



BRENT LOCAL PLAN ADDENDUM ON POLICY BE1 (AFFORDABLE WORKSPACE)

This addendum considers the viability of Policy BE1 which requires that “*in Alperton, Burnt Oak Colindale, Church End, Neasden, Staples Corner and Wembley Growth areas a minimum of 10% of total floorspace within major developments exceeding 3,000 square metres is to be affordable workspace in the B use class*”.

This requirement applies to all developments exceeding 3,000 square metres, regardless of the type of space provided. It would apply to a solely residential development, for example.

Development typologies 5 to 13 provide in excess of 3,000 square metres. We have tested the impact of Policy BE1 by removing 10% of floorspace in each scheme and converting it to affordable workspace. The market rent for the workspace is assumed to be £150 per square metre and the affordable rent is therefore £75 per square metre (50% of market rent).

The results are attached as Appendix 1. These results indicate that the policy requirement will have an adverse impact on viability, the extent of which depends upon the residential sales values.

On average, the residual land values after the policy has been imposed will be 72% of the original residual land value. In lower value areas, the residual land value will be as little as 27% of the original value. The extent to which the policy will cause issues for affordable housing delivery will therefore depend upon the extent to which residual land values exceed existing use values. Where the uplift in value is modest, it is likely that the affordable workspace requirement will have significant impacts on the ability of schemes to provide affordable housing.

For example, without the AW requirement, Typology 12 generates a residual land value of £23.14 million per hectare assuming sales values of £8,000 per square metre, assuming 35% affordable housing. Based on Benchmark Land Value 1 (£20 million per hectare) the typology is viable. However, after the AW requirement is factored in, the residual land value is £18.60 million. In order to restore the scheme back to a viable outcome (i.e. a residual value of £20 million per hectare to match the benchmark land value), the affordable housing would need to be reduced from 35% to 33.3%.

However, in the main, there is sufficient surplus residual value in excess of benchmark land values to absorb the reduction arising from the introduction of affordable workspace.



APPENDIX 1: Impact of requirement for Affordable Workspace within developments of 3000 sqm or more.



NO AFFORDABLE WORKSPACE

Appraisal results - benchmark land value 1 (offices)

		AH: 35.0%			Rented: 70%		CIL: Adopted		WS discount:		
		£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	
		£6,450 /sqm	£7,000 /sqm	£7,500 /sqm	£8,000 /sqm	£8,750 /sqm	£9,500 /sqm	£10,250 /sqm	£11,000 /sqm	£11,750 /sqm	
5	Res5 - Med size site - mix of terrace and flats	80	£11,711,606	£15,954,906	£19,802,742	£23,650,578	£29,635,177	£35,406,932	£41,154,174	£46,885,235	£52,616,295
6	Res6 - Med size site - flats	80	£10,589,599	£2,768,559	£4,280,896	£11,291,721	£22,214,274	£32,730,512	£43,141,550	£53,546,966	£63,952,382
7	Res7 - Larger low density scheme	150	£4,776,243	£1,110,132	£2,191,683	£5,478,008	£10,598,026	£15,527,513	£20,405,102	£25,282,641	£30,160,180
8	Res8 - Mid-size flatted scheme	225	£15,592,641	£24,255,985	£32,094,687	£39,887,460	£52,025,525	£63,714,684	£75,403,840	£87,076,875	£98,683,619
9	Res9 - large flatted scheme	300	£4,641,201	£11,659,003	£18,038,822	£24,418,640	£34,270,086	£43,738,968	£53,207,847	£62,676,728	£72,145,608
10	Res10 - Lower density scheme mix of terrace and flats	300	£2,552,157	£5,480,787	£8,122,799	£10,758,185	£14,818,063	£18,732,949	£22,619,252	£26,505,555	£30,388,126
11	Res11 - Large higher density scheme	750	£18,626,359	£11,675,172	£5,355,910	£949,910	£10,669,205	£19,936,327	£29,168,049	£38,325,574	£47,459,506
12	Res12 - Large very high density scheme	750	£3,650,710	£5,957,525	£14,584,798	£23,143,226	£36,436,182	£49,014,164	£61,510,958	£73,969,476	£86,334,925
13	Res13 - Large very high density scheme	1,000	£6,835,829	£22,135,373	£36,044,051	£49,952,728	£71,719,137	£92,582,153	£113,445,169	£134,308,185	£155,171,201

Appraisal results - benchmark land value 2 (industrial/light industrial)

		AH: 35.0%			Rented: 70%		CIL: Adopted		WS discount:		
EUV £m		£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	
		£6,450	£7,000	£7,500	£8,000	£8,750	£9,500	£10,250	£11,000	£11,750	
5	Res5 - Med size site - mix of terrace and flats	80	£11,711,606	£15,954,906	£19,802,742	£23,650,578	£29,635,177	£35,406,932	£41,154,174	£46,885,235	£52,616,295
6	Res6 - Med size site - flats	80	£10,589,599	£2,768,559	£4,280,896	£11,291,721	£22,214,274	£32,730,512	£43,141,550	£53,546,966	£63,952,382
7	Res7 - Larger low density scheme	150	£4,776,243	£1,110,132	£2,191,683	£5,478,008	£10,598,026	£15,527,513	£20,405,102	£25,282,641	£30,160,180
8	Res8 - Mid-size flatted scheme	225	£15,592,641	£24,255,985	£32,094,687	£39,887,460	£52,025,525	£63,714,684	£75,403,840	£87,076,875	£98,683,619
9	Res9 - large flatted scheme	300	£4,641,201	£11,659,003	£18,038,822	£24,418,640	£34,270,086	£43,738,968	£53,207,847	£62,676,728	£72,145,608
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11	Res11 - Large higher density scheme	750	£18,626,359	£11,675,172	£5,355,910	£949,910	£10,669,205	£19,936,327	£29,168,049	£38,325,574	£47,459,506
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13	Res13 - Large very high density scheme	1,000	£6,835,829	£22,135,373	£36,044,051	£49,952,728	£71,719,137	£92,582,153	£113,445,169	£134,308,185	£155,171,201

Appraisal results - benchmark land value 3 (public land)

		AH: 35.0%			Rented: 70%		CIL: Adopted		WS discount:		
EUV £m		£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	
		£6,450	£7,000	£7,500	£8,000	£8,750	£9,500	£10,250	£11,000	£11,750	
5	Res5 - Med size site - mix of terrace and flats	80	£11,711,606	£15,954,906	£19,802,742	£23,650,578	£29,635,177	£35,406,932	£41,154,174	£46,885,235	£52,616,295
6	Res6 - Med size site - flats	80	£10,589,599	£2,768,559	£4,280,896	£11,291,721	£22,214,274	£32,730,512	£43,141,550	£53,546,966	£63,952,382
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8	Res8 - Mid-size flatted scheme	225	£15,592,641	£24,255,985	£32,094,687	£39,887,460	£52,025,525	£63,714,684	£75,403,840	£87,076,875	£98,683,619
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12	Res12 - Large very high density scheme	750	£3,650,710	£5,957,525	£14,584,798	£23,143,226	£36,436,182	£49,014,164	£61,510,958	£73,969,476	£86,334,925
13	Res13 - Large very high density scheme	1,000	£6,835,829	£22,135,373	£36,044,051	£49,952,728	£71,719,137	£92,582,153	£113,445,169	£134,308,185	£155,171,201



WITH AFFORDABLE WORKSPACE

Appraisal results - benchmark land value 1 (offices)

		AH: 35.0%			Rented: 70%		CIL: Adopted		WS discount: 50%		
		£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	£20,046,069	
		£6,450 /sqm	£7,000 /sqm	£7,500 /sqm	£8,000 /sqm	£8,750 /sqm	£9,500 /sqm	£10,250 /sqm	£11,000 /sqm	£11,750 /sqm	
5	Res5 - Med size site - mix of terrace and flats	72	£10,062,731	£14,329,041	£18,176,877	£22,024,713	£27,880,746	£33,652,498	£39,424,220	£45,155,284	£50,886,344
6	Res6 - Med size site - flats	72	-£13,737,282	-£5,916,242	£1,177,132	£8,187,957	£18,865,087	£29,381,325	£39,839,092	£50,244,508	£60,649,924
7	Res7 - Larger low density scheme	135	-£6,252,264	-£2,586,151	£736,259	£4,022,583	£9,027,513	£13,957,001	£18,856,504	£23,734,043	£28,611,582
8	Res8 - Mid-size flatted scheme	203	£12,114,974	£20,778,319	£28,654,086	£36,458,317	£48,325,226	£60,014,383	£71,703,539	£83,392,698	£95,034,951
9	Res9 - large flatted scheme	270	£1,790,784	£8,808,585	£15,188,405	£21,568,224	£31,237,192	£40,706,071	£50,174,952	£59,643,832	£69,112,713
10	Res10 - Lower density scheme mix of terrace and flats	270	£1,461,356	£4,403,742	£7,047,218	£9,689,230	£13,673,625	£17,594,663	£21,490,783	£25,377,086	£29,263,388
11	Res11 - Large higher density scheme	675	-£21,513,367	-£14,562,179	-£8,242,918	-£1,923,655	£7,597,377	£16,907,361	£26,139,084	£35,338,873	£44,472,805
12	Res12 - Large very high density scheme	675	-£8,339,962	£1,333,704	£10,022,154	£18,602,052	£31,593,926	£44,230,675	£56,794,215	£69,252,733	£81,683,997
13	Res13 - Large very high density scheme	900	-£65,918	£15,234,547	£29,143,224	£43,051,902	£64,272,628	£85,135,644	£105,998,660	£126,861,676	£147,724,692

Appraisal results - benchmark land value 2 (industrial/light industrial)

		AH: 35.0%			Rented: 70%		CIL: Adopted		WS discount: 50%		
EUV £m		£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	£4,360,642	
		£6,450	£7,000	£7,500	£8,000	£8,750	£9,500	£10,250	£11,000	£11,750	
5	Res5 - Med size site - mix of terrace and flats	72	£10,062,731	£14,329,041	£18,176,877	£22,024,713	£27,880,746	£33,652,498	£39,424,220	£45,155,284	£50,886,344
6	Res6 - Med size site - flats	72	-£13,737,282	-£5,916,242	£1,177,132	£8,187,957	£18,865,087	£29,381,325	£39,839,092	£50,244,508	£60,649,924
7	Res7 - Larger low density scheme	135	-£6,252,264	-£2,586,151	£736,259	£4,022,583	£9,027,513	£13,957,001	£18,856,504	£23,734,043	£28,611,582
8	Res8 - Mid-size flatted scheme	203	£12,114,974	£20,778,319	£28,654,086	£36,458,317	£48,325,226	£60,014,383	£71,703,539	£83,392,698	£95,034,951
9	Res9 - large flatted scheme	270	£1,790,784	£8,808,585	£15,188,405	£21,568,224	£31,237,192	£40,706,071	£50,174,952	£59,643,832	£69,112,713
10	Res10 - Lower density scheme mix of terrace and flats	270	£1,461,356	£4,403,742	£7,047,218	£9,689,230	£13,673,625	£17,594,663	£21,490,783	£25,377,086	£29,263,388
11	Res11 - Large higher density scheme	675	-£21,513,367	-£14,562,179	-£8,242,918	-£1,923,655	£7,597,377	£16,907,361	£26,139,084	£35,338,873	£44,472,805
12	Res12 - Large very high density scheme	675	-£8,339,962	£1,333,704	£10,022,154	£18,602,052	£31,593,926	£44,230,675	£56,794,215	£69,252,733	£81,683,997
13	Res13 - Large very high density scheme	900	-£65,918	£15,234,547	£29,143,224	£43,051,902	£64,272,628	£85,135,644	£105,998,660	£126,861,676	£147,724,692

Appraisal results - benchmark land value 3 (public land)

		AH: 35.0%			Rented: 70%		CIL: Adopted		WS discount: 0%		
EUV £m		£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	
		£6,450	£7,000	£7,500	£8,000	£8,750	£9,500	£10,250	£11,000	£11,750	
5	Res5 - Med size site - mix of terrace and flats	72	£10,062,731	£14,329,041	£18,176,877	£22,024,713	£27,880,746	£33,652,498	£39,424,220	£45,155,284	£50,886,344
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8	Res8 - Mid-size flatted scheme	203	£12,114,974	£20,778,319	£28,654,086	£36,458,317	£48,325,226	£60,014,383	£71,703,539	£83,392,698	£95,034,951
9	Res9 - large flatted scheme	270	£1,790,784	£8,808,585	£15,188,405	£21,568,224	£31,237,192	£40,706,071	£50,174,952	£59,643,832	£69,112,713
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11	Res11 - Large higher density scheme	675	-£21,513,367	-£14,562,179	-£8,242,918	-£1,923,655	£7,597,377	£16,907,361	£26,139,084	£35,338,873	£44,472,805
12	Res12 - Large very high density scheme	675	-£8,339,962	£1,333,704	£10,022,154	£18,602,052	£31,593,926	£44,230,675	£56,794,215	£69,252,733	£81,683,997
13	Res13 - Large very high density scheme	900	-£65,918	£15,234,547	£29,143,224	£43,051,902	£64,272,628	£85,135,644	£105,998,660	£126,861,676	£147,724,692