

SUBMISSIONS TO THE PLANNING INSPECTORATE

**In connection with Inspector's Examination of
the**

CRANBROOK LOCAL PLAN

Stage 2 Questions

Prepared by

**Richard Sturt, MRICS, FRGS, MSc, BSc (Hons)
and
Malcolm Barber DipArb MRICS MCI Arb
and
Dan Rogers, BA(Hons) MTP MRTPI**

On Behalf Of

Cranbrook LVA LLP (Respondent Number 145)

30th September 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

CONTENTS

1.0	INTRODUCTION	3
	QUALIFICATIONS	3
2.0	METHODOLOGY	3
3.0	QUESTIONS	3

1.0 INTRODUCTION

1.1 Sturt & Company has been requested to provide formal representations on the Independent Examination of the Cranbrook Local Plan and specifically the Inspector's Stage 2 Questions Dated 7th August 2020, 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 MCIArb who are both Chartered Surveyors and Registered Valuers under the RICS.

2.0 METHODOLOGY

2.1 Sturt & Company have already made written submissions concerning viability including both the CIL Review and Cranbrook Plan DPD submissions. Many of the issues raised in these earlier submissions are directly relevant to Stage 2 Questions.

2.2 Together, all these submissions have a direct impact on the viability and workings of the Cranbrook Local Plan.

2.3 Our major concerns include the following:

- The revised viability appraisal does not reflect the accepted market principles set out by the RICS and NPPF
- Inappropriate BCIS Index used. Lower quartile figures rather than the mean or median
- Insufficient profit margins to take into account the risk profile of high infrastructure and utilities costs of £914 million
- Insufficient Benchmark Land Value to provide an adequate landowner's and promoter's proper return
- Inconsistent application of methodology so that outputs do not reflect the stated valuation assumption. This reduces confidence in the output and the viability of the Cranbrook Plan.

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.

AQ16	Are there any other matters which are critical either individually or cumulatively to the issue of viability of the expansion allocations?
	<p>We note the Three Dragons' approach to Benchmark Land Value. We can agree that the appropriate method of assessing Benchmark Land Value is to attribute a different value to areas that are suitable for development and areas which have restricted development and are identified as being suitable for SANGs land.</p> <p>It is not appropriate to use a blended rate to be applied to all areas of the scheme because the ownership is diverse, and each landowner will require a suitable return that reflects the character of their individual holding. The Benchmark Land Value for each area needs to reflect its individual characteristics, particularly its potential for development as opposed to being only suitable for SANGs due to its location, flood risk or because it is undevelopable.</p> <p>We would consider SANGs land should not be blended but have a lower value than development land, as it is not unique in that alternative land could be provided and still function satisfactorily. On this basis, it should be closer to the figure of £25,000 per ha that the Council has identified. The blended figure per ha overall can be justified by applying a higher figure for the land that is considered developable and a lower figure on the land areas for SANGs. In certain circumstances, there may be market evidence to support such an approach.</p> <p>We have considered the councils evidence on SANGs land which appears to support Three Dragons' position and further evidence may be forthcoming to inform the appropriate level Benchmark Land Value level as the Examination continues.</p>