Greenfield	Unknown	11.32	133,825
Benridge Park	Newsham, Blyth	Greenfield	Unknown	16.67	77,638
Runnymede Rd	Ponteland	Greenfield	No	5.40	195,370
The Braid	Amble	Part brown / part green	Yes	9.14	765,864
North Rd	Ponteland	Brownfield	Yes	3.55	1,243,000
Bank Top	Prestwick	Brownfield	No	4.45	100,090
Seafield	Seahouses	Brownfield	Yes	0.53	562,303

2.6.10 We have commented on each as follows:

Greenfield sites

- Land at Willoughby's Bank, Alnwick – the information provided by the Council related to the purchase of Phase 1 only (July 2013). We have also since been able to identify the acquisition of the neighbouring Phase 2 land in Oct 2014. Phases 1 and 2 added together give a site area of 3.14 ha (or 7.76 acres). The total price paid for the combined sites equates to £718,200. On a gross basis this therefore equates to £92,552 per acre. It is understood the property benefited from a planning consent at the time of purchase, which in theory should increase its value when compared to sites purchased purely on a speculative basis.

- Land to north of Slaley Court, Bedlington – based on the Council's identified site area of 1.82 Ha (4.50 acres), the land sold in July 2014 for the equivalent of £125,500 per gross acre. It is understood the property was being promoted through the planning process for residential development at the time of purchase.

- Wheatbridge Farm, Seaton Delaval – based on the Council's identified site area of 7 ha (17.30 acres), the site was purchased for £108,571 per gross acre by Miller Homes. The site was purchased on the basis of an existing planning consent. The site had a requirement to provide 52% affordable units, and a play area at a cost of £102,020.

- Land adjacent to Broadway House Farm, Church Lane, Bedlington – sale identified by DVS. Purchased by Miller Homes in March 2015 for the equivalent of £133,825 per gross acre (excluding VAT).

- Land to rear of Benridge Park, Newsham, Blyth – sale identified by DVS. Purchased by Miller Homes in March 2015 for the equivalent of £77,368 per gross acre (excluding VAT).

- Land at Runnymede Rd, Ponteland – sale identified by DVS. Purchased by Lugano Developments Ltd in Sept 2010 for the equivalent of £195,370 per gross acre (assumed to be excluding VAT).

Part greenfield / part brownfield sites

- The Braid, Amble – purchased by Tesco on the basis of an existing planning consent for a supermarket use. The value in the land was therefore driven by a non-residential use. Price paid equated £765,864 per gross acre (excluding VAT). However, the supermarket sector is currently experiencing a sea-change, with discount supermarkets increasing their market share and the traditionally dominant providers (like Tesco) losing revenue. It therefore remains to be seen whether a price at this level could be achieved in the current market even for a supermarket use. In this respect, whilst a useful indication of how values can fluctuate for alternative uses, clearly not all sites would be suitable for a supermarket use and even if they were it is likely a significantly lower rate per acre would be achieved today.

Brownfield sites – general

- North Rd, Ponteland – located in a high value area. Site comprises a former care home facility, a sector which tends to generate strong land returns (depending on the nature of the care being provided). The high land value of £1,243,000 per acre is therefore considered to be due to a combination of the high value nature of the location and the high current use value at the time of purchase.

- Land lying to west of Bank Top, Prestwick – land appears to comprise some form of employment use. Site was purchased without the benefit of a planning consent, which will have driven the lower land value of equivalent to £100,049 per gross acre.

- Seafield Site, Seahouses – site area only just over 0.5 acres. Smaller sites tend to command higher land values on a per acre basis. Furthermore, the proposed scheme comprised an apartment scheme of 10 units and therefore was relatively high density for the size of the land. Both factors explain the seemingly high rate achieved here, being £562,303 per acre (which in reality only equated to an actual price paid of £250,000).

2.6.11 In terms of the greenfield sites, the sales values achieved range from £77,368 per gross acre to £195,370 per gross acre, with an average of £122,243 per gross acre. This is therefore considered to be broadly in line with the TLVs identified from ‘direct’ evidence referred to above in 2.4.

2.6.12 As for the brownfield sites and the part greenfield / part brownfield site, of the 4 identified there is a more significant fluctuation in the values achieved on a rate per gross acre when compared with the greenfield sites (the range being £100,049 to £1,243,000 per gross acre). This is likely driven by the varying current uses / alternative uses for each site. We have therefore taken this into consideration when looking to establish average TLVs.

3 CONCLUSIONS AND FINAL COMMENTS

3.1 For greenfield sites, we would summarize our considerations as follows:

- In the Interim CIL Study from Dec 2014 the Council suggested 2 test scenarios, adopting TLVs of circa £113,000 and £202,000 per gross acre.

- TLVs identified from unchallenged viability appraisals received by DVS from developers / house-builders across the North East and East Midlands gave an average TLV of £152,668 per gross acre. For low value areas the average reduced to £141,259 per gross acre, medium value areas £156,912 per gross acre and the one high value area returned a TLV of £180,000 per gross acre.

- TLVs negotiated and agreed between DVS and developers / house-builders on individual viability appraisals showed an average of £125,387 per gross acre. For low value areas the average reduced to £98,874 per gross acre, medium value areas £138,022 per gross acre, and high value areas £139,266 per gross acre.

- GVA and HDH Planning, in undertaking area wide studies, suggested an average TLV in the order to £100,000 to £135,000 per gross acre was appropriate. Peter Brett's showed a significantly higher rate, but we felt this evidence was 'skewed' as it included brownfield sites.

- Greenfield market transactions produced a range of £77,368 to £195,370 per gross acre, with an average of £122,243 per gross acre.

3.2 Having considered all of the evidence identified we would comment that the original range adopted by the Council (i.e. circa £133,000 - £202,000) is well supported and considered to be broadly appropriate.

3.3 That said, rather than simply testing 2 scenarios, we believe it would be prudent to perhaps apply a range depending on the nature of the location. Based on our interpretation of the evidence we would subsequently suggest the following:

Table 2 – DVS recommended greenfield TLVs

Area	House price range £ per sq m	Suggested TLVs £ per gross acre
Low value	Sub £1,750	100,000 – 130,000
Medium value	£1,750 - £2,250	130,000 – 150,000
High value	Over £2,250	150,000 – 200,000

3.4 However, please note the above TLVs assume 'average' sized developments. For significantly larger strategic sites we consider it appropriate to apply a level of discount to reflect quantum.

3.5 As discussed above, TLVs for brownfield sites are subject to potentially a greater level of variance owing to a greater impact of locational factors, CUVs and AUVs. It is therefore more difficult to draw any meaningful conclusions from the brownfield evidence identified, and in reality each site should be taken on its merits and assessed individually. This, in our view, makes it more difficult to provide average TLVs for the purposes of an area wide study, than compared with greenfield sites.

3.6 Bearing this in mind, we would summarize our considerations as follows:

- In the Interim CIL Study from Dec 2014 the Council suggested an average of circa £105,000 per gross acre.

- TLVs identified from unchallenged viability appraisals received by DVS from developers / house-builders across the North East and East Midlands gave an average TLV of £207,326 per gross acre (but a wide range in the sample from £58,900 to £344,000 per gross acre).

- HDH Planning, in undertaking area wide studies, showed an average TLV of circa £174,000 per gross acre.

- Brownfield market transactions produced a wide range of £100,049 to £1,243,000 per gross acre.

3.7 Purely based on the figures identified above the Council's average figure of circa £105,000 per gross acre appears too low. However, this may be simply because within the evidence identified there are various other existing uses identified that command high values and therefore 'skew' the evidence (supermarket land, former care homes etc).

3.8 Based on our experience, we would comment that a rate of £105,000 per gross acre is considered broadly reasonable for secondary / tertiary industrial land (which given the nature of Northumberland as a region is likely to comprise the majority of the brownfield sites). It may be prudent, though, to apply a range rather than a fixed figure, in acknowledgment that TLVs can fluctuate more significantly for brownfield sites. In this regard we consider £75,000 to £125,000 per gross acre to be a fair and reasonable benchmark for secondary / tertiary industrial land (with the top end of the range being more in line with some of the evidence identified).

3.9 As for other brownfield site types, the underlying value of the site will fluctuate significantly depending on the nature of the existing use (e.g. supermarket, retail, office, leisure, care home, mixed use etc). For the purposes of this study we do not consider it appropriate to try and establish an average TLV across each use type.

David Newham MRICS RICS Registered Valuer

District Valuer Services

September 2015

Appendix 1

Land transaction summary schedule: deals identified by the Council

Site	Settlement	title ref	Value	Date of Sale	Planning Position	Application Ref	Successful Application Date	Site Size (ha)	Site size (acres)	£ per acre (gross)	£ per hectare (gross)
Land at Willoughby's Bank	Alnwick	ND174552	£ 302,400	30/08/2013	Permitted 10/01/2011	A/2010/0074	10/01/2011	2.774	6.85	£ 44,135	£ 109,012
Land adjoining Greenfields Farm	Alnwick	ND175313		22/11/2013					0.00		
The Braid, Amble (Tesco Site)	Amble	ND165420	£ 8,400,000	17/10/2011	Permitted 28/7/2009	A/2008/0002	28/07/2009	3.7	9.14	£ 933,333	£2,270,270
Land south of Southmead	Amble	ND155576	£ 150,000	24/09/2008	Promoted through Local Plan process			0.5	1.24	£ 135,577	£ 352,500
Land at Former Ashington General Hospital Site	Ashington	ND152029	£ 1,423,500	01/05/2007	Promoted through the Local Plan process			3.111	7.69	£ 457,570	£1,130,659
Land to the North of Slaley Court	Bedlington	ND100089	£ 565,000	25/07/2014	Promoted through the Local Plan process			1.822	4.50	£ 125,500	£ 310,099
land on the north side of North Ridge, Bedlington.	Bedlington	ND100092	£ 750,000	25/11/2013	Promoted through Local Plan process				0.00		
Land at Stakeford Road	Bedlington	ND151805	£ 611,091	20/03/2007	Promoted through Local Plan process			3	7.41	£ 82,580	£ 203,697
Bellingham Auction Mart	Bellingham	ND138364	£ 2,210,000	23/11/2004	Permitted 20/7/2005	T/20050571	20/07/2005	1.8	4.45	£ 491,000	£1,227,000
Chase Farm Dr (Barratt Site)	Blyth	ND145240	£ 3,485,615	11/04/2008	Permitted 14/08/2007	07/00353/RES	14/08/2007	2.39	5.91	£ 693,522	£1,713,000
Mill Hill Farm	Chatton	ND146467	£ 550,000	16/03/2006	Permitted 21/9/2010	09/B/0230	21/09/2010	0.4	0.99	£ 668,016	£1,650,000
Part of Hadston Farm, Hadston.	Hadston	ND120095	£ 1,082,000	21/12/2000	Promoted through the Local Plan process			3.47	8.57	£ 126,241	£ 311,816
Land on the south side of Hillcroft, Comb Hill Road, Haltwhistle	Haltwhistle	ND128348	£ 225,000	14/02/2003	Promoted through the Local Plan process			0.33	0.82	£ 276,040	£ 681,818
Land at Morpeth Cottage Hospital	Morpeth	ND147632	£ 418,912	30/09/2009	Permitted 30/6/2008	CM/20080256	30/06/2008	0.3	0.74	£ 523,640	£1,396,400
Loansdean (Bellway)	Morpeth	ND165695	under £100000	01/03/2011	Permitted on 17/07/14	11/02454/FUL	17/07/2014	10.15	25.09	£ 4,000	£ 9,850
The Cottage, South Farm, The Farm House,	Nedderton	ND161820	£ 1,000,000	03/06/2009 (Value)					0.00		
Slate Hall Farm	North Sunderland	ND116693	£ 100,000	03/10/2000	Permitted 12/03/2008	11/00226/FUL	12/03/2008	0.161	0.40	£ 251,889	£ 621,118
Dissington Estate (Lugano)	Ponteland	ND154350	£ 18,500,000	22/10/2007	Promoted through the Local Plan process			1026.687	2536.94	£ 7,295	£ 18,019
Land at Clickemin Farm	Ponteland	ND158523	£200,001 and £500,000		Promoted through the Local Plan process				0.00		
Land at Woodhill Farm	Ponteland	ND159229	£ 102,375	04/07/2011					0.00		
Land at Birney Hill Farm	Ponteland	ND171538	£ 1,800,000	24/11/2005	Promoted through the Local Plan process			60.81	150.26	£ 11,984	£ 29,600
North Rd	Ponteland	ND173273	£ 4,407,000	28/02/2013	Permitted 3/6/2011	CM/20100209	03/06/2011	1.436	3.55	£ 3,069,000	£1,243,000
Land lying to the west of Bank Top	Prestwick	ND109141	£ 445,000	12/09/2011				1.8	4.45	£ 100,090	£ 247,222
Seafield Site	Seahouses	ND171722	£ 250,000	03/09/2012	Permitted 16/01/2012	11/02786/COU	16/01/2012	0.216	0.53	£ 562,303	£1,389,000
Wheatridge Farm	Seaton Delaval	ND175020	£ 1,900,000	24/09/2013	Permitted 04/07/2013	12/03825/FUL	04/07/2013	7	17.30	£ 108,571	£ 271,428
St Mary's Stannington	Stannington	ND153109	£ 3,875,200	19/07/2007	Permitted 08/11/2012	11/02980/FUL	08/11/2012	55.949	138.25	£ 28,041	£ 69,263
Land at South Road, Wooler	Wooler	ND119470	£ 200,000	05/12/2000	Promoted through the Local Plan process			0.5	1.24	£ 166,666	£ 400,000