

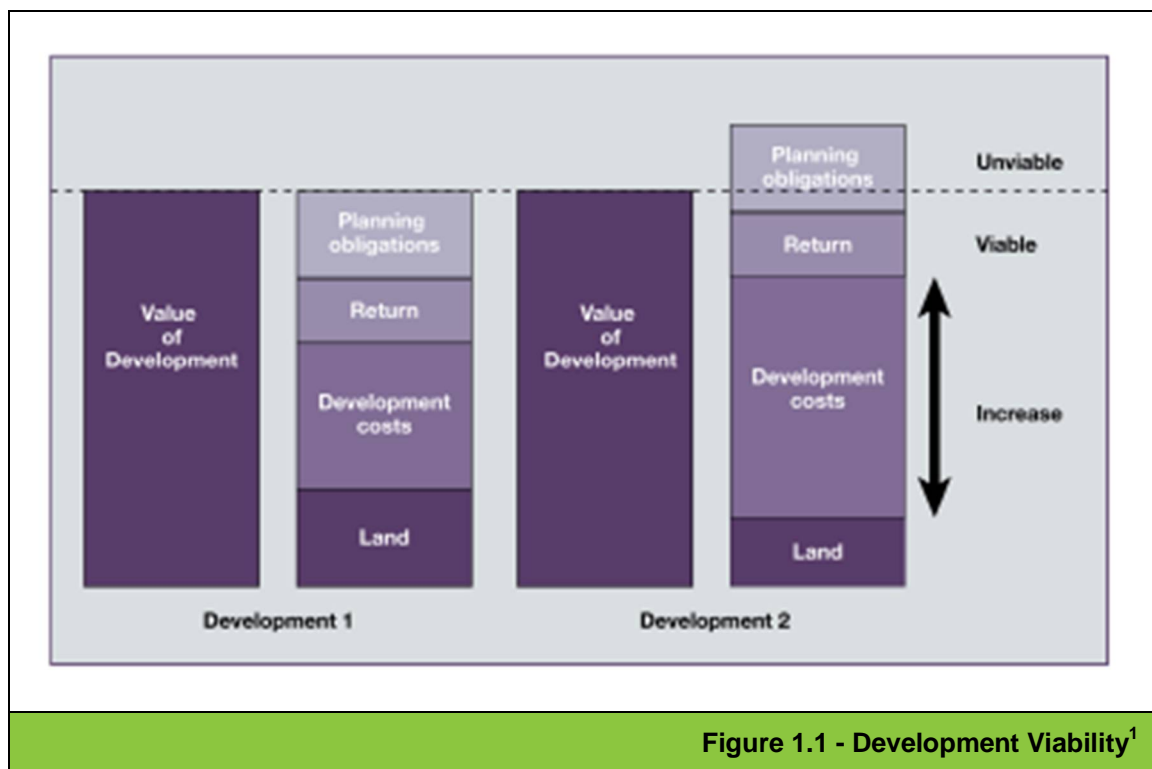
Note – this report provides an updated review (as of July 2017) of residential land values following the August 2016 iteration. Where further comments have been made, they are positioned at the bottom of the relevant chapter/sub-heading.

1 Residential Land Values

1.1 As set out in section 4 of Viability Appraisal report, the land value assumption(s) are fundamental in terms of Plan Viability. We set out below our approach to land values for the Viability Assessment. We have also reviewed residential land values across the District in order to inform our assumptions for the land values used in the appraisals.

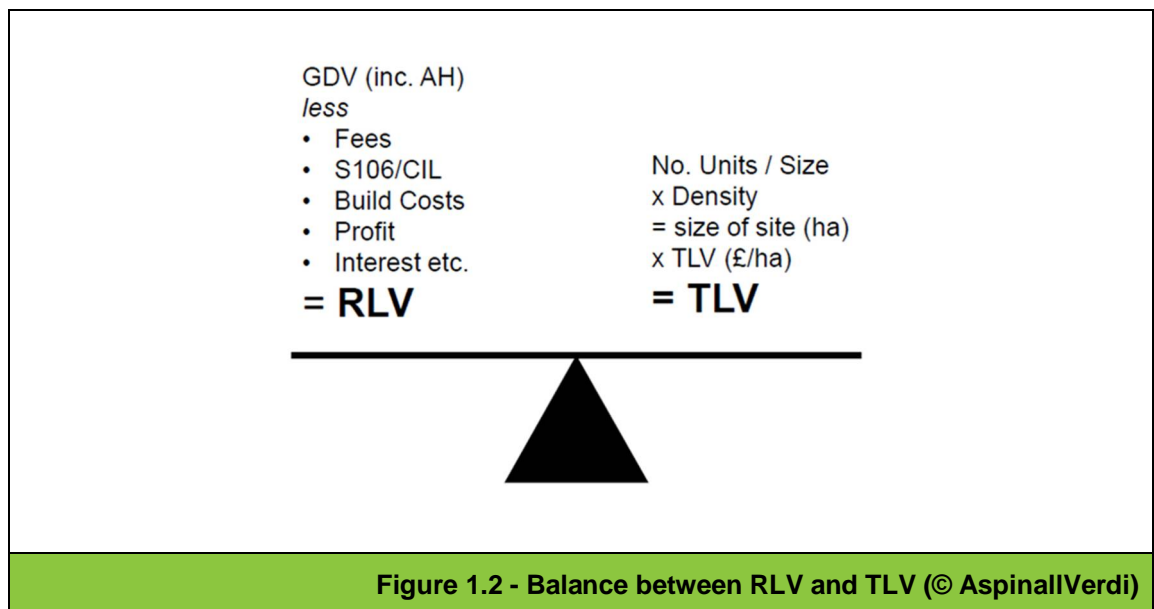
Land Values Approach

- 1.2 In a development context, the land value is calculated using a residual approach – the Residual Land Value (RLV).
- 1.3 The RLV is calculated by the summation of the total value of the development, less the development costs, planning obligations, developers return/profit to give the land value. This is illustrated on the following diagram (Figure 1.1).

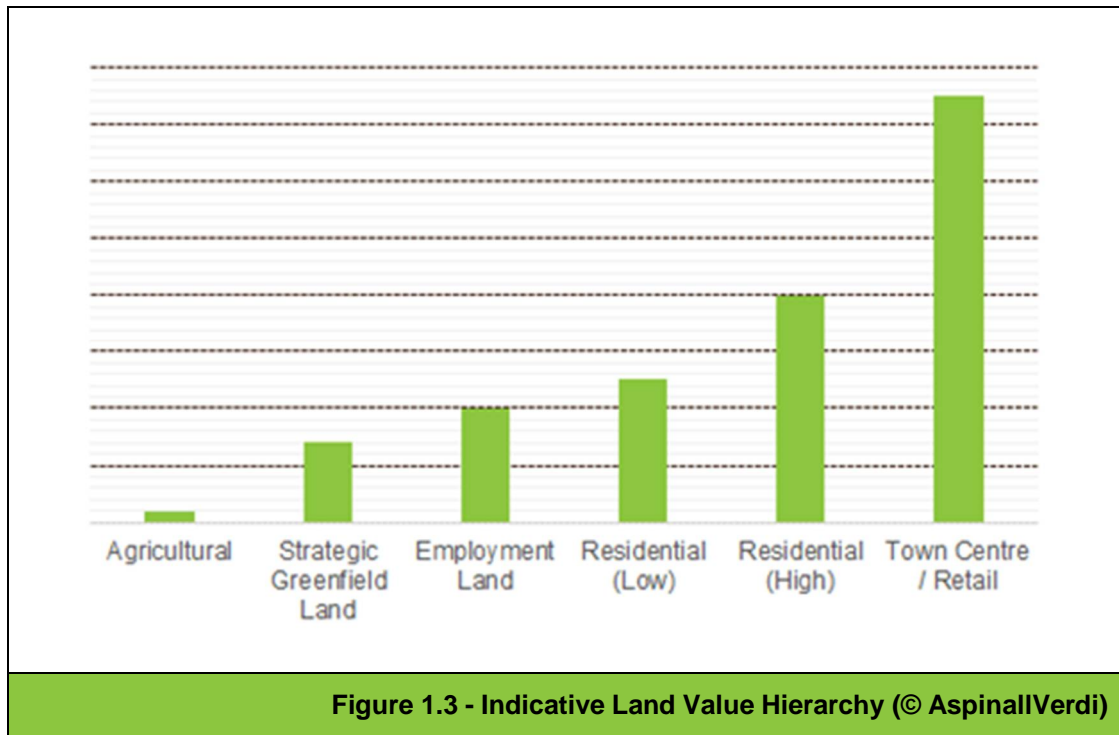


¹ Royal Institution of Chartered Surveyors (RICS) Financial Viability in Planning, 1st edition Guidance Note (August 2012)

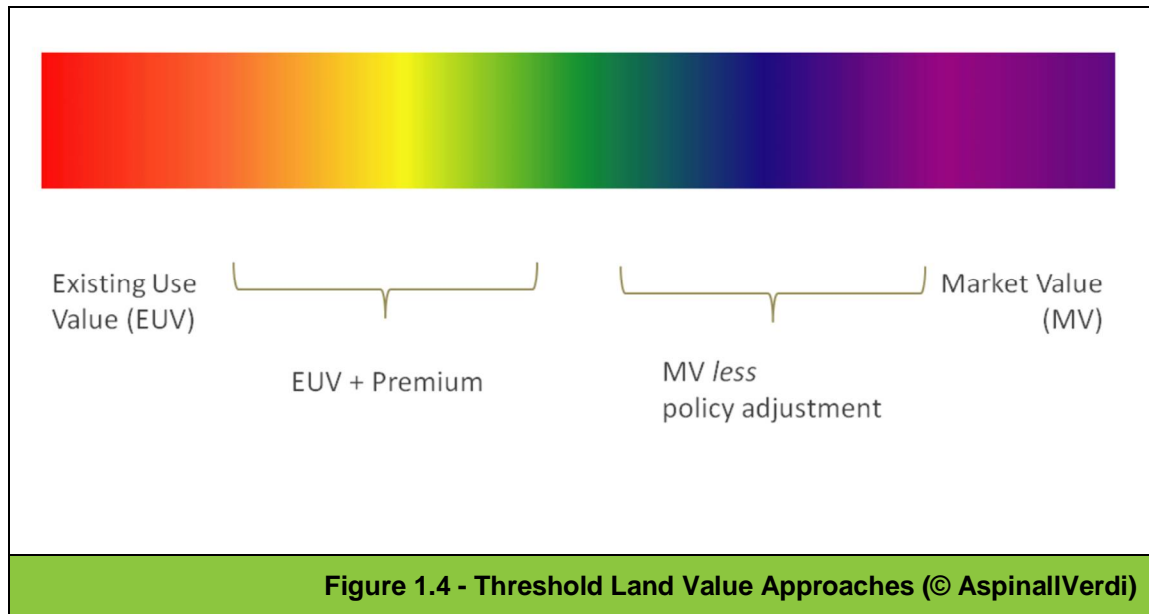
- 1.4 In Development 1 above, the value of the development less the development costs and planning obligations is sufficient to generate a sufficient return and land value – the scheme is fundamentally viable.
- 1.5 In Development 2, the development costs have increased such that the sum of the costs is greater than the value of the development – the scheme is fundamentally unviable.
- 1.6 In order to determine whether development is viable in the context of the Local Plan, NPPF paragraph 173 requires that ‘Plans should be deliverable’ and that ‘to ensure viability, the policy costs should provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable’. This requires RLV’s for schemes to be tested against the benchmark or threshold which would enable sites to come forward – the Threshold Land Value (TLV). This is illustrated on the following diagram (Figure 1.2).



- 1.7 The fundamental question is, ‘what is the appropriate TLV?’ The land market is not perfect but there is a generally accepted hierarchy of values based on the supply and demand for different uses. This is illustrated on the following chart (Figure 1.3).



- 1.8 Note that the value of individual sites depends on the specific location and site characteristics. In order for development to take place (particularly in the brownfield land context) the value of the alternative land use has to be significantly above the existing use value to cover the costs of site acquisition and all the cost of redevelopment (including demolition and construction costs) and developers profit / return for risk. In a Plan-wide context we can only be broad-brush in terms of the TLV as we can only appraise a representative sample of hypothetical development typologies.
- 1.9 Note also that some vendors have different motivations for selling sites and releasing lands. Some investors (e.g. Oxbridge colleges) take a very long term view of returns, where as other vendors could be forced sellers (e.g. when a bank forecloses).
- 1.10 Finally, 'hope value' has a big influence over land prices. Hope value is the element of value in excess of the existing use value, reflecting the prospect of some more valuable future use or development.



- 1.11 The diagram above (Figure 1.4) illustrates these concepts. It is acknowledged that there has to be a premium over EUV in order to incentivise the land owner to sell. This ‘works’ in the context of greenfield agricultural land, where the values are well established, however it works less well in urban areas where there is competition for land among a range of alternative uses. It begs the question EUV “for what use?”
- 1.12 In this context, the Harman report ‘allows realistic scope to provide for policy requirements and is capable of adjusting to local circumstances by altering the percentage of premium used in the model. The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is [Market Value] evidence that it represents a sufficient premium to persuade landowners to sell’.²
- 1.13 The HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) is the only source of specific guidance on the size of the premium. The guidance states:
- There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied. Benchmarks and evidence from planning appeals tend to be in a range of **10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value.***³

² Viability Testing Local Plans Advice for planning practitioners - Local Housing Delivery Group - Chaired by Sir John Harman (June 2012), page 29

³ HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions), August 2010, Transparent Assumptions v3.2 06/08/10

- 1.14 The RICS provides a more market facing approach based on Market Value less an adjustment for emerging policy. This is generally accepted as a 25% discount. This approach has also been endorsed in the Mayor of London CIL Inspectors Report (Jan 2012); Greater Norwich CIL Inspectors Report (Dec 2012); and the Sandwell CIL Inspectors Report (Dec 2014).
- 1.15 Having discussed both Harman and RICS guidance, we adopt the following approach:
- A residual land value at level sufficiently above the site's existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner. (HCA – Investment and planning obligations GPN)
 - The figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell. (Harman)
 - It is likely that a further refinement of initial assumptions about the premium will be necessary, to check the assumption against local market knowledge. (Harman)
 - Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For greenfield land benchmarks tend to be in the range of 10 to 20 times agricultural value'. (HCA Viability toolkit assumptions (2010 Annex 1 'Transparent Viability Assumptions))
- 1.16 In order to provide comprehensive analysis, we also set out a variety of sensitivities in terms of changes to profit and TLV assumptions – this is shown in section 4 of the main Viability Assessment report.

Leicestershire and Rutland CIL Viability Study (2013)

- 1.17 The Leicester, Leicestershire and Rutland CIL Viability Study was jointly commissioned by Leicester County Council for Blaby, Charnwood, Harborough, Hinckley and Bosworth, Leicester City, Melton, North West Leicestershire, Oadby and Wigston, and Rutland Councils. It was prepared by HDH Planning and Development in January 2013.
- 1.18 In the study a set of 16 residential and 13 non-residential development sites were modelled to represent those developments that are likely to come forward in Leicestershire and Rutland in the future and therefore may be able to contribute to infrastructure through the payment of CIL. From this set of sites particular site types were selected that are most representative within each local authority area. For each site a high level, financial development appraisal was carried out to assess the sites ability to pay CIL and the effect that CIL may have on development viability.
- 1.19 The following typologies and threshold land values were appraised (Table 1.5) –

Blaby, Charnwood, Harborough, Hinckley and Bosworth, Melton, NW Leicestershire, and Rutland Councils.						
Number	Site	Alternative Land Use	£/ha	Uplift %	Additional £/ha	Viability Threshold £/ha
1	SUE 1	Agricultural	25,000	15.00%	250,000	278,750
2	SUE 2	Agricultural	25,000	15.00%	250,000	278,750
3	Greenfield 1	Agricultural	25,000	15.00%	250,000	278,750
4	Greenfield 2	Agricultural	25,000	15.00%	250,000	278,750
5	Greenfield 3	Agricultural	25,000	15.00%	250,000	278,750
6	Brownfield redev. L	Industrial	300,000	15.00%		345,000
7	Urban Flats	Industrial	300,000	15.00%		345,000
8	Brownfield redev. M	Industrial	300,000	15.00%		345,000
9	Medium Brownfield	Industrial	300,000	15.00%		345,000
10	Medium greenfield	Agricultural	25,000	15.00%	250,000	278,750
11	Urban edge	Paddock	25,000	15.00%	250,000	595,000
12	Town centre flats	Industrial	300,000	15.00%		345,000
13	Ex garage site	Industrial	300,000	15.00%		345,000
14	Town Village Infill	Residential	500,000	15.00%		575,000
15	Small Village Scheme	Paddock	50,000	15.00%	250,000	307,500
16	Village House	Paddock	50,000	15.00%	250,000	307,500

Source: HDH 2012

Table 1.5 – Viability Thresholds. Alternative Land Use and Uplift (HDH Dec 2102)

1.20 In terms of setting the threshold land value, this was defined as a sites worth in its current use plus an uplift of 20% [the 15% uplift was increased to 20% following the consultation] to incentivise the owner to sell the land. It was recognised that this would not be sufficient in some situations and therefore a further £250,000 /ha (£100,000 / acre) was applied on greenfield sites (being those in agricultural and paddock uses). The following land prices were adopted (Table 1.6) –

Land typology	TLV (per ha)	TLV (per acre)
Agricultural Land	£25,000	£10,117
Paddock Land (village / town edge)	£50,000	£20,234
Residential Land	£750,000	£303,520
Central Leicester (retail land)	£4,000,000	£1,618,777
Greenfield land for Retail	£350,000	£141,643
Industrial Land (Leicester City and Oadby and Wigston)	£440,000	£178,065
Industrial Land Residual Area	£350,000	£141,643

Table 1.6 – Threshold Land Values (HDH Planning and Development (January 2013))

1.21 These figures were the subject to extensive consultation and debate during this study. The Consultants felt that these figures were reasonable and will, very substantially, reward landowners when land is released and thus enable land to come forward⁴.

1.22 That said, it was also acknowledged that the figure will vary depending on the precise circumstances of the site⁵.

⁴ Leicestershire and Rutland CIL Viability Study, HDH Planning and Development, January 2013 para 6.35

⁵ Leicestershire and Rutland CIL Viability Study, HDH Planning and Development, January 2013 para 6.23

Quoted Land Prices

1.23 A number of sites are currently being marketed across Harborough District. The quoted prices are tabulated below. Whilst these are useful references, they are indicative only as the actual price achieved is likely to differ to those quoted.

Address	Postcode	Housing Zone	Size (acres)	Size (ha)	Number of Units	Value	Value (acres)	Value (ha)	Value / unit	Comments
Eastgate, Hallaton	LE16 8UB	Rural	0.6	0.24	1	£375,000	£625,000	£1,562,500	£375,000	Permission granted for 5 bed detached dwelling
64 Roman Way, Market Harborough	LE16 7PQ	Market Harborough	0.25	0.1	1	£400,000	£1,600,000	£4,000,000	£400,000	Planning granted for one dwelling but potential for 3 subject to planning (plans have been drawn up).
Main Street, Illston on the Hill	LE7 9EG	Rural	0.6	0.24	1	£450,000	£750,000	£1,875,000	£450,000	Planning granted for 4 bed detached, part subterranean dwelling.
Oakham Road, Halstead	LE7 9DJ	Rural	1.1	0.45	1	£565,000	£513,636	£1,255,556	£565,000	Planning granted for 6 bed 3 storey detached home over 6000 sqft.
Wistow Road, Newton Harcourt	LE8 9FT	Rural	2	0.81	1	£700,000	£350,000	£864,198	£700,000	Planning granted for unique detached property.
Station Road, Great Glen	LE8 9FP	Rural	1	0.4	5	£850,000	£850,000	£2,125,000	£170,000	Planning granted for 5 detached properties.
Averages			0.93	0.37			£781,439	£1,947,042	£443,333	

Table 1.7 – Quoted Land Prices (Rightmove, Zoopla 2016) (April 2016)

1.24 It is important to note that the majority of sites advertised are for single plots with the exception of 5 units at Great Glen. They are generally located in the Rural zone with the exception of 1 plot at Market Harborough. The average land value per unit was £443,333. This ranged from £170,000 per unit on a development of five dwellings in Great Glen to £700,000 per unit for a large single dwelling plot in the former grounds of the Manor House in Newton Harcourt. Note that these are values are not representative of 'estate' housing land which is generally appraised on a per acre / per hectare basis.

1.25 We have reviewed the market to identify any further quoting prices for residential development land and tabulate this information below. Once again, note that typically the sites currently marketed are small and thus we treat this information with caution given that values range so widely and:

- There is potential for aspirational / hope value associated with asking prices
- Given the evidence is generally comprised of smaller sites, the value per acre is not comparable with larger development schemes subject to planning obligations.

Address	Housing Zone	Site Area (acres)	Site Area (ha)	Existing Use	Planning for x No. of Units	Planning Consent	Value	Value (£/acres)	Value (£/ha)	Value (£/unit)	Comments
Development Land, Mill Hill Road, Amesby	Rural	0.59	0.24	Infill Land	3	Full lanning for resi	£600,000	£1,016,949	£2,512,881	£200,000	Prominent position, benefit of access to road in close proximity to centre of village
Highway Side, South Kilworth Road	Lutterworth	0.77	0.31	Greenfield	3	Outline planning for resi	£650,000	£844,156	£2,085,909	£216,667	Asking Price
Thorpe Langton, Market Harb	Rural	1.68	0.68	Greenfield	7	Resolution to grant outline planning permission	£1,250,000	£744,048	£1,838,542	£178,571	Outstanding development site, asking price
North Kilworth, Leics	Lutterworth	2.90	1.17	Greenfield	22	Resolution to grant outline planning permission subject to S106	£1,650,000	£568,966	£1,405,914	£75,000	Asking Price
Averages		1.49	0.60				£1,037,500	£793,530	£1,960,811	£167,560	

Table 1.8 – Quoted Land Prices (E A Lane & Sons, Rightmove and King West)

1.26 However, the 22-unit scheme on a greenfield site with an asking price of £568,966 per acre (£1.4 m per ha) is more of a stronger indication of market values for larger sites albeit this is still out outline planning stage and an asking price (and not evidence of an agreed sale/affordable housing).

Site Specific EVA Land Values

1.27 We have also reviewed a range of previous Economic Viability Appraisal reports in support of Planning Applications at sites across the District. These are useful indicators of market values, however all will have different issues and constraints which will impact upon land value.

1.28 The average value was £273,565 per acre with a range of £82,372 per acre up to £423,993 per acre. We tabulate our findings below (Table 1.8).

Current AH Area	Proposed Housing Zone	Size (acres)	Size (ha)	Number of Units	Value	Value (acres)	Value (ha)	Value / unit	Comments
30% (Blaby Border Settlements)	Blaby Border Settlements	1.85	0.75	28	£152,388	£82,372	£203,184	£5,442	EVA Data
30% (Lutterworth)	Lutterworth	0.51	0.21	9	£76,500	£150,000	£364,286	£8,500	EVA Data
30% (Lutterworth)	Lutterworth	3.40	1.38	57	£1,440,869	£423,785	£1,044,108	£25,278	EVA Data
30% (Market Harborough)	Market Harborough	72	29.26	924	£16,680,000	£231,667	£570,062	£18,052	EVA Data
30% (Market Harborough)	Market Harborough	7.86	3.18	99	£2,708,206	£344,555	£851,637	£27,356	EVA Data
40% (Rural North and Central)	Rural	0.26	0.10	4	£40,000	£155,642	£384,615	£10,000	EVA Data
40% (Rural North and Central)	Rural	1.66	0.67	26	£625,000	£376,506	£932,836	£24,038	EVA Data
40% (Harborough Rural South West)	Rural	4.40	1.78	60	£1,865,570	£423,993	£1,048,073	£31,093	EVA Data

Table 1.8 – EVA Land Values (April 2016)

- 1.29 The lowest value site was in the Blaby Border Settlements area £82,372 per acre.
- 1.30 Lutterworth has the next lowest value site by land value (£150,000 per acre), but it also has one of the highest land value sites (£423,785 per acre). This illustrates that there is not always a perfect correlation between sales values and land values.
- 1.31 Land values in Market Harborough tend to be in the middle of the range (£231,667 - £344,555 per acre).
- 1.32 In comparison, the Leicester, Leicestershire and Rutland CIL Viability Study adopted the threshold land value of £303,509 per acre (£750,000 per ha) for residential land in Leicestershire and Rutland⁶.
- 1.33 Since the previous iteration of this paper, we have acted on further seven site-specific EVAs. These are tabulated below. Note that again, the majority of schemes are small in nature and a number are brownfield and thus make it difficult to form an opinion of market or threshold land value for plan-viability purposes.

⁶ Leicester, Leicestershire and Rutland CIL Viability Study, HDH Planning and Development, January 2013

Housing Zone	Site Area (acres)	Site Area (ha)	Existing Use	Planning for x No. of Units	Value	Value (£/acres)	Value (£/ha)	Value (£/unit)	Comments
Near Lutterworth	1.83	0.74	Greenfield	10	£1,187,500	£648,907	£1,603,449	£118,057	Scheme viable with £200,000 commuted sum. BLV based on purchase price of larger site. This was worked out on a per plot basis than per acre.
Market Harb	26.69	10.85	Greenfield	230	£3,603,150	£135,000	£332,088	£15,666	Applicant's proposed benchmark land value which was accepted by AVL.
Rural	1.85	0.75	Brownfield	6	£1,023,000	£552,973	£1,364,000	£170,500	AVL Benchmark Land Value
Rural	1.59	0.64	Brownfield	16	£846,000	£532,075	£1,321,875	£52,875	Purchase price of the site
Rural	1.59	0.64	Brownfield	16	£944,000	£593,711	£1,475,000	£59,000	AVL assumed EUV of site including 20% uplift
Rural	0.25	0.10	Greenfield	7	£150,000	£600,000	£1,500,000	£21,429	Agreed TLV for site
Market Harb	0.99	0.40	Brownfield		£300,000	£303,521	£750,000		Purchase price of the site

Table 1.8 – EVA Land Values (July 2017)

- 1.34 The most useful reference point for larger strategic sites, is the c.27-acre site which has consent for 230 units and a Threshold Land Value of £135,000 per acre was agreed.

TLV Assumptions

- 1.35 Our baseline residential land value assumptions are informed by our market research. The values adopted are variable and based upon evidence of quoted and achieved values for residential land across the district, as shown by Rightmove, Zoopla, EGi and previous EVAs.
- 1.36 For the purposes of the Viability Assessment initially adopted the following TLV assumptions (Table 1.9). This is based a ‘top down’ approach but also shows a ‘bottom up’ approach as illustrated on Figure 1.4 above.

Typology	Location	Existing Use	EUV -		Net:Gross (%)	TLV -		Uplift Multiplier	TLV -		Policy adjustment	MV -	
			(per acre) (gross)	(per ha) (gross)		(per acre) (net)	(per ha) (net)		x [X] (rounded)	(per acre) (net developable) (rounded)		(per ha) (net developable) (rounded)	[X] %
Residential	Blaby Border Settlements (including Scraftoft SDAs)	Urban Fringe – agricultural	£10,000	£25,000	75%	£13,333	£33,333	21	£281,300	£695,250	25%	£375,000	£927,000
Residential	Lutterworth (including Lutterworth SDA)	Urban Fringe – agricultural	£10,000	£25,000	75%	£13,333	£33,333	21	£281,300	£695,250	25%	£375,000	£927,000
Residential	Market Harborough	Urban Fringe – agricultural	£10,000	£25,000	75%	£13,333	£33,333	25	£337,500	£834,000	25%	£450,000	£1,112,000
Residential	Rural (including Kibworth SDAs)	Edge of Settlement – agricultural	£10,000	£25,000	75%	£13,333	£33,333	24	£318,800	£787,500	25%	£425,000	£1,050,000

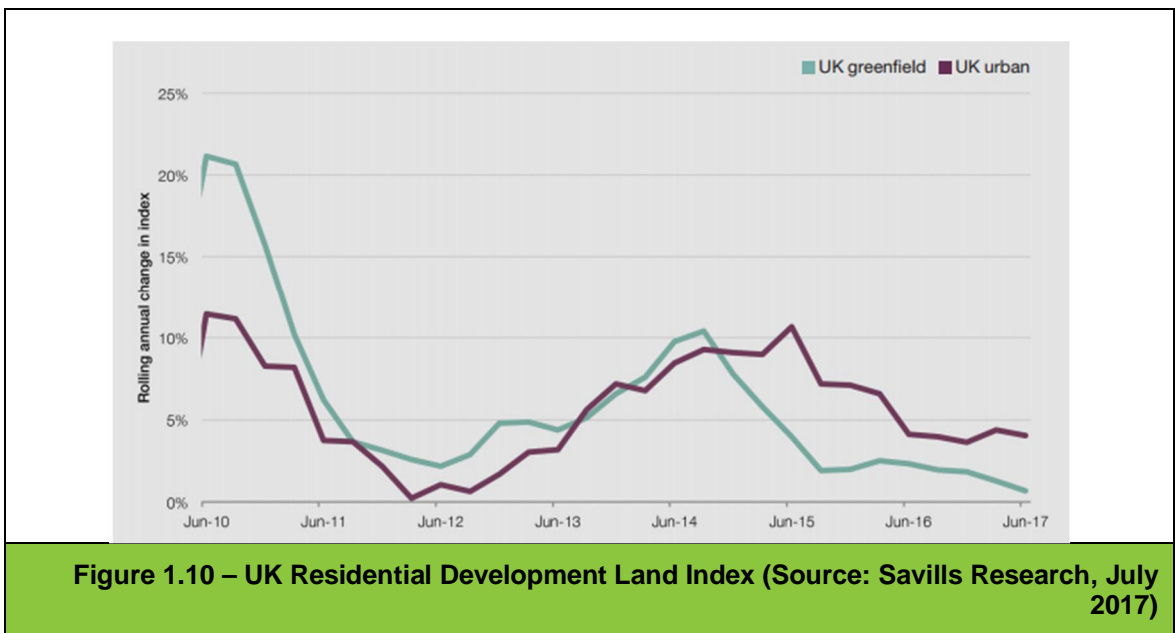
Table 1.9 - Market Land Value Assumptions for the Viability Assessment (August 2016)⁷

- 1.37 Note that the Scraftoft SDA is technically with the Rural zone (LE7 9), however, as described above LE7 9 is a large rural postcode which extends the entire width of the District. The residential sales values assumed for Scraftoft SDA have regard to the new build values specifically in to Scraftoft, Bushby and Thurnby as well as the rural values to the east (LE7 9) and the urban area values to the west (LE5 postcodes). We have therefore used the TLV for the Blaby Border Settlements within the appraisal for Scraftoft as this is considered more representative.
- 1.38 The above table sets out our Market Value assumptions for land. This has been discounted by 25% to allow for emerging planning policy to calculate the TLV. Note that across the District the average TLV is broadly the same as the benchmark land value used in the previous Leicestershire and Rutland CIL Viability Study. However, since 2016 Harborough District Council has completed much more detailed work on the Infrastructure Development Plan (IDP). This highlights the requirement for significantly greater site specific S106 contributions (given that the Authority has decided to put CIL on hold pending the findings of the CIL Review (published in February 2017)) than have been required in the past. As a consequence,

⁷ 161129 Land Values Harborough_v12

landowners will be required to accept a greater discount from previous achieved and aspirational values to reflect this ‘policy adjustment’. Otherwise the risk is that there is limited funding for infrastructure and development is stymied.

- 1.39 In light of this further evidence, we have revised our approach to our TLV assumptions based on a ‘bottom-up’ approach of Existing Use Value plus a multiplier or premium as suggested by the HCA guidance (see paragraph 1.13 above). We consider that the evidence of market values for residential land are quite wide ranging and largely stem from small sites below 20 units, and therefore do not provide a true reflection of market values for strategic greenfield sites and other larger greenfield allocations. We consider that an existing use *plus premium* approach provides greater clarity than the *market value less policy adjustment* and have therefore undertaken a further review of agricultural and paddock land values in order to form our opinion of value.
- 1.40 Note that in table 1.9 above shows, our existing use assumption was previously £10,000 per acre (c.£25,000 per ha) across the board.
- 1.41 For context, since the time of our previous report, Knight Frank have noted a squeeze on land prices due to wider uncertainty in the economic environment resulting in developers adding in margins to allow for this uncertainty. This view is supported by evidence within the latest Savills Residential Development Land report, which shows the annual change in residential development land values:



- 1.42 Knight Frank reported that greenfield development land prices across England are down 1.2% on the year, but over the Q1 2017 period, there was a 1.4% increase in average values⁸
- 1.43 Knight Frank suggest that house builders do remain well-stocked in terms of land for their development pipelines. It is suggested that uncertainty over the future of Right to Buy past 2020, is influencing land buyers' risk assessments and ultimately may affect the development economics of schemes. The continued growth in construction costs is another consideration impacting land values⁸.
- 1.44 Reviewing agricultural (greenfield) land values in Harborough, we have identified 15 agricultural sites available or sold on the market within the District or just outside. We note that prices range between £6,800-£17,100 per acre (£16,817-£42,360 per ha). On average agricultural land is £9,366 per acre (£23,143 per ha).
- 1.45 We have also identified two paddock land sites available, one just south east of Lutterworth in Welford, Northants for £14,870 per acre (£36,743 per ha) and the other in Market Harborough for £30,928 per acre (£76,423 per ha).
- 1.46 Analysing the data looking at distinct market areas and plot sizes we have identified that agricultural values are largely the same across the District, but vary dependent upon size of the site and this is evidently influenced by other factors such as access and the provision of services to the land. For plan-viability terms, generally:
- Agricultural land values in Market Harborough range between £7,500-£9,600 per acre (£18,500-£24,000 per ha) with a paddock site currently quoting c.£31,000 per acre (£76,400 per ha).
 - Agricultural land values in rural Harborough range between £6,800-£9,500 per acre (£16,800-£23,400 per ha). This is consistent with values for agricultural land in Rutland at between £6,900-£8,500 per acre (£17,250-£21,100 per ha).
 - There is a lack of evidence of agricultural land values in Lutterworth and Blaby, but evidence west of the M1 near Enderby and south of Lutterworth in Northamptonshire show agricultural values ranging between £8,300-£14,900 per acre (£20,500-£36,750 per ha).
- 1.47 Overall this shows little variation across the District and we are content with the £10,000 per acre (c.£25,000 per ha) assumption made previously.

⁸ Residential Development Land Index, Knight Frank, Q1 2017, page 1

1.48 The revised TLV table below shows our assumptions following this land market review. We are content with the TLVs assumed in the previous report for the main typologies.

1.49 Given the scale of the infrastructure funding required in Harborough as set out in the IDP we consider an Existing Use Value plus premium approach is more robust given the general lack of evidence and wide range of market values for large scale residential land.

Typology	Location	Existing Use	EUV -		Net:Gross (%)	TLV -		Uplift Multiplier	Policy adjustment		MV -		
			(per acre) (gross)	(per ha) (gross)		(per acre) (net)	(per ha) (net)		- [X] %	(per acre) (net)	(per ha) (net)		
Residential	Blaby Border Settlements	Urban Fringe – agricultural	£10,000	£24,710	75%	£13,333	£32,947	16.5	£220,000	£544,000	41%	£375,000	£927,000
Residential	Lutterworth	Urban Fringe – agricultural	£10,000	£24,710	75%	£13,333	£32,947	16.5	£220,000	£544,000	41%	£375,000	£927,000
Residential	Market Harborough	Urban Fringe – agricultural	£10,000	£24,710	75%	£13,333	£32,947	17.0	£227,000	£560,000	50%	£450,000	£1,112,000
Residential	Rural	Edge of Settlement – agricultural	£10,000	£24,710	75%	£13,333	£32,947	20.0	£267,000	£659,000	37%	£425,000	£1,050,000
Residential	SDA Sites (Lutterworth, Scraptoft) and large 100+ unit typologies	Urban Fringe – agricultural	£8,500	£21,004	75%	£11,333	£28,005	15.0	£170,000	£420,000	n/a	n/a	n/a
Residential	District Wide	Brownfield	£540,000	£494,200	100%	£540,000	£494,200	20%	£648,000	£1,601,208	n/a	n/a	n/a

Figure 1.11 – Threshold Land Value Assumptions (AspinallVerdi, July 2017⁹)

1.50 We have selected multipliers for the premium over EUV in the upper end of the range¹⁰ recommended by the HCA – i.e. 15-20 x agricultural values. We have adopted the mid-point of the HCA range (i.e. 15 x) for the largest strategic greenfield land and typologies of 100+ units. This shows a TLV of £170,000 per acre (£420,000 per ha) which is £35,000 per acre above the agreed TLV of £135,000 per acre (£332,000 per ha) for a large greenfield site in Market Harborough in January 2017. We are therefore content with this assumption given this evidence and the 15 times premium applied to the Existing Use Value (i.e. middle of the HCA range).

1.51 We have then selected multipliers between 16.5 x and 20 x for the smaller site typologies to reflect the perceived market value areas.

⁹ 170804 Land Values Harborough_v15

¹⁰ HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) recommends for greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value.

- 1.52 Our brownfield land TLV is based on a similar approach, using a 20% premium over EUV which reflects the middle of the range in the HCA guidance.¹¹

170807 Land Market Review Paper_v15

¹¹ HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) recommends benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas.