



LTR/P03462/K/5/NA

01 December 2015

Mr Luke Blaskett
Dover District Council
White Cliffs Business Park
Dover
Kent
CT16 3PJ

Dear Luke

RE: PLANNING OBLIGATIONS - FORGE BUNGALOW, LONDON ROAD, TEMPLE EWELL - DOV/15/00123

Further to recent correspondence regarding the above I enclose details pertaining to the request for contributions towards affordable housing provision and open space.

A viability appraisal has been produced by J.F. Sindlow ACIOB, MICES. A letter from Mr Spindlow outlining his experience is also enclosed.

The appraisal consists of a Budget Summary and detailed breakdowns of Budget Costs for Site Preliminaries and Budget Costs for Infrastructure & Services.

The anticipated sales value of the proposed dwellings has been provided by Miles & Barr, as seen in the enclosed email dated 18 November 2015.

The demolition and site clear up costs were provided by Goody Demolition Ltd.

The appraisal allows for contingency at 5%. We are advised that the banks insist on this figure on any costs against which borrowing is required. A 5% contingency is not considered as unreasonable with this particular Brownfield site.

It is submitted that the evidence provided illustrates that a low gross profit (2%) can be expected from the proposed development. This profit level is below the minimum 15% gross profit threshold that would typically be expected to make a scheme feasible for a developer. This figure is backed by numerous planning appeal decisions.

Contributions of £98,000 and £5,173 have been sought towards affordable housing and open space respectively. We would submit that the development would not be economically viable were any financial contributions to be pursued by the Council.

A contribution of £103,173 would reduce the estimated 2% gross profit to 0%. Any contribution would remove the gross profit further from the threshold of 15%.

chartered planning and development consultants

David Stewart *B.Sc(Hons), Dip TP, Cert in Env Assessment, MRTPI*
Jeanne Taylor *Dip TP, MRTPI*
Associate: Karen Banks *BA(Hons), PG Dip, MRTPI*
Associate: Nathan Anthony *BA(Hons), MRTPI*

Lee Evans Planning, St John's Lane, Canterbury, Kent, CT1 2QQ
Canterbury: 01227 784444 London: 0207 812 0640 Fax: 01227 819102

email: townplanning@lee-evans.co.uk website: www.lee-evans-planning.co.uk



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New housing stock in Dover, and especially Temple Ewell, is at a premium and in light of the local and national demand for housing and the weight given to sustainable development in the NPPF it is submitted that viability should not be placed at risk by obligations.

The National Planning Policy Framework provides the policy backdrop against which this matter should be assessed:

“Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”
(Paragraph 173 of the NPPF)

In summary, it is evident that the provision of the required contributions towards affordable housing and open space, on this site, would render the scheme unviable. A developer return of less than 2% is not reasonable when the applicant is already bearing the risks of the scheme himself, and the site would be unlikely to come forward were any further costs to be placed upon the scheme.

We would be pleased to discuss any issues arising or provide further information as may be required.

Yours sincerely

Nathan Anthony
ASSOCIATE/PLANNING CONSULTANT