

SUBMISSIONS TO THE PLANNING INSPECTORATE

**In connection with Inspector's Draft Matters,
Issues and Questions for Examination of the**

CRANBROOK LOCAL PLAN

Prepared by

**Richard Sturt, MRICS, FRGS, MSc, BSc (Hons)
and
Malcolm Barber DipArb MRICS MCIArb**

On Behalf Of

Cranbrook LVA LLP (Respondent Number 145)

7th January 2020

UNLOCKING VALUE FROM LAND

STURT & COMPANY LTD, THE COACH HOUSE, UPHAM FARM, UPHAM, HAMPSHIRE. SO32 1JD
Tel 01489 860721 office@sturtandco.com www.sturtandco.com

Company No 07990266 VAT No: 132 6808 20

1.0 INTRODUCTION

1.1 Sturt & Company has been requested to provide formal representations on the Independent Examination and specifically the Inspector's Draft Matters, Issues and Questions for Examination of the Cranbrook Local Plan on behalf of Cranbrook LVA LLP.

Qualifications

1.2 This report has been prepared by Richard Sturt MRICS, FRGS, MSc, BSc (Hons) and Malcolm Barber DipArb MRICS MCI Arb who are both Chartered Surveyors and Registered Valuers under the RICS.

2.0 METHODOLOGY

2.1 Sturt & Company attended the Working Group in July 2017 and made written submissions concerning viability at the time.

2.2 Further submissions were made in the spring of 2019 regarding both the CIL Review and Cranbrook Plan DPD submissions. Many of the issues raised in these earlier submissions are directly relevant to the East Devon Affordable Housing SPD as it relies on the appraisals and methodology contained in the CIL review.

2.3 All these submissions include commentary on a number of areas which have a direct impact on the viability and workings of the residential development in East Devon.

2.4 Our major concerns include the following:

- Refusal of East Devon or Three Dragons to release their Excel Toolkit
- The Three Dragons Viability Appraisal does not reflect the proposals made in the Draft Affordable Housing SPD
- Outdated BCIS Costs that are now 16 months out of date
- GDVs that do not reflect current market sales and size of units
- Inappropriate BCIS Index used. Lower quartile figures rather than the more commonly used mean or median
- Ambitious housing trajectory figures and implications for cash flow
- Insufficient profit margins to take into account the high infrastructure and utilities costs and risk of major schemes such as Cranbrook
- Insufficient Benchmark Land Value to provide a landowner's and promoter's proper return

2.5 Due to the continued refusal to co-operate by not providing a copy of the electronic Excel Three Dragons Toolkit, we reserve our position on making further

representations on all the key residual inputs, calculations and their impact on the viability of development and affordable housing in East Devon.

3.0 QUESTIONS

3.1 Set out below are our responses to the questions posed by the Inspector. For ease of reference, we have answered each question in turn.

MATTER 9 – INFRASTRUCTURE DELIVERY	
Issue 12: Is the Infrastructure Delivery envisaged by Policy CB6 justified and realistic?	
Q125	Question What is the Council's rationale for infrastructure delivery in the manner set out in the plan; which elements are negotiable, and which are fixed? What is the cumulative impact of the infrastructure requirements on viability?
	Response The infrastructure delivery requirements will have a bearing on the viability. In addition, the extra cost can have an impact on bringing forward smaller self-contained sites which are already available, bringing the scheme forward more swiftly. Costs within the infrastructure should only be those related to site-wide and not site specific. In particular, carbon reduction requirements appear to be in the Infrastructure Delivery Plan but the cost of carbon reduction above Building Regulations is a site specific cost. Consequently, an additional cost should be allowed for in the Build Cost of each dwelling. Three Dragons have used 'lower quartile' BCIS build costs which are too low, delivering the most basic build and will not include the aforementioned cost of delivering towards carbon reduction or electrical charging points.
Q126	Question Is the Cranbrook Infrastructure Delivery Plan justified and effective? To what extent are the 'strategic' infrastructure projects identified in the IDP necessary for the delivery of the Plan? Is the infrastructure proposed deliverable?
	Response The infrastructure delivery requirements will have a bearing on the viability. In addition, the extra cost can have an impact on bringing forward smaller self-contained sites which are available, bringing the site forward more swiftly. The total cost of the IDP is too high when taken together with other costs of bringing the scheme forward. At the proposed level it is likely to result in the whole scheme being undeliverable as it is unviable. In order to make the scheme viable and therefore come forward in a timely manner infrastructure that is non-essential needs to be removed from early phases and only introduced if later phases become more viable.