

DVS Affordable Housing Viability Assessment Amendments

The District Valuer Services (DVS) are the specialist property arm of the Valuation Office Agency (VOA), providing independent and impartial valuation advice, and are highly experienced in the production of viability assessments to inform Local Development Plans (LDP). The DVS have carried out the affordable housing viability assessment on behalf of Flintshire County Council in order to inform affordable housing policy HN3 within the LDP. The purpose of this report is to clarify the necessary amendments to the viability assessment following the LDP Deposit consultation stage. No amendments have been made to the calculation itself or the data that feeds into this

Flintshire County Council consulted with the public and key stakeholders on the Deposit Local Development Plan (LDP) between the 30th September and the 11th November 2019. Prior to the Deposit consultation stage, developers, agents and Registered Social Landlords (RSLs) were invited to provide informal feedback on the viability assessment. This additional stage of consultation is not mandatory but enabled interested parties to view this key evidence base ahead of the formal Deposit consultation stage.

Following the feedback received from the Deposit consultation stage, the DVS have made minor amendments to the viability assessment. These changes do not affect the results of the study, they merely clarify some of the issues highlighted during the Deposit consultation stage. These amendments include clarification regarding the tenure split in the Local Housing Market Assessment (LHMA). The LHMA is a key source of information for the viability assessment as it directly informs the viability calculation. During the Deposit consultation stage Welsh Government recommended that the LDP needed to align more closely with the findings of the most recent LHMA. In response to this feedback the Council have clarified aspects of the LHMA report in order to demonstrate more clearly how the LDP aligns with the findings of the LHMA.

One of the main issues causing confusion around the findings of the LHMA was the tenure split between social rent, intermediate rent and low cost home ownership and how this feeds into the viability assessment. The calculation in the original version of the LHMA did not go far enough to detail how the need for affordable housing should be split between the three tenure types, in particular the split between socially rented and intermediate rented housing was not clear. The consultants Arc 4 who produced the LHMA have now clarified the tenure split and how it has been calculated. The results of this show that 34.2% require socially rented housing, 25.8% need intermediate rented and 40% are eligible for low cost home ownership housing. The original LHMA report had grouped social and intermediate rented together showing a 60% need for rented affordable housing. This caused some confusion as the rented need was described as “social/affordable rented”, giving the impression that the whole of the 60% need was for social rented. This terminology has now been corrected in the final LHMA report to read “social/intermediate” to clearly demonstrate that the rental element includes two

different tenure types. This terminology has also been clarified within the viability assessment.

To ensure the tenure split can clearly be interpreted within the viability assessment Arc4 recommended that the rented element of the tenure split is rounded to 30% social and 30% intermediate rented need. The clarification of the tenure split within the LHMA has not resulted in a change to the calculation within the viability assessment. The DVS viability assessment already used the correct tenure split within their calculation (30% social rented, 30% intermediate rental and 40% intermediate home ownership), therefore the results of the study remain the same.