

**CUSHMAN &  
WAKEFIELD**

# Area Action Plan Viability and Delivery Strategy – SHIPLEY AND CANAL ROAD CORRIDOR

PREPARED FOR

**CITY OF BRADFORD METROPOLITAN DISTRICT  
COUNCIL**  
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# 1. Introduction

## Summary

Cushman & Wakefield has been commissioned by City of Bradford Metropolitan District Council (the “Council”) to prepare a Viability and Delivery Strategy for the emerging Shipley and Canal Road Corridor Area Action Plan (AAP). The Council submitted its Core Strategy Development Plan Document (DPD) to the Secretary of State in December 2014 and the document was examined at a series of public hearings through March 2015. It is also progressing the development of an AAP to guide the transformation of the Shipley and Canal Road Corridor regeneration area to 2030. This will form the spatial planning framework for the area and has been developed in conjunction with the Core Strategy which sets out the overarching plan for the regeneration of the area. The Council has prepared a Shipley and Canal Road Corridor AAP which we have used as the basis to inform this report. This identifies the draft development proposals and policies for delivering the vision for the area.

It is critical that the AAP is viable and deliverable in order to enable the Council to achieve its vision and objectives for the Corridor. There is therefore a need for a Delivery Strategy to identify the available options and a preferred approach to the funding and delivery of the AAP and its key intervention projects. The AAP splits the Shipley and Canal Road Corridor Area into 3 key sub-areas – Shipley, the Centre Section and the City Centre Fringe, with a number of key development sites within each of these. The scale and nature of potential viability and delivery constraints for these will vary according to the physical and ownership characteristics of the sites as well as market demand characteristics. This Delivery Strategy makes a number of recommendations around potential funding and delivery mechanisms which are most suitable and relevant to addressing the identified development viability issues and constraints identified.

## Approach

Our approach is split into the following key tasks:

1. Review of existing documents – Shipley and Canal Road Corridor AAP as well as the Shipley and Canal Road Corridor AAP Infrastructure Delivery Plan (June 2015). The purpose of this was to understand more about the AAP vision/objectives and the specifics of the development sites in terms of their development constraints
2. Site visits – to each of the sites to further validate/confirm the likely site physical constraints
3. Site constraints analysis – on a site by site basis to understand the likely constraints from a ‘bottom up’ perspective
4. Viability analysis – summary of area wide viability analysis to identify the financial viability implications of the redevelopment of these sites
5. Review of options for accelerating delivery and funding – a review of all available potentially suitable options for addressing the constraints identified above and enabling delivery
6. Summary and recommendations – emerging recommendations of key interventions that could make a difference to enabling delivery based upon the above.

## 2. Summary of the emerging AAP

### AAP Vision

The emerging AAP identifies the following vision and objectives for the area for the next 15 years in conjunction with the Core Strategy:

*The Shipley and Canal Road Corridor has truly become an area of extensive transformational change, which is regarded as an exemplar Urban Eco Settlement between Bradford city centre and Shipley. The Corridor has borne witness to the delivery of over 3100 new homes supported by new businesses, retail, and leisure and community facilities. This has created a series of vibrant new sustainable neighbourhoods that provide a range of high quality homes and local employment opportunities for residents connected by the Linear Park, revitalised Bradford Beck and Canal Road Greenway running from Bradford city centre to Shipley. This multi functional green corridor has helped enhance biodiversity and ecological networks and provides a high quality setting for walking, cycling, sport and recreation along the Corridor.*

*Shipley has strengthened its role as an important town centre, through the expansion of its retail, leisure, office and housing market offer and much improved links to Saltaire, Shipley Station and the Leeds and Liverpool Canal. This redevelopment has created an area worthy of its location as a key gateway to the World Heritage Site of Saltaire and has been managed in a way which has enhanced Shipley, the World Heritage Site and other heritage and environmental assets in its vicinity, creating a better offer for workers, visitors and residents alike.*

*The Corridor has been reinforced as a strategic transport route, supported by improvements to highway infrastructure along Canal Road, the Shipley Eastern Relief Road and development of Shipley transport hub. Improvements to Frizinghall and Shipley railway stations, bus provision along Canal Road and completion of the Canal Road Greenway have ensured the Corridor is an integrated and sustainable location which offers opportunities for travel by a range sustainable transport options.*

## AAP Objectives

The AAP identifies a number of objectives for the Shipley and Canal Road Corridor, as below:

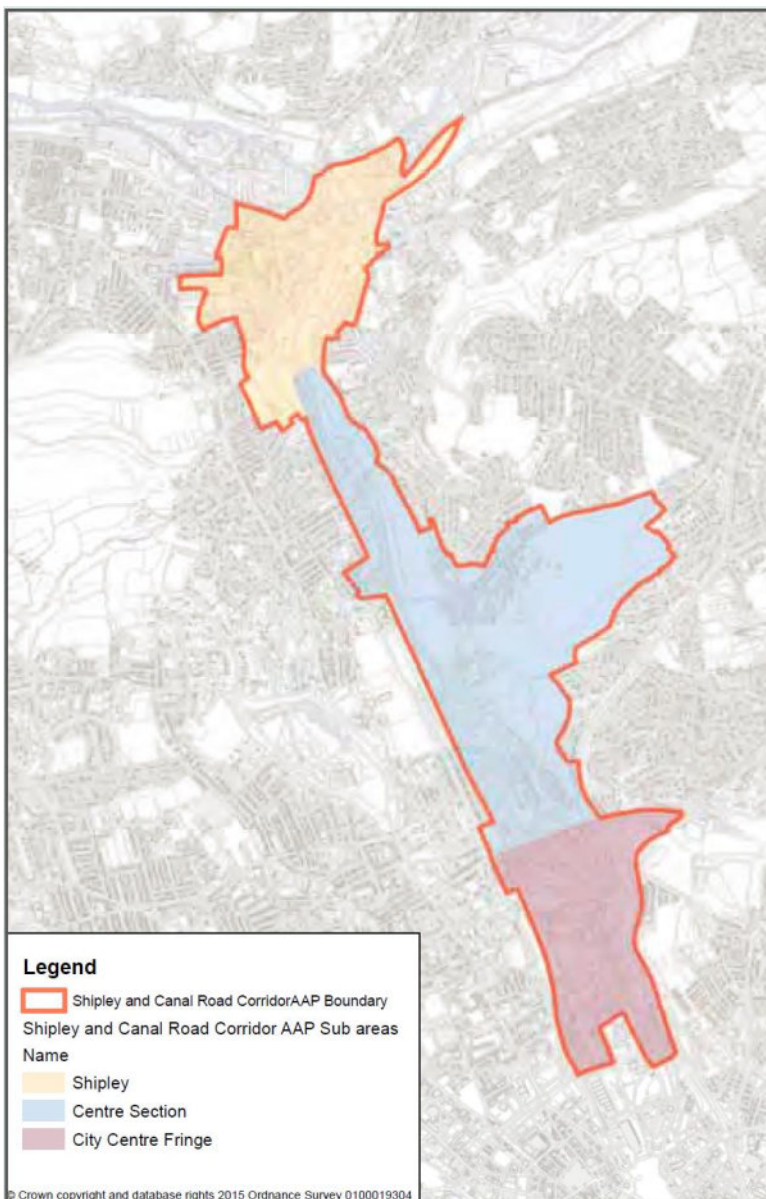
- Deliver an Urban Eco settlement of over 3000 new homes
- Promote the effective use of land by developing on previously used land
- Deliver a range of well designed high quality dwellings
- Support sustainable economic growth
- Support the vitality and viability of Bradford city centre and Shipley town centre
- Enhance Shipley and improve links between the town centre, Saltaire, Shipley station and the Leeds and Liverpool canal.
- Protect and enhance biodiversity and green infrastructure
- Reduce the impact of climate change through mitigation and adaption
- Maintain and improve Canal Road as a key strategic transport route and maximise sustainable transport options
- Enhance residents health and education outcomes
- Protect and enhance the historic environment and setting of the Saltaire World Heritage Site.

### AAP area and sub-areas

The Shipley and Canal Road Corridor is broken down into three sub areas within the AAP:

1. **Shipley** – important town centre and transport hub with the focus on providing a mix of retail, leisure, office and residential mixed use development.
2. **The Centre Section** – focus for a new Urban Eco Settlement offering high quality house with supported infrastructure and facilities to deliver a true sustainable development
3. **City Centre Fringe** – enhancement of its present function with appropriate edge of centre uses

These are illustrated in the below plan:



### 3. Market Context

In this section we consider the residential and commercial market context to the development of the Area Action Plan.

#### Residential Market

The general improvement in market conditions has been reflected across Bradford District which has experienced growth in transactions and sales values over the last 24 months. Figure 3.1 illustrates the range of average house prices across the Bradford District between Q1 2012 to Q2 2015. The average house price has increased from £124,824 in Q1 2012 to £142,389 in to Q2 2015.

**Figure 3.1: Bradford District Average House Prices Q1 2012 – Q2 2015**

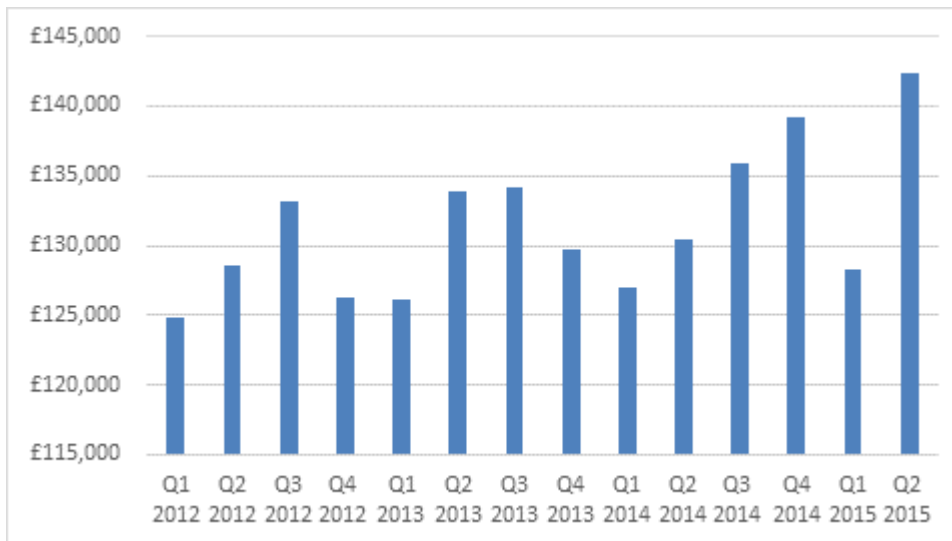
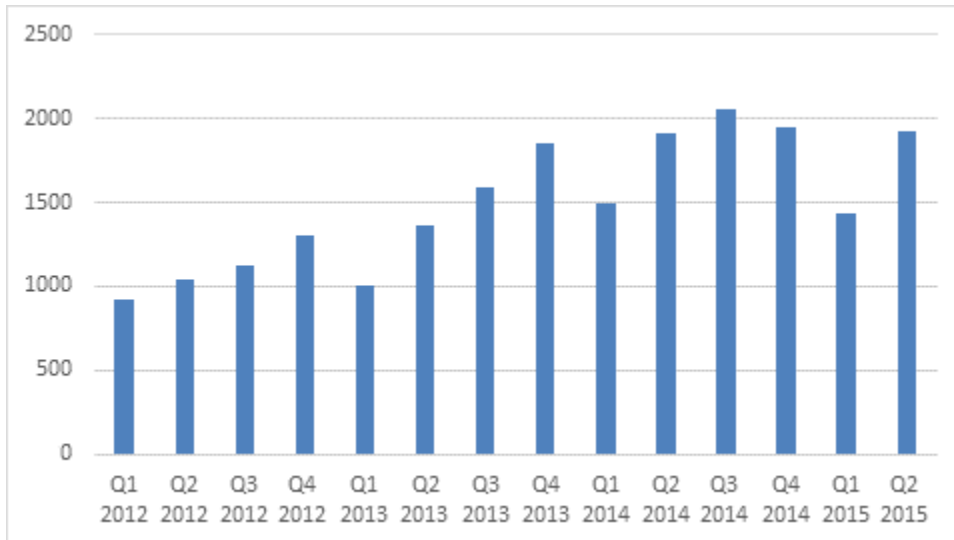


Figure 3.2 shows the number of sales across the Bradford district, with a steady increase over two years from 918 in Q1 2012 to 1,992 in Q2 2015. The sustainability of future growth may depend on the ability to draw in more new buyers.

With market conditions improving over the years, so has the cost of inflation, mainly due to the shortage of labour and contractors over the last 12 months. Over the last two years the build costs for residential development in the region is reported to have increased from £784 per sq m (Q3 2013) to £911 (Q3 2015)<sup>1</sup>. This trend is a constraining factor on development viability.

<sup>1</sup> BCIS Average Prices (Online), October 2015

**Figure 3.2: Number of residential sales in Bradford 2012 – 2015**

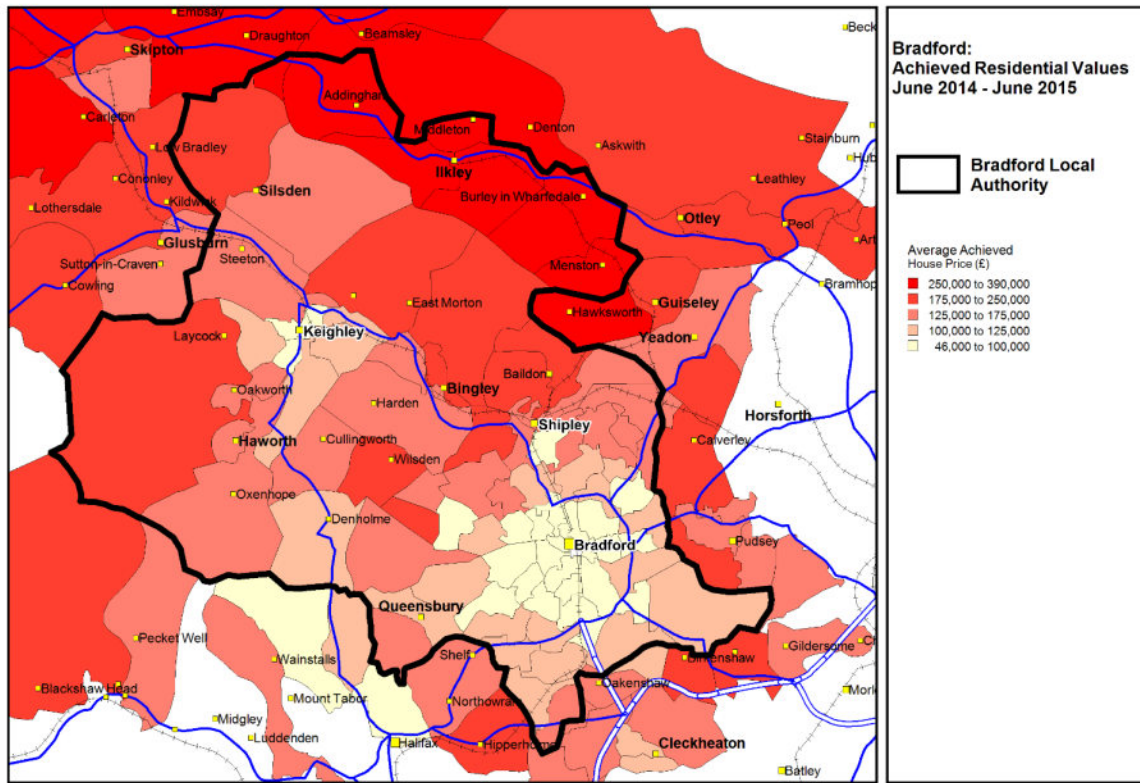


Source: Land Registry

Within Shipley Canal Road Corridor, there is a degree of diversity within the housing market. Figure 3.3 below displays the different levels of market strength as determined by average house prices across the District. The map shows that the Canal Road Corridor area crosses a number of different value areas from low to mid, indicating the diversity and potential of the market.



Figure 3.3: Achieved Residential Sales Values June 2014-2015



Source: Land Registry Data (March 2014-2015)

Table 3.1 below lists the average house prices by those post codes that are partially located within with the AAP study area. Average house prices range from £90,000 to £130,000 in this area:

Table 3.1: Average house prices and sales (Q3 2014; Source Land Registry)

Postal area	Detached Av Price £	Semi-Detached Av Price £	Terraced Av Price £	Flat/Maisonette Av Price £	Overall Av Price £	Overall Sales
BD8 7			£98,107	£38,000	£89,520	7
BD9 4		£440,000	£96,663	£64,000	£115,197	15
BD14 6	£160,113	£118,742	£107,068	£96,667	£118,139	29
BD18 1	£177,000	£114,498	£125,000		£120,144	24
BD18 2		£104,632	£97,960	£64,629	£89,629	48
BD18 3		£200,833	£133,939	£85,108	£130,520	27
BD2 1	£166,921	£99,692	£103,000		£121,943	37
BD2 4		£118,661	£76,000		£104,440	21

Evidence of new build sales within the Shipley area indicates that new developments are achieving within or above the average house prices recorded by the Land Registry. In respect of new build activity our research indicates that there has been an upturn in house builder appetite across the

District of Bradford with multiple schemes underway and several developers acquisitive. Victoria Gardens in Shipley, a mix of 2 and 3 bed properties, selling within a range of £150 to £180 psf

Within the immediate surrounding area there is evidence of significantly higher values being achieved in particular in the adjoining areas of Baildon, Apperley Bridge, Saltaire and Wyke. For example, Apperley Green at Apperley Bridge is a new build scheme with sales values in the order of £240 psf plus, Blue Bell Woods at Wyke is achieving above £220 psf and Chestnut Gardens at Baildon £214 psf. Whilst there is no evidence of such levels being achieved with the AAP boundary, the proximity of these higher value surrounding neighbourhoods indicates the market potential that exists.

Details of new build research are set out at Appendix 3.

### **Other sectors**

The Bradford office market has been suffering as a result of a combination of prolonged weak market conditions and the drawing of occupiers out of Bradford into Leeds City Centre. However despite the challenges, the Shipley area has experienced some significant occupier activity in particular nearby at Saltaire which continues to attract high tech occupiers who are less reliant on the highways infrastructure and have clustered in this location to take advantage of both the spin off opportunities available and the river / canal side location. Still, rents remain well below the levels to make speculative development viable and therefore the development market for offices within the study area is considered to be limited.

As a key transportation corridor there is potential for retail and leisure orientated uses. Canal Road in particular has become something of a hub for car show rooms. Other than this however, with competition from other locations and schemes (such as the new shopping centre Broadway and Forster Square retail park), we expect demand to be limited to more localised uses such as convenience stores / supermarket operations.

## 5. Viability Testing of AAP Policies

National Planning Policy Guidance provides the following guidance regarding the production of viability assessments in support of plan making:

- Local authorities should ensure that the Local Plan vision and policies are realistic and provide high level assurance that plan policies are viable
- Development of plan policies should be iterative – with draft policies tested against evidence of the likely ability of the market to deliver the plan’s policies, and revised as part of a dynamic process
- Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable; site typologies may be used to determine viability at policy level
- The cumulative cost of planning standards and obligations should be tested to ensure viability
- Plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets and to avoid the need for frequent plan updating
- Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period
- Local Plan policies should reflect the desirability of re-using brownfield land, and the fact that brownfield land is often more expensive to develop

This section of the report assesses the viability of the policies and proposals contained within the Area Action Plan. It draws on the area wide viability appraisals carried out as part of the Local Plan Viability Assessment (dated December 2014) as well as individual sites sampled as part of the Council’s Community Infrastructure Levy Viability Evidence (dated June 2015).

It should be noted that this assessment focuses on testing the impact of policies on economic viability and does not determine the deliverability of the quantum of development proposed within the Area Action Plan.

### Policy Screening

The table below considers each of the policies put forward within the Area Action Plan to determine which are likely to impact on economic viability and therefore necessitate testing.

**Table 4.1: Policy Screening**

Policy	Impact on viability	Economic viability test applied Y/N
SCRC/H1: Housing Requirement – delivery of minimum of 3100 new homes over plan period	Quantum of delivery dependent on a range of factors including market conditions and viability of allocations. Neither quantum of delivery or individual site viability are examined through this study.	N
SCRC/H2: A) the Council will work with developers to	No measurable impact on viability	N

maximise delivery and sustainability		
SCRC/H2: B) Well designed schemes supported, 'Building for Life' standards encouraged	Building for Life standard likely to have additional cost impact however not a requirement of policy	N
SCRC/H2: C) Minimum densities of 100 DPH in Shipley town centre, 50 DPH in Dockside Road area and elsewhere 40 DPH	The requirement would necessitate apartment based schemes for which there little demand at the current time. Therefore there is a risk it could inhibit delivery if applied strictly. However the policy allows lower densities where site specific circumstances demand it.	Y – densities to be modelled
SCRC/H2: D) Major Residential proposals should contribute to the District's strategic housing requirements including types, tenure and size	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/H2: E) Larger scale housing sites should provide specialist housing products including housing for older people and self build plots	Requirement could impact on viability	Y – included in cost uplift allowance
SCRC/SE1: Sustainable Economic Development	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/SE2: Canal Road Employment Zone	Not sufficiently clear/prescriptive to enable or necessitate viability testing – application of policy EC4 of Local Plan has requirement for meeting BREEAM standard which has already been addressed through the Local Plan Viability Assessment December 2014	N
SCRC/SE3: Valley Road Retail Area – development proposals to be assessed in accordance with Core Strategy Policy EC5	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/SE4 Strategy for Retail Development	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/SE5 Shipley Town Centre and Primary Shopping Area	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/SE6: Market Provision	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/SE7: Minerals Safeguarding – consideration to be given to extraction to mineral resources prior to	Difficult to specify cost implications on a general basis. Where mineral extraction is required there may be a positive impact on viability as a result of the value of any such minerals. Where there is negative impact we would expect such a cost to be addressed as an	N

development	abnormal development cost.	
SCRC/SE8: Existing Waste Management Facilities	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/ST1: Transport Improvements – requirement on development to support the costs of transport measures and to allow appropriate mitigation on individual schemes	The requirement to contribute through S106 costs would place a cost burden on development. However, difficult to apply costs on a general basis	Y – costs allowed for in S106 and abnormals allowance
SCRC/ST2: Safeguarding transport links – requirement for site SE1 to accommodate proposed relief road	This policy will affect the developable area of the site and the proximity of the road could affect its market attractiveness for residential development. It is assumed compensation would be payable in the event of land being taken and therefore there is no additional cost impact to assess	N
SCRC/ST3: Maximising Sustainable Transport Options – requirement to contribute to public transport improvements and produce a travel assessment and travel plan	Impact on viability as a result of additional cost on professional fees, transport planning and mitigation. However difficult to apply general cost assumption therefore to be addressed through cost uplift scenario	Y – to be addressed through cost uplift scenario
SCRC/ST4: Station Improvements	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/ST5: Pedestrian and Cycle Movements – contribution to public realm improvements	Impact on viability as a result of additional cost for public realm measures on and off site. Costs to be allowed for in scenarios	Y
SCRC/ST6: Canal Road Greenway – expectation for development sites along/adjacent to maintain the route	Impact on viability but only specific sites affected. No costs / specification of works therefore to be tested as part of cost uplift scenario	Y
SCRC/ST7: Parking to meet standards of Core Strategy and to meeting high standards of design	Parking standards of Core Strategy already tested in December 2014 Viability Report. Requirement for high standard of design / green infrastructure could add cost therefore to be included in cost uplift scenarios	Y
SCRC/ST8: Development sites to incorporate re introduction of Bradford Canal	This policy will affect the developable area of the site and could affectively blight development prospects where the proposed route significantly encroaches on developable areas. However it is assumed compensation would be payable in the event of land being taken and therefore there is no additional cost impact to assess given the scope and limitation of this study	N

SCRC/CC1: A) Flood Risk and Water Management – flood risk and sequential test	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/CC1: B) Flood Risk and Water Management – no development in flood plains	Not sufficiently clear/prescriptive to enable or necessitate viability testing	N
SCRC/CC1: C) Major developments and public realm improvement to consider the use of SUDS	SUDS would have cost impact however there is no requirement to incorporate imposed through this policy – only a requirement to consider incorporating	N
SCRC/CC2: Sustainable Design and Construction – requirement to maximise opportunities for on site carbon reduction (where viable and feasible), major developments to meet high standards of sustainable design and construction, new buildings design to maximise solar gain	All these components have the potential to add cost to a development scheme. However the policy is not sufficiently precise as to the standards that must be achieved to enable testing on a generic area wide basis. Therefore the effect of this policy is to be examined through consideration of a cost uplift scenario	Y
SCRC/NBE1: Green Infrastructure – requirement to protect, enhance and contribute to ecological networks including new linear park alongside Bradford Beck	All these components have the potential to add cost to a development scheme. However the policy is not sufficiently precise as to the standards that must be achieved to enable testing on a generic area wide basis. Therefore the effect of this policy is to be examined through consideration of a cost uplift scenario	Y
SCRC/NBE2: Waterway Environments – requirement to contribute to waterway environments where viable and feasible	Requirement would impose cost on development – to be included in cost uplift	Y
SCRC/NBE3: Bradford Beck – development of sites adjacent will be expected to support its enhancement	Requirement would impose cost on development but only on a limited number of sites – to be included in cost uplift	Y
SCRC/NBE4: Biodiversity and Ecology – requirement to contribute where proposals will have adverse impact	Requirement would have impact although mitigation measures would be expected to be covered by S106/abnormal cost allowance. To be allowed for in these provisions in the appraisal	Y
SCRC/NBE5 Heritage and conservation – requirement to protect and enhance Saltaire World Heritage site	Requirement would impose cost on development – to be included in cost uplift	N
SCRC/NBE6 – Ensuring	Potential to impact on viability depending on how the	Y

High Quality Design – requirements to meet high design standards	policy is applied. However no specific standards identified and therefore to be tested only through cost uplift scenario.	
SCRC/HSC1 – Hazardous Installations – planning only granted for schemes close to installations if demonstrated no increased risk to public health	Requirement would impose cost on development – to be included in cost uplift	N
SCRC/HSC2 – requirement for new developments to provide for new and open space	Requirement would affect viability although no specific standards imposed therefore can only be considered in the context of an overall allowance	Y
SCRC/HSC3 – Community Infrastructure – Large scale residential development will require community infrastructure. New Bolton Woods site will require new two form entry school on site	Direct cost impact for large scale developments – New Bolton Woods and Bolton Woods Quarry	Y

In summary therefore we consider there are a number of policies that require testing. However, it is notable that:

- Many of the requirements only affect certain sites e.g. the requirement for community infrastructure on large scale sites only is relevant to Bolton Woods Quarry and New Bolton Woods
- Many of the requirements are not adequately specific which means there is flexibility for interpretation and difficulty in terms of application of cost on a general basis to a viability study
- Many of the requirements are typical of what would be expected as mitigation delivered through S106 or abnormal development costs and can only be considered on a site by site basis.
- In all cases there is flexibility such that any requirements are ‘subject to’ individual site feasibility.

Therefore rather than try to cost the impact of each individual policy, allowances have been made under S106 and an overarching cost uplift in the appraisals below.

The impacts of these policies need to be considered alongside those of the Core Strategy policies which will apply to development within Bradford City Centre as identified in the Local Plan Economic Viability Assessment (Cushman & Wakefield, December 2014):

- HO9 – Housing Quality
- HO9 – Housing Quality
  - A. New housing development should be high quality and achieve good design.
  - B. The Council will encourage and support all new housing residential developments to meet achieve the highest possible sustainable design and construction standards. The minimum acceptable sustainable housing standards are set out in the building regulations

C. Larger housing sites should include a proportion of new homes which are should be designed to be accessible and easily adaptable to support the changing needs of families and individuals over their lifetime, including older people and people with disabilities

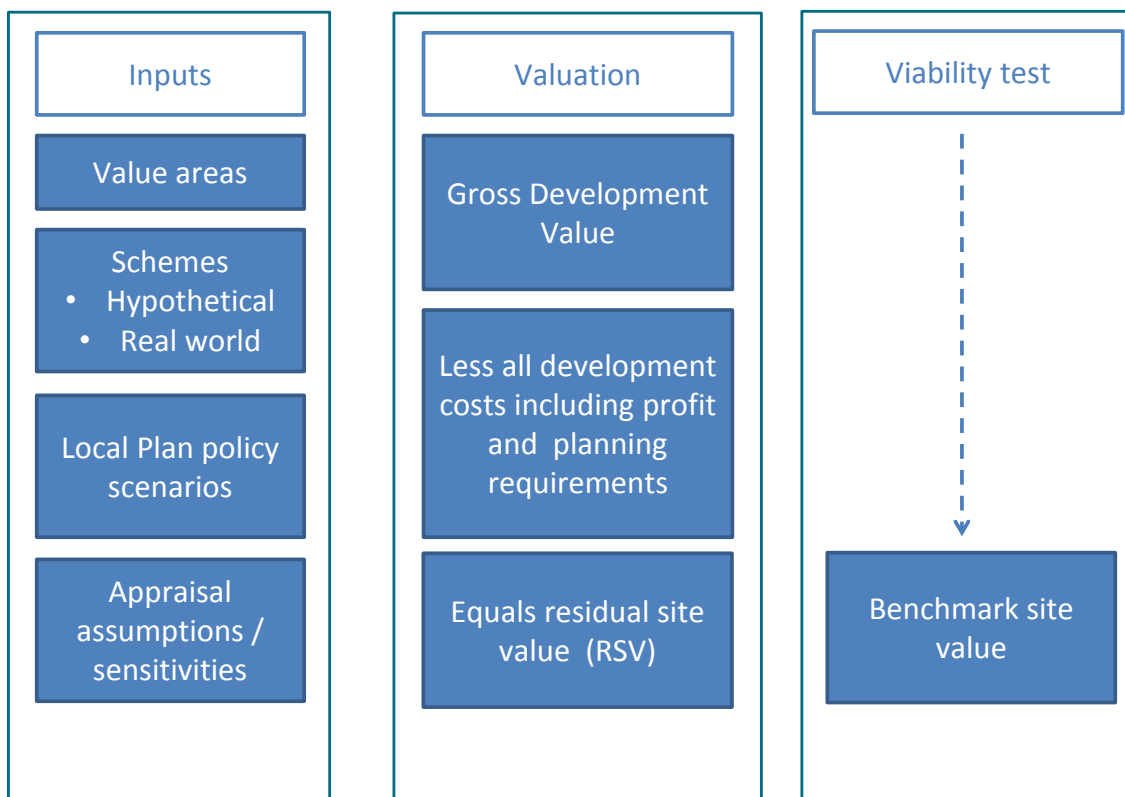
- HO11 – Affordable Housing – requirement for 15% of all units on sites over 15 units in Bradford City Centre
- HO11 – Affordable Housing – requirement for 20% of all units on sites over 15 units in Shipley Canal Road Corridor

The Council is also proposing to introduce the Community Infrastructure Levy which would include a tariff of £5 per sq m on residential development in the AAP area.

### Approach to viability testing

A series of viability appraisals have been produced to test the Area Action Plan policies and proposals based on a combination of hypothetical sites derived from analysis of development proposals, and sampling of actual AAP sites. Viability is tested by the relationship of residual site values of hypothetical schemes against a benchmark. The site value threshold is benchmarked against the threshold site value to determine viability.

**Figure 4.1 Approach to viability testing**





Where:

- Gross Development Value (GDV) represents the cumulative capital sales value of the development.
- Development costs represent all the costs incurred by a developer in delivering the completed development scheme – site costs, build costs, contingencies, developer’s profit, finance and all relevant professional, legal, sales/marketing fees, stamp duty, policy costs and planning obligations.
- Residual land value represents the difference between Gross Development Value and Development costs.

### Site selection and development assumptions

In view of the fact that the residential property class carries the large majority of Local Plan and AAP standards, the viability analysis focuses on residential sites. The development sites and proposals identified in the AAP, as summarised in Table 4.2 below, have been reviewed to identify an appropriate range of site typologies for viability testing.

**Table 4.2: AAP development proposals**

Site	Area (ha)	Development proposed
STC1 - Shipley Indoor Market Hall	0.25	A1-A4 uses with, office and commercial uses, 20 residential units
STC2 - Market Square	1.25	A1-A4 uses and 25 residential units, office and commercial units
STC3 - Station Road	0.32	50 residential units
STC4 - Shipley Gateway	0.48	A1-A4 uses with, business and commercial uses, 50 residential units
STC5 - Atkinson Street	0.02	8 Residential units
STC6 - Buildings along Briggate	0.13	A1-A5 uses, business, 20 residential units
SE1 - Shipley East	8.10	100-150 residential units, supporting business and retail units
SE2 - Land around Crag Road flats	1.21	30 residential units
DF1 - Dock Lane, Canal side	2.01	114 residential units with supporting business units
DF2 – Junction Bridge, Briggate	0.75	Business, commercial and residential units
DF3 – Land between Leeds Road and Dock Lane	0.71	60 residential uses, supporting business units
DF4 – Dockfield Road North/ DF5 – Dockfield Road South	1.26	90 residential uses, supporting business units
DF6 – Regent House	0.69	93 residential units
DF7 – Junction of Dock Lane and Dockfield Road	0.06	6 residential units
DF8 – Dock Lane	0.15	15 residential units
DF9 – Dockfield Road	0.13	10 residential units
NBW1 – New Bolton Woods	49.29	1100 new residential units,

		supporting retail/leisure uses, new primary school, community facilities and employment uses
NBW2 – Frizinghall Road	0.75	42 residential units
NBW3 – Thornhill Avenue	0.60	21 residential units
NBW4 – North Bolton Hall Road	0.84	35 residential units
NBW5 – Flats East Valley Road	1.29	50 residential units
NBW6 – North Queens Road	0.80	30 residential units
NBW7 – Bolton Woods Flats	1.40	70 residential units
BWQ – Bolton Woods Quarry	29.33	1000 residential units, local retail and community uses to meet day to day needs
CCF1 – Bolton Road Wapping	1.16	46 residential units
CCF2 – Bolton Road	0.31	16 residential units
CCF3 – Wapping Road, Bolton	0.46	23 residential units
CCF4 – Singleton Street	0.39	60 residential units

Based on this range of sites and with reference to the minimum density requirements stipulated by Policy SCRC/H2), the following sites have been selected:

**Table 4.3: Site Selection**

Location	Density (DPH – Policy SCRC/H2) Dwellings Per Ha	Site area (Ha)	Units
ShipleY Town Centre	100	0.5	50
	100	0.7	70
Dock Road	50	0.5	25
	50	2	100
Elsewhere	40	0.5	20
	40	1.5	60
	40	10	400

These sites are considered to adequately represent the range of allocations proposed in the Area Action Plan. The 10 ha site is representative of a first phase of development of one of the Bolton Woods large scale sites.

The following housing mix has been assumed:

**Table 4.4: Development assumptions**

	Area (ha)	DPH	No units	Housing mix %					
				1 bed flat	2 bed flat	2 bed house	3 bed house	4 bed house	5 bed house
Scheme 1	0.50	100	50	50%	50%	0%	0%	0%	0%
Scheme 2	0.70	100	70	50%	50%	0%	0%	0%	0%
Scheme 3	0.50	50	25	50%	50%	0%	0%	0%	0%

Scheme 4	2.00	50	100	50%	50%	0%	0%	0%	0%
Scheme 5	0.50	40	20	5%	5%	10%	35%	35%	10%
Scheme 6	1.50	40	60	5%	5%	10%	35%	35%	10%
Scheme 7	10.00	40	400	5%	5%	10%	35%	35%	10%

The following unit sizes have been applied. These areas are net sales and for flats a grossing up of 15% has been made for communal halls and stairways.

Net Sales Areas		
House type	Size (sq m)	Size (sq ft)
1 bed flat	51	549
2 bed flat	60	646
2 bed house	65	700
3 bed house	85	915
4 bed house	120	1292
5 bed house	145	1561

### Appraisal assumptions

Three new build revenue scenarios have been examined to reflect the range of possible market scenarios:

- Low £1614 psm / £150 psf
- Mid £1883 psm / £175 psf
- High £2153 psm / £200 psf

Sales rates are 30 units per annum for the single house builder sites with an increased rate of 60 units per ha on the 10ha site reflecting the potential for 2-3 housebuilders. A six month lead in from site purchase has been allowed for.

Build costs are based on BCIS for flats as at October 2015, rebased for the Yorkshire Region. A 15% allowance on top of BCIS costs has been allowed for external works. All other scenarios remain consistent with the area wide viability modelling carried out as part of the Community Infrastructure Levy viability evidence base.

**Table 4.5 Appraisal assumptions**

Appraisal category	Assumption applied
Revenues	Three scenarios: <ul style="list-style-type: none"> <li>• Low £1614 psm / £150 psf</li> <li>• Mid £1883 psm / £175 psf</li> </ul>

	<ul style="list-style-type: none"> <li>High £2153 psm / £200 psf</li> </ul>
	Affordable units are transferred at 65% of open market value
Build costs	£1056 psm houses £1255 psm flats BCIS for October 2015 rebased for Yorkshire and Humber
Professional fees	8% of build costs
Contingencies	3% of build costs
Sales, marketing and legal fees	3.5% of Gross Development Value
Finance	6.5%
Purchaser's costs on land	5.8%
Developer's return	20% of revenue from market units, 6% of revenue from sale of affordable units
Minimum land value benchmark	£444,780 per ha (£180,000 per acre)
Timing assumptions	6 month lead in from land payment Sales rate of 30 units per annum S106, CIL and land costs paid at outset

Three policy scenarios have been modelled as follows:

Scenario	Description
Scenario 1: Baseline / policy off	No planning obligations
Scenario 2: Policy on	15% affordable housing Section 106 payment of £1,000 per unit / £5,000 per unit on 10 ha site CIL payment of £5 psm
Scenario 3: Policy on +	Scenario 2 plus additional 10% for other development costs

## Results

The results are presented below as residual land values for each of the schemes, at each revenue level and for both the base/policy off and policy on scenarios. The surplus/deficit column represents the difference between the residual site value of the appraisal and the benchmark land value.

Table 4.5 displays the results of the policy off scenario incorporating no affordable housing or cost uplift for other planning standards. The results indicate that there are viability challenges for the proposed schemes even with no planning obligations. Viability is limited to sites on which housing is delivered with all flatted development sites indicating no viability. Also viability is limited to the mid and upper value scenarios indicating that sales values need to be achieving a minimum of £1884 psm (£175 psf) to break even.

Table 4.6 shows the results of Policy On, which includes affordable housing at 20%, a CIL tariff of £5 psm and a S106 contribution of £1,000 per unit (increased to £5,000 per unit for the 10ha site). The results show a similar pattern with only the housing sites in the mid and high value scenarios reaching viability, and the 10ha site indicated to be marginal at the mid value sensitivity.

Table 4.7 shows the results of Policy On plus 10% cost, demonstrating further viability challenges with only the housing sites on the high value scenario meeting the viability threshold.

The reason that the apartment schemes are less viable than houses is due to the higher build costs which apply and the effect of grossing up building areas to include non-saleable floor area for communal halls, stairways and lifts.

The implications of these findings are therefore that delivering any additional policy standards on development within the AAP boundary is difficult at the current time. Whilst there may be some improvement in market conditions throughout the programme, and it is noted that the majority of the sites will not be required to be delivered before 2020, we consider it essential that policies are implemented on a flexible basis. The density requirements are a key factor limiting viability and the appraisals demonstrate that a relaxation of these requirements to allow housing as opposed to flats would enhance viability and enable other planning standards to be met.

**Table 4.5: Base/ Policy off results**

	Scheme	Site area	Residual site value	Benchmark land value per ha	Benchmark land value for scheme	Surplus/ deficit
Revenue scenario: £2153 psm (£200 psf)	Scheme 1	0.5	£87,582	£444,780	£222,390	-£134,808
	Scheme 2	0.7	£128,461	£444,780	£311,346	-£182,885
	Scheme 3	0.5	£32,484	£444,780	£222,390	-£189,906
	Scheme 4	2	£192,854	£444,780	£889,560	-£696,706
	Scheme 5	0.5	£767,707	£444,780	£222,390	£545,317
	Scheme 6	1.5	£2,273,452	£444,780	£667,170	£1,606,282
	Scheme 7	10	£14,177,933	£444,780	£4,447,800	£9,730,133
Revenue scenario: £1883 psm (£180 psf)	Scheme 1	0.5	-£427,939	£444,780	£222,390	-£650,329
	Scheme 2	0.7	-£587,752	£444,780	£311,346	-£899,098
	Scheme 3	0.5	-£230,057	£444,780	£222,390	-£452,447
	Scheme 4	2	-£846,876	£444,780	£889,560	-£1,736,436
	Scheme 5	0.5	£403,074	£444,780	£222,390	£180,684
	Scheme 6	1.5	£1,225,443	£444,780	£667,170	£558,273
	Scheme 7	10	£7,806,974	£444,780	£4,447,800	£3,359,174
Revenue scenario: £1614 psm (£150 psf)	Scheme 1	0.5	-£963,375	£444,780	£222,390	-£1,185,765
	Scheme 2	0.7	-£1,348,725	£444,780	£311,346	-£1,660,071
	Scheme 3	0.5	-£492,661	£444,780	£222,390	-£715,051
	Scheme 4	2	-£1,926,617	£444,780	£889,560	-£2,816,177
	Scheme 5	0.5	£42,514	£444,780	£222,390	-£179,876
	Scheme 6	1.5	£166,889	£444,780	£667,170	-£500,281
	Scheme 7	10	£1,221,038	£444,780	£4,447,800	-£3,226,762

**Table 4.6: Policy on results**

	<b>Scheme</b>	<b>Site area</b>	<b>Residual site value</b>	<b>Benchmark land value per ha</b>	<b>Benchmark land value for scheme</b>	<b>Surplus/deficit</b>
Revenue scenario: £2153 psm (£200 psf)	Scheme 1	0.5	-£130,202	£444,780	£222,390	-£352,592
	Scheme 2	0.7	-£174,857	£444,780	£311,346	-£486,203
	Scheme 3	0.5	-£102,227	£444,780	£222,390	-£324,617
	Scheme 4	2	-£243,138	£444,780	£889,560	-£1,132,698
	Scheme 5	0.5	£717,104	£444,780	£222,390	£494,714
	Scheme 6	1.5	£1,887,565	£444,780	£667,170	£1,220,395
	Scheme 7	10	£10,028,310	£444,780	£4,447,800	£5,580,510
Revenue scenario: £1883 psm (£180 psf)	Scheme 1	0.5	-£634,450	£444,780	£222,390	-£856,840
	Scheme 2	0.7	-£887,514	£444,780	£311,346	-£1,198,860
	Scheme 3	0.5	-£352,549	£444,780	£222,390	-£574,939
	Scheme 4	2	-£1,269,860	£444,780	£889,560	-£2,159,420
	Scheme 5	0.5	£356,193	£444,780	£222,390	£133,803
	Scheme 6	1.5	£867,835	£444,780	£667,170	£200,665
	Scheme 7	10	£3,921,998	£444,780	£4,447,800	-£525,802
Revenue scenario: £1614 psm (£150 psf)	Scheme 1	0.5	-£1,152,730	£444,780	£222,390	-£1,375,120
	Scheme 2	0.7	-£1,614,153	£444,780	£311,346	-£1,925,499
	Scheme 3	0.5	-£601,848	£444,780	£222,390	-£824,238
	Scheme 4	2	-£2,305,933	£444,780	£889,560	-£3,195,493
	Scheme 5	0.5	£1	£444,780	£222,390	-£222,389
	Scheme 6	1.5	-£150,089	£444,780	£667,170	-£817,259
	Scheme 7	10	-£2,441,602	£444,780	£4,447,800	-£6,889,402

**Table 4.7: Policy on + results**

	Scheme	Site area	Residual site value	Benchmark land value per ha	Benchmark land value for scheme	Surplus/deficit
Revenue scenario: £2153 psm (£200 psf)	Scheme 1	0.5	£480,812	£444,780	£222,390	£703,202
	Scheme 2	0.7	£671,766	£444,780	£311,346	£983,112
	Scheme 3	0.5	£281,958	£444,780	£222,390	£504,348
	Scheme 4	2	£956,735	£444,780	£889,560	£1,846,295
	Scheme 5	0.5	£531,469	£444,780	£222,390	£309,079
	Scheme 6	1.5	£1,361,123	£444,780	£667,170	£693,953
	Scheme 7	10	£6,865,241	£444,780	£4,447,800	£2,417,441
Revenue scenario: £1883 psm (£180 psf)	Scheme 1	0.5	£999,873	£444,780	£222,390	£1,222,263
	Scheme 2	0.7	£1,399,822	£444,780	£311,346	£1,711,168
	Scheme 3	0.5	£532,184	£444,780	£222,390	£754,574
	Scheme 4	2	£1,997,990	£444,780	£889,560	£2,887,550
	Scheme 5	0.5	£172,394	£444,780	£222,390	£49,996
	Scheme 6	1.5	£335,594	£444,780	£667,170	£331,576
	Scheme 7	10	£627,761	£444,780	£4,447,800	£3,820,039
Revenue scenario: £1614 psm (£150 psf)	Scheme 1	0.5	£1,517,881	£444,780	£222,390	£1,740,271
	Scheme 2	0.7	£2,125,073	£444,780	£311,346	£2,436,419
	Scheme 3	0.5	£783,019	£444,780	£222,390	£1,005,409
	Scheme 4	2	£3,035,819	£444,780	£889,560	£3,925,379
	Scheme 5	0.5	£190,541	£444,780	£222,390	£412,931
	Scheme 6	1.5	£708,383	£444,780	£667,170	£1,375,553
	Scheme 7	10	£6,316,559	£444,780	£4,447,800	£10,764,359

## Real world sites

Details of the appraisals carried out for the Shipley Gateway site and Bolton Woods Quarry are provided at Appendix 4. Two scenarios were modelled for the Shipley Gateway site, the first representing a mixed use scheme with residential and retail and the second a commercial scheme based on a food store use. For Bolton Woods Quarry, a residential development was assumed in accordance with the proposals of the AAP. Residential development schemes have been modelled with the affordable housing policy standards.

Table 4.8 below shows the results of the appraisals expressed in terms of both the residual site value and 'headroom' when referenced against the threshold site value.

For the Shipley Gateway mixed use development scenario, it indicates a nominal residual site value which is below the site value threshold. For the commercial scenario, the scheme produces a negative residual value indicating that it is not viable. This is due in part to costs associated with assembling and remediating the site.

For Bolton Woods quarry, the appraisal generates a substantial residual site value, however this is significantly below the land value threshold and therefore considered unlikely to be capable of meeting 20% affordable housing in current market conditions.

**Table 4.8 Real world site results**

Site ref	Site name	Value area	Net site area (acres)	Floor area (total - sq ft)	Floor area AH units (sq ft)	Floor area market units (sq ft)	Residual site value	Threshold site value (per acre)	Threshold (actual)	Headroom (£)
1a	ShipleY Gateway Option 1 Mixed use	4	1.18	12057	n/a	8290	£173,439	£225,000	£265,500	-£92,061
1b	ShipleY Gateway Option 2 Commercial	4	1.18	16146	n/a	n/a	£0	£200,000	£236,000	-£236,000
2	Bolton Woods	4	69.00	1011900	202380	809520	£4,517,862	£225,000	£15,525,000	-£11,007,138

## Conclusions

The analysis underlines that there are challenges associated with the imposition of policy standards on development at the current time. The Shipley and Canal Road Corridor AAP area is relatively diverse although typically at the sales values achievable, particularly given the likelihood of high site development costs, many development schemes will struggle. However, with the benefit of a continued improvement in market conditions, we would expect to see an enhanced ability to meet these standards. It is therefore considered that flexibility is required in the wording of AAP policies and that supplementary measures are required to support delivery which we consider in the following chapter.



## 6. Options for Accelerating Delivery

### **Intervention options**

This section presents a number of potential options that could be available to the Council and its public sector partners to accelerate the delivery of the investment priorities identified within the emerging AAP. This Strategy has identified a number of key development constraints, some of which are site specific and others of which apply more generally to the Shipley and Canal Road Corridor sites as a whole. It is important to consider the 'long list' of what intervention options are available to address these constraints and to assist to bring forward development. A number of potential intervention options have been identified and these are outlined in further detail below. The Council would need to ensure that any intervention was delivered in accordance with State Aid legislation.

### **Simplified planning**

The Council could seek to streamline the planning process to accelerate development within a defined geographical area. The creation of a Local Development Order (LDO) is a mechanism which can grant planning permission or extend permitted development rights for specific types of development within a defined area. They can create certainty and save time and money for those involved in the planning process. The advantages are that it can make sites increasingly attractive to developers through removing some of the 'red tape' and could accelerate the planning and development process. All Local Planning Authorities have the ability to create LDOs and they are supported within the NPPF. The Council could seek to create an LDO for the Shipley and Canal Road Corridor as a whole or alternatively for specific neighbourhoods within the area. Either way, this could be a good mechanism to provide certainty to the market to potentially accelerate development activity at a relatively low cost to the Council, whilst ensuring that its development objectives for the neighbourhoods and sites are maintained. LDOs would be most suited to the more 'oven ready' sites that do not have major development constraints/abnormal costs but where there is a need for intervention to accelerate development prospects and timescales to address constraints more of a market nature.

### **Reduce planning gain**

Planning gain refers to the increase in the value of land that is achieved through securing planning permission and the obligations that are placed on developers as part of the planning permission to provide financial contributions to the delivery of other services/amenities. These can be legally enforced through Section 106 requirements, which typically place a legal requirement upon developers to provide affordable housing (on or offsite) or to make financial contributions to local education/community service provision. Where sites have specific development viability issues or where they are known to have stalled, reduced planning obligations on a site specific basis could enable schemes to become viable. This would need to be assessed on a site by site basis based on viability assessments to understand the viability issue and the extent to which reduced planning obligations could impact on this to enable delivery. Where there are stalled sites in the planning process, a review mechanism may be helpful in accelerating delivery.

### **Investment in off-site infrastructure**

The delivery of a number of the schemes may be reliant on enhancements in the capacity of off-site highways or other types of infrastructure (e.g. utilities) (through s106/278 agreements) with an onus upon the developer to make a financial contribution to such works. This could make schemes

unviable as above. The Council could, therefore, invest in the required off site infrastructure works to strip this 'abnormal' cost from the development scheme to enable delivery. Off-site infrastructure could benefit more than one scheme.

### **Investment in off-site 'place-making'**

In a similar vein to the above, the Council could invest in off-site 'place-making' to accelerate scheme delivery. This could include investment in public realm, landscaping and green infrastructure to enhance the market attractiveness, values and delivery prospects of adjacent development schemes. This is likely to be particularly relevant to the Shipley Town Centre and City Centre Fringe based sites where place-making is an integral component of wider regeneration. Substantial investment as already been made in this respect with the Mirror Pool at City Park.

### **Direct investment to address site development costs**

The Council could invest directly in on-site development costs. This could include investment in land assembly, remediation, infrastructure, earthworks, site access and other 'abnormal' costs of development to enhance scheme viability. This investment in enabling works or 'pump priming' could be suited to more challenging sites where viable issues are more prevalent and the investment could unlock/accelerate development. State Aid is a key consideration for this option and it could take the form of direct Council investment or grant/loan to developers.

### **Direct investment in property**

Given that a number of the sites are already 'oven ready', the only means of accelerating the development process is through direct investment in development projects. This can take a number of forms as below:

- Conventional 'gap funding' in accordance with State Aid provisions to plug viability gaps.
- An alternative way of securing delivery is to take a more comprehensive stake in the development process through either acting as a forward investor (and agreeing to forward purchase a building) or taking a head-lease. Under the latter, the Council could take a 35-40 year head-lease on a building with a commitment to annual rental uplifts for inflation. With this long term commitment, the yield is compressed to a level which enables rents to be priced at a low level – typically below market value – with the prospect that the Council can then sub-let at market value and make a profit rent. As an 'income strip', the property would be transferred to the Council for £1 at the end of the term.
- The Council could also explore a 'put option' where it enters into an agreement to purchase the completed property as a last resort at a predetermined price thus giving certainty to the developer to enable them to commence development. This could offer the Council the potential to generate a return on its investment either via a subsequent sale of the building or through retaining the ongoing income stream from tenants.

State Aid is a key consideration in all of the above but there are potential routes through the GBER (General Block Exemption Regulation).

### **Utilising public sector assets**

Where there are sites in Council/public sector ownership, the offer of a deferred land payment (where the payments for land are deferred to the back of the development programme) or geared ground

rents (where land is sold on a long lease with the rent linked to the rental value of property delivered) reduces the upfront expenditure requirements for a developer, thus enhancing viability. This could be worth exploring where the Council has land assets that are being proposed for development given the lack of any upfront cost to the Council of this.

### **Funding sources/mechanisms**

This section presents a long list of potential funding sources that could be suitable/available for supporting the acceleration of AAP schemes in the Shipley and Canal Road Corridor Area. This is based upon our knowledge and understanding of what is currently available and there may be additional funding sources specific to the locality or use type of relevance that are worthy of exploration in addition to these.

### **Leeds City Region LEP - Growth Deal Funding / West Yorkshire Plus / ESIF / Growing Places Fund**

The Leeds City Region LEP/Combined Authority has agreed a Growth Deal worth £1bn with Government to 2021. The investment will support the LEP's priorities to improve transport links, boost housing growth, accelerate town centre regeneration, develop a skilled workforce and support businesses. It will support the delivery of a wide range of infrastructure projects across the Combined Authority area which includes the BMDC area. This seeks to deliver new jobs and to double housebuilding levels by 2021. Delivering the infrastructure for growth is one of the key objectives of this as identified within the LEP's Strategic Economic Plan. Under this objective, it seeks to bring forward development sites that commercial investors will not currently finance through site decontamination, clearance and other upfront infrastructure works. The SEP recognises Bradford City Centre as a strategic growth centre and the Canal Road Corridor as a strategic housing growth area.

There will be opportunities for schemes to seek to secure funding through this, particularly towards the costs of upfront enabling infrastructure on some of the more significant housing and employment sites. There will also be opportunities for funding for strategic infrastructure works which could assist to enable delivery.

Linked to the wider Growth Deal, the West Yorkshire plus Transport Fund is a £1.6bn package of investments over a 10-year period to promote economic growth and create new employment opportunities. The Transport Fund schemes will increase business productivity by reducing transport costs, expanding labour catchment areas and widening the number and range of accessible employment opportunities. They will unlock growth in existing employment sites and open up new sites for jobs and housing. It seeks to create 20,000 new jobs and 10,000 new homes by 2035. Again, this could provide an opportunity to secure funding for major transport investment which could support scheme delivery.

The Leeds City Region has also been notionally awarded £338m from the European Union to support business growth and create jobs for people in the region over the next seven years as per its ESIF Strategy. This includes ERDF funding for which there could be the potential to secure funding for infrastructure investment to enable scheme delivery.

The Leeds City Region LEP also administers the Growing Places Fund, a revolving infrastructure loan fund that supports economic growth and employment generating schemes across the City Region. The fund is to be used to pay for infrastructure projects that facilitate development, leasing land value, a portion of which can then be recycled into the fund to pay for further infrastructure

projects. There is also the potential for Bradford to consider the establishment of its own revolving infrastructure fund.

### **New Homes Bonus (NHB)**

The New Homes Bonus provides local authorities with a financial payment equal to the national average for the council tax band on each additional property and paid for the following six years as an unringfenced grant. Local authorities can utilise the income generated by the New Homes Bonus to pay for infrastructure requirements. There remains a question over the availability of New Homes Bonus for current and future parliaments. The current provisions only commit investment to 2016 however following the Spending Review 2015 the Government has committed to reviewing the initiative.

### **Business rate retention**

In December 2011, following a lengthy consultation period, proposals to enable local authorities to retain a portion of locally generated business rate income were published and incorporated into the Local Government Finance Bill. The Government introduced the business rate retention scheme from April 2013, which allows local authorities to retain up to 50% of business rate growth (subject to resets at predefined points in time), enabling this income to be used for investing in infrastructure. The mechanism includes provision for tariffs and top ups to allow for a 'safety net', to ensure that local authorities in low demand areas are compensated by the redistribution of income from high demand areas. There is a significant case nationally for utilising business rate income for infrastructure funding and delivery, particularly where infrastructure can help unlock economic development and commercial property opportunities as local authorities have the potential opportunity to borrow against future uplifts in business rates to provide upfront infrastructure funding, for example. The Autumn Spending Review proposed 100% business rate retention by the end of the current parliament.

### **Proceeds from the disposal of assets**

Proceeds from the disposal of surplus Council and other public sector owned assets form a further source of funding that can potentially be used to pay for infrastructure works. Bradford Council owns a significant amount of land, some of which it is anticipated will be available for release for development over the period of the development plan. However, it should be recognised that the utilisation of capital receipts for infrastructure investment purposes will be subject to internal assessment in the same way as any other investment proposal and that there will need to be strong business case in respect of contributing to the Council's corporate objectives and priorities.

### **Council tax increase**

Hypothecation of Council Tax has been considered and implemented by a number of local authorities based on a limited increase in Council Tax specifically to help fund new infrastructure development. Effectively, the increase in council tax revenue could be ringfenced specifically for infrastructure in the area – potentially even specifying the infrastructure item for which the council tax supplement is required. This is set as an increase for a defined period, therefore demonstrating a long term commitment to the delivery of enhanced infrastructure. This income stream can then be used either for direct delivery or to be securitised to borrow prudentially to fund the additional provision. Whilst increasing council tax represents a potentially politically sensitive option, it offers an effective and direct means of increasing revenue for infrastructure projects.

## **Community Infrastructure Levy (CIL)**

CIL is a levy which allows local authorities to raise funds from owners or developers of land who are undertaking new building projects in the local area. It is based upon a set charge per sq m of new floorspace by use type and is a non-negotiable levy. Bradford is proposing a CIL charge ranging from £5 to £100 psm across the District currently at consultation stage.

## **Prudential borrowing**

The Council can borrow from a number of sources, most commonly from the Public Works Loan Board (PWLB). The cost of prudential borrowing is particularly low and typically ranges from 3-4.5%, well below typical private sector debt or equity costs. However, whilst PWLB borrowing is cheap the local authority needs revenue headroom to ensure debt repayments through the term of the borrowing – taking into consideration the risks of delivery of CIL revenue. The use of prudential borrowing is clearly a valuable source of funding to assist with cashflow, but as it is debt it will not plug any funding gaps.

## **Institutional investment**

There is currently a drive across Central Government to increase the level of investment from institutions for infrastructure projects, particularly from pension funds. Local Government and LEPs are also exploring ways of securing institutional investment in revolving funds, following Greater Manchester's example of using the local authority pension scheme in the 'Evergreen' model. Clearly, the availability of investment from pension funds and other institutions will depend to a considerable extent on the level of return and the guarantees that can offered in infrastructure projects. Indications from elsewhere are that scale and critical mass are also important. However, as with prudential borrowing, this form of funding is equity and must be repaid with interest. Therefore it will not fill funding gaps, but could be a means of assisting with forward funding and cashflow generally.

## **Joint ventures**

The use of a partnership approach to develop a pipeline of sites across an area is a popular potential route that is being pursued by a number of local authorities at present. Such partnerships can include the public sector vesting land and/or equity alongside an equivalent commitment by a commercial partner to deliver a development or regeneration scheme. The site is developed together through the vehicle by leveraging development capital using the public sector assets - the profits are then shared between the two parties or reinvested in further schemes.

The Council has already established such a vehicle – Canal Road Urban Village Ltd incorporating Urbo Regeneration Ltd (part of Arnold Laver). The potential to extend and replicate this model could be explored to expedite other sites within the AAP boundary.

## **Housing Growth Zone**

Housing Growth Zones (HGZ) should be designated around those selected areas where there is a realistic prospect of significant housing development in the short to medium term. The zones will represent an area in which the public sector can prioritise investment, provide incentives and provide a stimulus for development activity. The measures that could be included within these zones could include:

- Relaxation of planning requirements including affordable housing, S106 and other policy standards and thresholds – consider creation of Simplified Planning Zone status
- Ring fencing revenues from New Homes Bonus and increase in council tax revenues within zone to forward fund enabling works
- Ring fencing of CIL revenues from outside the zone for reinvestment in infrastructure in growth zones
- Utilise proceeds from sales of public sector assets. This should not be limited to LA and HCA assets but should include non-operational and surplus Government estate, including considering how the prospective announcements on the HCA's expanded role on public land may work in the area
- Prioritise schemes within these locations for public sector assistance
- Group public assets for sale at less than best consideration or through deferred land payment

It is important to note that above measures will not necessarily be applicable in each HGZ, with a tailored approach being required to consider which package of measures are most suitable for each location. For example, a relaxation in affordable housing requirements and specification of housing will not be appropriate across all areas and on all sites. HGZ can also be used as a platform to ask for greater support from central government for the delivery of new housing. This may include a request for the write off/relaxation of any clawback associated with the development of sites within HGZ and support for the housing market in areas of low demand. This is particularly important given the perceived ineffectiveness of the New Homes Bonus, which has come under criticism for redistributing funding from areas of low demand and low council tax bases to areas of high demand and high council tax bases through the top-slicing of grant allocations to fund the scheme.

### **Joint Housing Investment Fund**

In view of the gap in finance available for supporting housing development and regeneration, it is considered that a local funding mechanism could draw on the wide range of sources of equity and debt finance available to provide an alternative means of funding development, thus enhancing the capacity for delivery locally. A single fund could be developed based on the broad principles of a revolving fund under which investments could be made directly to fund development. The fund would be based on securing a return, but it would enable a lower rate of finance than traditional debt and would entail a greater degree of flexibility in respect of lending criteria and repayment terms. It would not be intended to replace conventional development funding, but rather augment it by providing a stream of finance to fund schemes that are less likely to secure borrowing or equity through conventional means, due to risk.

A fund could support direct investments in development schemes whereby a funding agreement is established with a landowner or developer or investment in strategic infrastructure projects that are expected to generate a future revenue stream through CIL/S106 and/or proceeds from asset sales.

## 7. Recommended Strategy

The AAP is a statutory planning policy document that identifies the location, scale and type of new development that is required to meet the overarching priorities and targets of the Local Plan Core Strategy. It provides a spatial planning framework that is fundamental to guiding development proposals over the next 15 years and through specific land use allocations, it ensures that the right development will come forward in the right locations. AAP site proposals and allocations need to be viable and deliverable and reflect market conditions and realities, with sufficient flexibility to respond to changing external factors.

The evidence base suggests that there are likely to be a range of factors impacting upon site development viability and that with the imposition of policy standards (e.g. CIL/affordable housing) on development in the current market, there will be challenges to delivery in terms of both residential and commercial development.

The viability testing of schemes within the AAP area indicates that deliverability of the high density apartment based development dictated by AAP Policy is likely to be difficult especially in the short term. Whilst there is potential for market improvement through the life of the Local Plan/AAP it is considered essential that all AAP policies and standards should be applied in a pragmatic and flexible way.

However, it is also evident that public sector intervention will be required to enable the delivery of a number of the identified AAP sites to support delivery. A number of potential intervention options/mechanisms have been explored and in reality each of these has the potential to accelerate development although some are more pertinent to particular sites than others. There is a need to prioritise these to inform this strategy and to focus on those that are likely to impact on delivery prospects the most across the portfolio of sites identified within the AAP. It is therefore recommended that the following intervention options are explored further by the Council:

### 4. Establishment of a Housing Growth Zone (HGZ)

There is the opportunity for the Council to consider the establishment of a Housing Growth Zone to support the delivery of the AAP sites. The HGZ could represent a formal structure and physical boundary to align with the AAP boundary, within which a number of strategic policy and financial mechanisms could apply, including the below

- Relaxation of planning requirements including affordable housing, S106 and other policy standards and thresholds – consider creation of Simplified Planning Zone status
- Ring fencing revenues from New Homes Bonus and increase in council tax revenues within zone to forward fund enabling works
- Ring fencing of CIL revenues from outside the zone for reinvestment in infrastructure in the HGZ. There is the potential to use CIL contributions from higher value areas of the District (e.g. in Wharfedale) to effectively cross-subsidise lower value AAP areas
- Ring fencing of a proportion of business rate growth within the zone for reinvestment in the zone in accordance with Government policy guidance on business rate retention
- Utilise proceeds from sales of public sector assets, including Council and HCA assets as well as other surplus/non-operational public sector assets – potential to group public assets for sale at less than best consideration or through deferred land payment

The above are examples of some of the policies/measures that could be implemented and further work is required to ascertain the extent to which they may be applicable to the specific site

constraints within this AAP area. The principle of the Zone is that it would enable current financial, physical and planning constraints to be potentially overcome to enable delivery. It could also promote increased public and private sector collaboration to address some of the identified land ownership/assembly issues that may be currently constraining development. The establishment of a Housing Growth Zone could have significant profile raising benefits for the area which could further enhance developer confidence and delivery prospects. It could also assist to promote the area to other funding bodies such as Central Government and the Local Enterprise Partnership through providing confidence over the Council's commitment to the regeneration of the City Centre.

#### **5. Establishment of a fund to support and enable delivery**

The Council could establish a Revolving Infrastructure Fund (RIF) on a District scale. The principles of this could mirror those of the Leeds City Region LEP Growing Places Fund but to operate specifically at the Bradford District level. It would involve a loan-based infrastructure fund to be established, possibly created through the Council's prudential borrowing capabilities from the outset through the Public Works Loan Board, if no other form of capital is available. The Council could seek to secure an initial external grant (e.g. from the LEP Local Growth Fund or the HCA) to create/extend the initial funding pot.

The principle is that investment is made in key items of infrastructure to enable development, with the money invested to be returned to the Council (through land value uplifts) and re-investment in further provision of infrastructure. It would operate on a revolving basis with the potential for an interest charge over and above that which the Council borrows the money at (if applicable) but still below market rates, to increase the scale of the fund over time. There is also the potential for some degree of reasonable overage to be included as part of the funding agreement based on viability assessments of specific schemes.

The RIF could sit alongside/be part of the HGZ concept with additional ring-fenced revenue streams potentially forming part of the fund. Revenues (e.g. through CIL) secured from higher value areas elsewhere across the District could be allocated to enabling the upfront delivery of infrastructure within the AAP area as a priority objective of the RIF. There may also be infrastructure funding requirements outside of the AAP area (i.e. in higher value areas) which the RIF could fund on the basis of an agreed overage provision to enable the scale of the fund to increase and for additional funding to be made available for the AAP areas where viability is more of an issue.

The RIF concept could be particularly applicable to the larger scale development sites where the infrastructure constraints and upfront funding requirements are more significant. It could be key to unlocking these constraints to deliver the required housing and employment outcomes and the necessary land value uplifts to reinvest in other infrastructure priorities. The RIF model is not wholly applicable to all sites and a robust appraisal approach to assessing site viability is an important part of this as there needs to be sufficient development value to enable the RIF loan to be repaid, otherwise its ability to serve as a revolving fund is compromised.

#### **6. Direct investment and intervention**

In order to support the delivery of development on priority sites, there is an opportunity for the Council to take a far more interventionist approach through the use of its covenant strength and/or via direct investment and development. The ability of the Council to borrow cheaply and access public sector grants, alongside business rate retention, create the basis for a reasonable case in certain circumstances for the Council to invest in property.



## **Appendix 1: Summary of AAP Policies and Proposals**

### **Area 1: Shipley**

Development in Shipley will be expected to strengthen Shipley's role as an important town centre and transport hub and to safeguard and enhance the setting of the Saltaire World Heritage site. The Shipley development area is further split into a further 3 sub sections, Shipley town centre, Dockfield Road area, and Shipley East:

Shipley town centre will be the focus for the provision of shopping, leisure and public services, with the enhancement of the market square by new mixed use development and public realm improvements. Shipley Station will be enhanced a major transport hub.

The Dockfield Road area will be developed for a range of business and residential uses as part of the regeneration of the area as a high quality waterfront based mixed use area, enhancing the Leeds/Liverpool canal conservation area. Development will be expected to respect and enhance key heritage buildings.

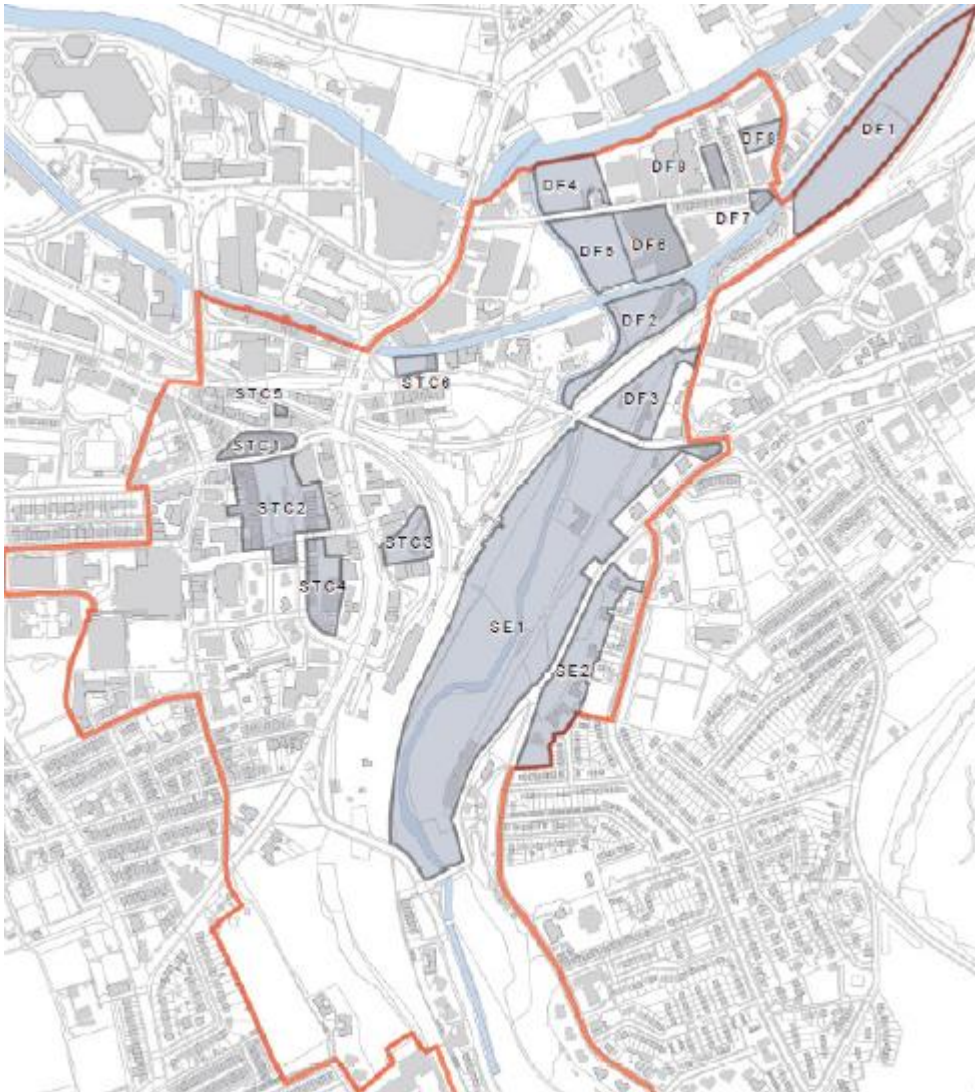
Shipley East will provides an opportunity to deliver high quality residential led development with supporting business, commercial and retail uses which are linked to the Station and the Town Centre.

Development in Shipley will include:

- 666 new residential units
- New retail/leisure uses including a new supermarket and new business and community uses in the town centre
- New business and employment uses as part of mixed use developments in Shipley East/Dockfield Road
- Enhanced green infrastructure, pedestrian/cycle links and public realm enhancements

The AAP identifies a number of urban design principles to guide future development in Shipley.

A plan identifying the key development site opportunities in Shipley is presented below, with 17 in total across the 3 sub-areas:



<b>Ref.</b>	<b>Name</b>
<b>STC1</b>	ShIPLEY Indoor Market Hall
<b>SCT2</b>	Market square
<b>SCT3</b>	Station Road
<b>SCT4</b>	ShIPLEY Gateway Site
<b>SCT5</b>	Atkinson Street
<b>STC6</b>	Buildings along Briggate
<b>SE1</b>	ShIPLEY East
<b>SE2</b>	Land around Crag Road Flats
<b>DF1</b>	Dock Lane, Canalside
<b>DF2</b>	Junction Bridge, Briggate,

<b>DF3</b>	Land between Leeds Road and Dock Lane
<b>DF4</b>	Dockfield Road North
<b>DF5</b>	Dockfield Road South
<b>DF6</b>	Regent House
<b>DF7</b>	Junction of Dock Lane and Dockfield Road
<b>DF8</b>	Dock Lane
<b>DF9</b>	Dockfield Road

Each of these sites is outlined further below:

### **STC1 Shipley Indoor Market Hall**

Proposed allocation – The redevelopment/refurbishment for a retail led mixed use development providing A1-A4 uses with residential, office and commercial uses.

### **STC2 Market Square**

Proposed Allocation – The redevelopment/refurbishment for a retail led mixed use development providing A1-A4 uses with supporting residential, office and commercial uses.

### **STC3 Station Road**

Proposed Allocation – Residential development for an expected 50 units

### **STC4 Shipley Gateway Site**

Proposed Allocation – The redevelopment of land & buildings for retail and leisure led mixed use development, with hotel, office and residential uses been encouraged.

### **STC5 Atkinson Street**

Proposed Allocation – Residential development for an expected 8 units

### **STC6 Buildings along Briggate**

Proposed Allocation – The redevelopment for a mixed use scheme including leisure, retail and other town centre uses with supporting residential units on upper floors. (A1-A5 uses, business and 23 residential units)

### **DF1 Dock Lane, Canalside**

Proposed Allocation – Residential led mixed use scheme providing an expected 100-150 residential units with supporting business uses and improvements to the Leeds/Liverpool Canal conservation area and green infrastructure.

**DF2 Junction Bridge, Briggate**

Proposed Allocation – Business, commercial and residential uses.

**DF3 Land between Leeds Road and Dock Lane**

Proposed Allocation – Business, commercial and residential uses

**DF4 Dockfield Road North & DF5 Dockfield Road South**

Proposed Allocation – Dockfield Road South is proposed for a residential led mixed development. Dockfield Road North is suitable for Business uses. Both development expected to deliver 90 residential units with supporting business uses.

**DF6 Regent House**

Proposed Allocation – Residential redevelopment of former mill buildings, expected 93 units.

**DF7 Junction of Dock Lane and Dockfield Road**

Proposed Allocation – Residential redevelopment, expected 6 units

**DF8 Dock Lane**

Proposed Allocation – High Density Residential development, proposed 25 units.

**DF9 Dockfield Road**

Proposed Allocation – Residential development, proposed 10 units

**SE1 Shipley East**

Proposed Allocation – Residential led mixed use scheme, proposing 100-150 residential units with supporting business & retail uses.

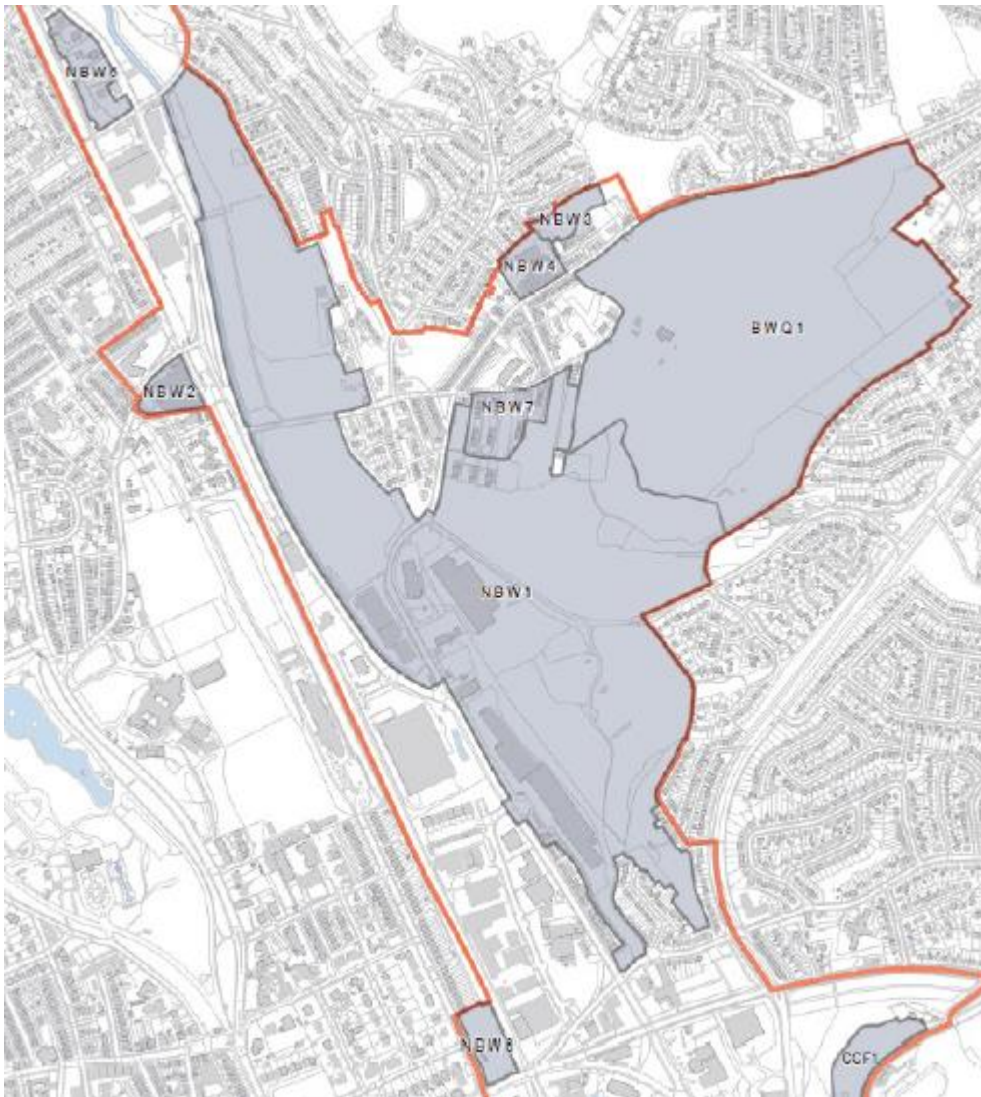
**SE2 Land around Crag Road flats**

Proposed Allocation – Residential development with 29 proposed units.

## Area 2: The Centre Section

The Centre Section area proposes to bring forward a new sustainable urban eco-settlement delivering approximately 2,270 new homes, new community facilities including a neighbourhood centre and primary school, new employment uses, sport & recreation facilities and improved infrastructure including public access routes and highway enhancements. It identifies New Bolton Woods and Bolton Woods Quarry as key development opportunities and again the AAP identifies a number of urban design principles particularly focused upon the objectives to create an urban eco-settlement. The vision for the area includes its transformation into a series of new vibrant sustainable neighbourhoods with a diverse and high quality housing offer with the necessary infrastructure to create the desired urban eco-settlement.

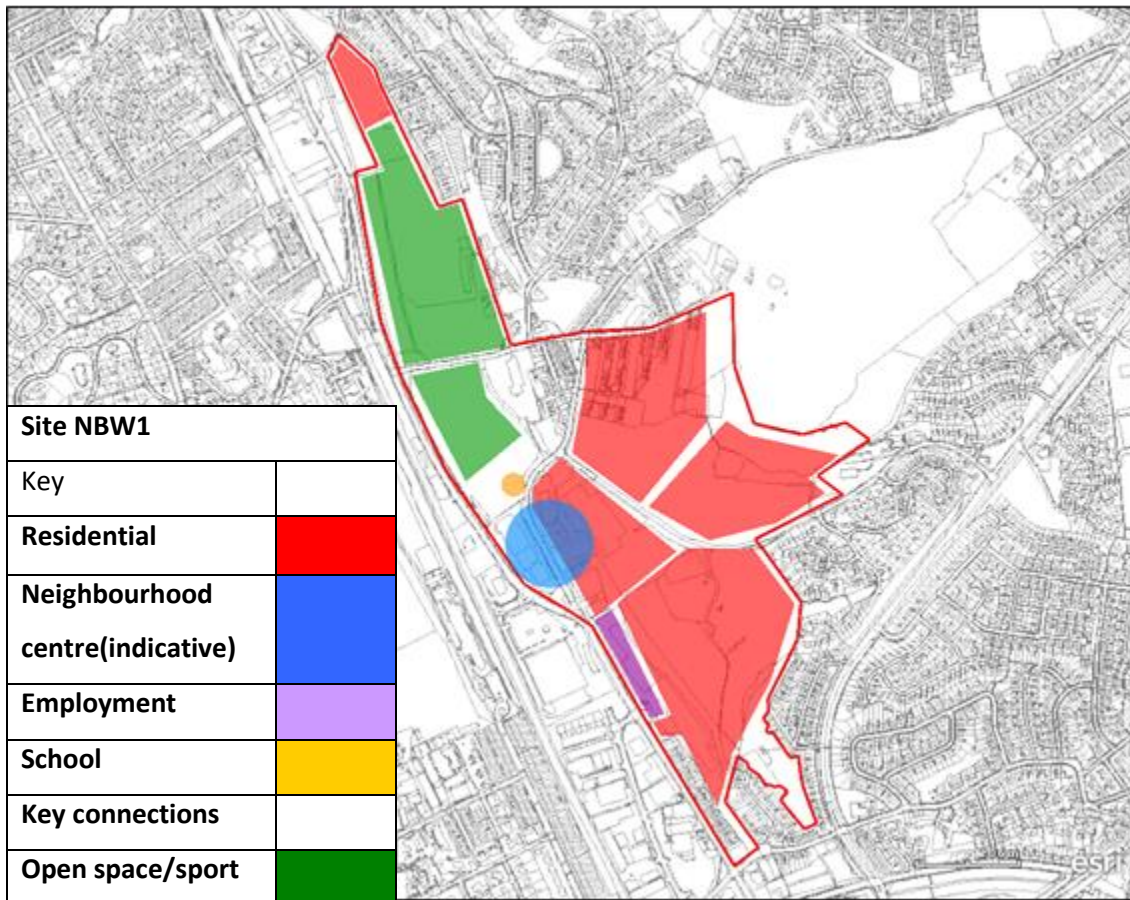
A plan illustrating the key sites within the Centre Section area is presented below:



<b>Ref.</b>	<b>Name</b>
<b>NBW1</b>	New Bolton Woods
<b>NBW2</b>	Frizinghall Road
<b>NBW3</b>	Thornhill Avenue
<b>NBW4</b>	North Bolton Hall Road
<b>NBW5</b>	Flats East Valley Road
<b>NBW6</b>	North Queens Road
<b>NBW7</b>	Bolton Woods Flats
<b>BWQ1</b>	Bolton Woods Quarry

Each of these sites is outlined further below:

**NBW1 New Bolton Woods**



Proposed Allocation – New neighbourhood centre with a proposed 1100 new residential units, new primary school, nursery and community facilities (including health facilities), 3000 sqm of proposed retail and employment uses and new sports facilities with improved green spaces

**NBW2 Frizinghall Road**

Proposed Allocation – Residential development proposing 42 residential units.

**NBW3 Thornhill Avenue**

Proposed Allocation – Residential development proposing 21 residential units.

**NBW4 Bolton Hall Road**

Proposed Allocation – Residential development proposing 34 residential units.

**NBW5 Valley Road Flats**

Proposed Allocation – Residential development proposing 40 residential units.

**NBW6 North Queens Road**

Proposed Allocation – Residential Development proposing 33 residential units.

**NWB7 Bolton Woods Flats**

Proposed Allocation – Residential Development proposing 70 residential units.

**BWQ1 Bolton Woods Quarry**

Proposed Allocation – Residential led mixed use scheme, proposing 800-1000 residential units, with supporting local retail and community uses and new public open spaces.

**Area 3: City Centre Fringe**

The City Centre Fringe area forms a key link between the Corridor and Bradford City Centre. It is characterised by large retail units, employment uses and vacant areas. It includes an area of commercial/industrial development along Canal Road as well as an important green corridor alongside Bolton Road. The vision for the area is to maintain its role as a sustainable edge of centre location and key link between the City Centre and the Canal Road Corridor. It seeks to maintain its business/industrial functions with new residential development set within a high quality green corridor along Bolton Road.

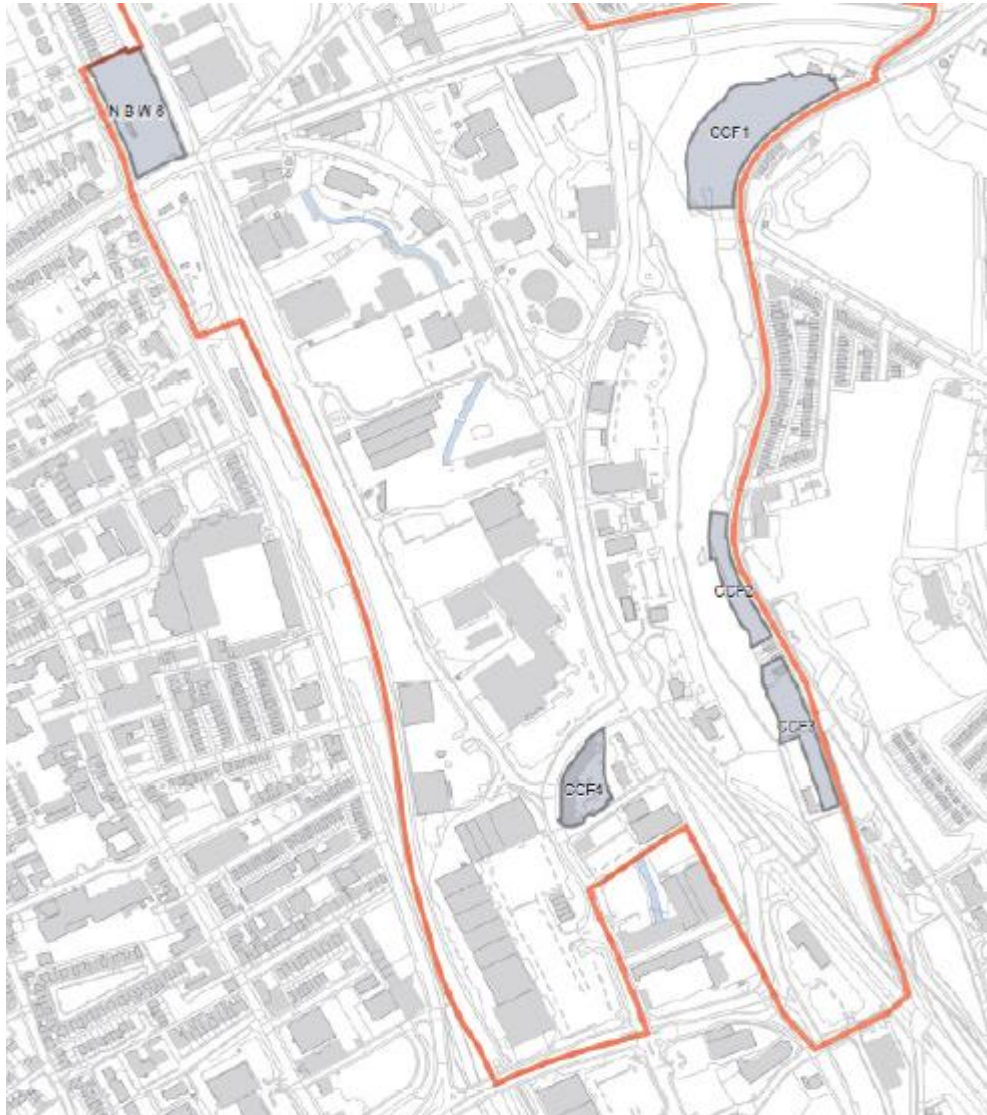
Development within the City Centre Fringe will include the following:

- Delivery of around 100 new homes
- Redevelopment of vacant/underutilised land
- New supermarket

- New and improved pedestrian/cycle routes and green infrastructure

The AAP identifies the Valley Road Retail Area and the Canal Road Employment Area as key development opportunities.

A plan illustrating the key development sites within the City Centre Fringe is presented below:



<b>Ref.</b>	<b>Name</b>
<b>CCF1</b>	Bolton Road Wapping
<b>CCF2</b>	Bolton Road
<b>CCF3</b>	Wapping Road, Bolton Road
<b>CCF4</b>	Singleton Street



### **CCF1 Bolton Road Wapping**

Proposed Allocation – Residential development, proposing 46 residential units.

### **CCF2 Bolton Road**

Proposed Allocation – Residential development, proposing 23 residential units

### **CCF3 Wapping Road, Bolton Road**

Proposed Allocation – Residential development, proposing 23 residential units

### **CCF4 – Singleton Street**

Proposed Allocation – Redevelopment/refurbishment of office block into residential, proposing 60 residential units.

### **Planning policies**

The AAP has been developed in conjunction with the overarching strategies and policies of the Core Strategy. The following core strategy policies are of particular relevance to the AAP proposals:

- Core Strategy Sub-Area Policy BD1: Regional city of Bradford including Shipley and Lower Baildon establishes the strategic framework Shipley and Canal Road corridor AAP. This policy sets out development quantum and strategic priorities for the Shipley and Canal Road corridor.
- Core Strategy Sub-Area Policy BD2: Investment priorities for the regional city of Bradford including Shipley and Lower Baildon establishes the investment priorities to be delivered through the City Centre AAP over the next 15 years to 2030.

The AAP also identifies a number of other relevant Core Strategy policies which should be read in conjunction with the AAP.

Six strategic policy themes have been identified which cover the main aspects of development, growth and change that the AAP will plan for.

- Delivering a wide choice of high quality homes in the corridor
- Achieving sustainable economic growth in the corridor
- Maximising sustainable transport options and connecting the corridor
- Mitigating and adapting to climate change along the corridor
- Protecting and enhancing the natural and built environment of the corridor
- Promoting healthy, strong and inclusive communities living in and alongside the corridor.

**These are outlined in further detail below:**

**Theme 1: Delivering a wide choice of high quality homes in the corridor** – this seeks to develop a wide choice of high quality homes in the area offering a diverse mix of housing to create a sustainable development.

*Policy SCRC/H1* - Housing Requirement – to deliver a minimum of 3,100 new homes by 2030 on existing commitments and allocated development sites.

*Policy SCRC/H2 – Delivering new homes and sustainable neighbourhoods*

**Theme 2: Achieving Sustainable Economic Growth in the Corridor** – this seeks to support sustainable economic growth by enhancing established employment areas, and support and enhance the vitality and viability of the city and town centres along with the residents' health and education outcomes.

**Policy SCRC/ SE1 – Sustainable Economic Growth – new employment, business and commercial uses** as part of mixed use developments and safeguarding the Canal Road Employment Zone and include the redevelopment of land and sites within Valley Road retail area.

*Policy SCRC/ SE2 – Canal Road Employment Zone* – Support and maintain employment uses and new industrial and commercial investment.

*Policy SCRC/ SE3 – Valley Road Retail Area* – Support the redevelopment of land and buildings for business and retail uses, in accordance with Core Strategy Policy EC5.

*Policy SCRC/ SE4 – Strategy for retail development* – focusing on retail growth, development and brownfield sites.

*Policy SCRC/ SE5 – Shipley Town Centre and Primary Shopping Area* – Accommodating main town centre uses and the function of primary shopping area to be maintained and enhanced.

*Policy SCRC/ SE6 – Market Provision* - New market provision will be supported in Shipley town centre where it would support the vitality, viability and diversity of the town centre

*Policy SCRC/ SE7 – Minerals Safeguarding*

*Policy SCRC/ SE8 – Existing waste management Facilities*

**Theme 3: Maximising Sustainable Transport Options and connecting the corridor** – to enhance Shipley and improve links between the town centre, Saltaire, Shipley station and the Leeds and Liverpool Canal.

*Policy SCRC/ ST1 – Transport improvements* – To maintain transport assets and support the delivery of transport improvements and infrastructure.

*Policy SCRC/ ST2 - Safeguarded transport links*

*Policy SCRC/ ST3 – Maximising Sustainable Transport options*

*Policy SCRC/ ST8 - Bradford Canal*

**Theme 4: Mitigating and adapting to climate change along the corridor** – to deliver an urban eco settlement of over 3,000 new homes to include a range of well-designed high quality dwellings built to high environmental standards.

*Policy SCRC/ CC1 Flood Risk and water management* – Any development vulnerable to flood risk to be supported by a flood risk sequential test.

*Policy SCRC/ CC2 Conserving energy and resources* – Support the delivery of Urban Eco settlement principles and demonstrate the highest possible standards of sustainability and eco-innovation.

**Theme 5: Protecting and enhancing the natural and built environment of the corridor** - to protect and enhance biodiversity and green infrastructure, reducing the impact of climate change and enhancing residents' health and outcomes.

*Policy SCRC/ NBE1 Green Infrastructure* – protection and enhancement of key green infrastructure and ecological networks.

*Policy SCRC/ NBE2 Waterway environments* – capitalise on proximity to waterways and support their economic, recreational, environmental, historic and ecological value.

*Policy SCRC/ NBE3 - The Bradford Beck* – support the delivery of projects enhancing the quality of the Bradford Beck.

*Policy SCRC/ NBE4 Biodiversity and Ecology* - minimise adverse impacts on biodiversity and wildlife.

*Policy SCRC/ NBE5 Heritage and Conservation* – preserve and enhance the character, appearance and setting of key heritage assets.

*Policy SCRC/ NBE6 Ensuring high quality and design* – demonstrate high quality design and respond to place-making opportunities.

**Theme 6: Promoting Healthy, Strong and Inclusive Communities along the Corridor**

*Policy SCRC/ HSC1 Hazardous Installations* – site identified as a hazardous installation – SCRC/ HI1 Transco PLC, Canal Road Holder Station.

*Policy SCRC/ HSC2 Open Space and Recreation* – supporting the use of open space and playing fields in accordance with Core Strategy Policy EN1.

*Policy SCRC/ HSC3 Community Infrastructure* – large scale development to require the provision of new community infrastructure.

## Appendix 2: Site constraints analysis

This section presents an analysis of the key site constraints that could delay/prevent identified AAP priority development sites from being redeveloped in accordance with the AAP ambitions. Our analysis draws upon the following three sources of evidence which have been used to inform this:

1. Shipley and Canal Road Corridor Area Action Plan Preferred Approach Report
2. Shipley and Canal Road Corridor Area Action Plan Infrastructure Delivery Plan (IDP) (June 2015)
3. DTZ site visits to each of the sites (July 2015)

The recently prepared IDP provides a useful overview of the infrastructure gaps/needs within the Shipley and Canal Road Corridor Area if the AAP ambitions are to be realised. The study focuses in more detail on the larger strategic sites but also provides an overview of the City Centre infrastructure provision as a whole. It concludes that there is broadly sufficient infrastructure, either current or planned, to support the housing and economic growth aspirations for Bradford City Centre and that the current evidence shows that the strategy set out in the emerging Area Action Plan is broadly deliverable. It does flag some uncertainties associated with the planning and delivery of certain elements of infrastructure, particularly around the funding associated with this. It identifies the following specific risks:

- The requirement for electricity upgrades to the development proposed in the Canal Corridor and City Centre
- The provision of adequate access to green space through new open space in developments or improved pedestrian and cycle corridor (Greenway and Dales Way) to allow access to existing parks.
- Close working with West Yorkshire Combined Authority to deliver committed transport improvements to allow the development potential of the corridor to be realised (e.g. Bradford Shipley Corridor Improvements).

It also provides the following conclusions in relation to each infrastructure type:

- **Transport** – the Council is working closely with national and sub-regional agencies to deliver necessary transport improvements in the Shipley Canal Road Corridor and the Council has committed funding for the Bradford Shipley Corridor Improvements. There remain funding risks around some of the uncommitted schemes.
- **Utility Networks** - there is a potential capacity issue in relation to electricity provision. The combination of the Shipley and Canal Road demands and the City Centre demands will mean that these combined demands exceed Bradford grid supply point capacity. This results in an infrastructure gap of £2 million for Shipley and Canal Road. Northern Powergrid have stated that the costs to upgrade the network will need to be paid by the developer of the site that causes electricity capacity issues. The ability for Northern Powergrid to contribute towards this cost will be dependent on the build out rates proposed development and how quickly Northern Powergrid can 'claw back' the costs of the upgrades through network charges.
- **Telecommunications** - the Canal Road Corridor is well served by broadband and mobile internet.
- **Flood Risk and Drainage** - there are no major flood risk issues in the corridor. There are localised risk of flooding around the Bradford Beck, but this can be avoided by development

layout and design. The corridor is at risk of surface water flooding.

- **Green Infrastructure, Open Space and Public Space:** The corridor has an abundance of informal open space; however there is no formal green space / parks in the corridor. There is no committed funding to increase open space in the corridor, however new open space is proposed through the New Bolton Wood development. There is therefore a gap in essential open space funding, however the exact gap in funding will be confirmed by the future Open Space Strategy.
- **Sports, Leisure and Recreation** - the CBMDC Playing Pitch Strategy has identified a deficit in playing pitches in the Canal Road Corridor and the wider District. CBMDC are progressing a Sports Facilities Strategy, which will confirm future requirements and a strategy to deliver sports provision including sports hall, swimming pools and sports pitches. There is therefore a gap in sports, leisure and recreation funding, however the exact gap in funding will be confirmed by the Sports Facilities Strategy as this will confirm the future plans for sports provision.
- **Community and Cultural** - whilst there are limited services in the Canal Road Corridor, there is excellent access to services in Bradford City Centre and Shipley. The New Bolton Wood scheme includes a mix of services and a new Local Service Centre. This will provide some services in the corridor. There is therefore not technically a gap in funding provision for community and cultural facilities.
- **Education** - the delivery of new residential units in the Canal Corridor will create a need for new primary and secondary school places. There are existing primary schools in the corridor and secondary schools in close proximity. However there is limited capacity within the existing provision. A new primary school is proposed as part of the New Bolton Wood development. However, a district wide deficit remains.
- **Health** - the Shipley Canal Road Corridor is covered by the Bradford City and Bradford District Clinical Commissioning Group (CCG). The CCG and NHS West Yorkshire Local Area Team will provide any necessary additional GP provision in the Canal Road Corridor. Therefore, any future gap in provision will be delivered through NHS funding and there is gap in the funding of health infrastructure. A unit for a new health centre is proposed as part of the New Bolton Wood scheme.

The above points to several strategic infrastructure issues that require further consideration/action if the development plans for the area are to be realised. There are some essential and desirable highway schemes identified without confirmed/committed funding and there is a risk that these are not funded/delivered which could hinder development activity that is reliant upon it. The gap in infrastructure funding for essential transport infrastructure equates to £4 million. Electricity capacity is an issue and potential development constraint given the costs of increasing the capacity and the cost of upgrading this is estimated to be £2m for this area (total cost of £4m split with Bradford City Centre). There is also a district wide lack of education infrastructure to support growth plans and developers will also be expected to make open space/sports facility contributions given the lack of facilities and allocated funding at present.

The above is largely strategic, area-wide commentary and it is important to drill down to a site-by-site basis. We have used the existing sources of evidence and our own knowledge of the sites supplemented through site visit to inform our assessment. This is a high level assessment that is ultimately subjective and should not be relied upon other than for the purposes of informing this strategy. Sites have been assessed according to:

- Physical constraints – includes known/likely constraints relating to environmental conditions, existing buildings, contamination, heritage, flood risk and topography
- Legal/ownership constraints – includes constraints relating to ownership (i.e. complex ownerships present greater constraints) and existing uses. A cleared/vacant site in single ownership represents the lowest level of constraint
- Access constraints – relates to site specific access constraints to the potential redevelopment of the site

This analysis is useful to inform the type of site constraint that is apparent and therefore the level and type of public sector intervention that may be required to address these to accelerate the delivery of development. The results of the RAG rating assessment is presented below by sub-area and site.

Full details of our assessment is provided in Appendix 1 to this report. In summary, the following constraints appear to be the most prevalent across the identified development sites:

- Topography
- On-site infrastructure needs (e.g. servicing, utilities)
- Ground conditions and contamination based on former uses
- Heritage constraints (e.g. heritage/listed buildings, Conservation Area status)
- Ownerships/existing uses/users

There are other site specific constraints identified including flood risk, access and vegetation although these do not appear to be as prevalent as the above based on our analysis.

AREA ACTION PLAN DELIVERY STRATEGY  
SHIPLEY AND CANAL ROAD

Shipley and Canal Road Corridor		Physical Constraint	Ownership/ Legal	Access
Site ID	Site Name			
<b>Shipley</b>				
STC1	Shipley Indoor Market	The site is currently occupied by the indoor market hall and the towns clock tower. The site is surrounded by roads next to a busy junction.	Multiple ownerships	The site is fully accessible, bounded by roads on all sides.
SCT2	Market Square	This site occupies the main town centre of shipley and includes the market square and numerous buildings (including retail/leisure/office/residential)	Multiple Ownerships	The site is fully accessible from numerous highways.
SCT3	Station Road	The site is located in an old quarry with very steep banks to the west and south. Currently used for industrial purposes. The site itself is flat.	Unknown Ownership	The site is fully accessible from Station Road and located next to Shipley train station.
SCT4	Shipley Gateway Site	This site consists of a number of uses, including car park, bowling alley, retail/leisure/office and residential. The site is predominatly flat with a level change to market street.	Multiple Ownerships	The site is fully accessible and is accessed from Market street and Dale street.
SCT5	Atkinson Street	The small site consists of a derelict 3 storey building adjacent to the railway line. The site slopes from north to south.	Private Ownership	The site is fully accessible from Atkinson Street just off Westgate.
STC6	Buildings along Briggate	This is a flat site consisting of handstanding from the former cinema and a building fronting Briggate.	Unknown Ownership	The site is fully accessible from Briggate and close to the junction with Otley road.
SE1	Shipley East	This is a vast site that has numerous uses. The site includes greenfield and brownfield underused land, with Bradford beck running through the site. The site is bounded by the railway line to the west	Council Ownership	The site is an a highly accessible location, with the main access coming from Leeds Road.
SE2	Land Around Crag Road Flats	The site consists of a mature grassy bank with trees and residential flats.	Council Ownership	The site is accessed from Crag Road, with a steep level change.
DF1	Dock Lane, Canal Side	The site is a flat and handstanding from the demolition from its previous use. The site is bounded by the canal and the railway line and there is the former substation to the east of the site from the previous use.	Council Ownership	Poor access, with a small canal bridge limiting access and poor access from Dock Lane
DF2	Junction Bridge, Briggate	The site is currently a builders merchants with significant topography changes. Adjacent to the site is the railway line and running adjacent to the entrance is a beck.	Unknown Ownership	Poor access coming from leeds Road, next to a junction and adjacent to the railway bridge.
DF3	Land Between Leeds Road and Dock Lane	The site is currently used as storage/ scrap yard. The site is predominatley flat and is adjacent to the railway line.	Private Ownership	Limited access from Leeds Road and Dockfield lane.
DF4	Dockfield Road North	This is a flat site bounded by the River Aire to the north and Dockfield Road to the south, in the form of a grade II listed bridge. To the south east of the site is a small MOT garage.	Private Ownership	The site is fully accessible and the main access is from Dockfield Road.
DF5	Dockfield Road South	This is a flat site bounded by Dockfield Road to the north and the canal to the south. The site is flat and handstanding with a significant level change to Dockfield Road.	Private Ownership	The site is fully accessible with the main access coming from Dockfield Road
DF6	Regent House	This site contains the vacant 3 storey Regent House fronting Dockfield Road with a grade II listed mill building to the south of the site connected to industrial warehouses.	Unknown Ownership	The site is fully accessible with access from Dockfield Road
DF7	Junction of Dock Lane and Dockfield Road	This is a small site consisting of a number of residential dwellings. The site is bounded by Dockfield Road and the canal and is located on the corner of the canal bridge	Unknown Ownership	Poor access being located on the canal bridge connecting Dock lane and Dockfield Road
DF8	Dock Lane	The site is flat and handstanding, bounded by residential and commercial uses.	Private Ownership	The site is accessed from Dock Lane
DF9	Dockfield Road	The site comprises a vacant industrial building with neighbouring residential and industrial.	Private Ownership	The site is accessed from Dockfield Road

AREA ACTION PLAN DELIVERY STRATEGY  
SHIPLEY AND CANAL ROAD

Site ID	Site Name	Physical Constraint	Ownership/ Legal	Access
<b>The Centre Section</b>				
NBW1	New Bolton Woods	The site covers a large area of land, which includes existing areas of open space, playing fields, employment land and the Bradford beck running alongside canal road.	Multiple Ownership	The sites main access is from Canal road, through Gaisby Lane. There are numerous access points through the residential areas to the east of the site
NBW2	Frizinghall Road	The site consists of a heritage building and surface car park currently used by Bower Green Warehousing. There is a level change slope from west to east, with mature trees lining the south and north of the site.	Private Ownership	The site is fully accessible from Frizinghall Road, just off Canal Road and is adjacent to Frizinghall railway station
NBW3	Thornhill Avenue	The site is located within a low value residential area, and there is industrial uses to the west. The topography of the site is poor and is in the shape of a valley with dense shrubery.	Privately Ownership	The access to the site is poor, with surrounding residential uses.
NBW4	North Bolton Hall Road	The site consists of a disused warehouse with flat associated hardstanding with surrounding residential.	Privately Ownership	There is access to the site in the form of Bolton Hall Road
NBW5	Flats East Valley Road	The site consists of several social rented blocks of flats, with the remainder of the site being grassland, bounded by the railway line and canal road running either side. The site has a significant level change slope from west to east	Council Ownership	There is good access to the site being located adjacent to Canal Road.
NBW6	North Queens Road	The site is currently used as a waste management site. The site is predominately flat, bounded by residential uses and the railway line.	Private Ownership	There is a small access point to the site from Queens Road.
NBW7	New Bolton Woods Flats	The site consists of a number of social flats and incidental open space. The site slopes from east to west	Unknown Ownership	The site is fully accessible from Livingston Road.
BWQ1	Bolton Woods Quarry	The site covers a vast area being located on the former quarry site. Unable to gain access to the site, it is assumed part of the site is still as when it was used as a quarry	Unknown Ownership	There is poor access to the site coming off Bolton Hall road



AREA ACTION PLAN DELIVERY STRATEGY  
SHIPLEY AND CANAL ROAD

Site ID	Site Name	Physical Constraint	Ownership/ Legal	Access
<b>City centre fringe</b>				
CCF1	Bolton Road Wapping	n/a	n/a	n/a
CCF2	Bolton Road	The site consists of a narrow strip of grassland to the west of Bolton Road. There are very steep banks to the east of the site	Council Ownership	There is access to the site from Bolton Road.
CCF3	Wapping Road, Bolton Road	The site consists of a narrow strip of grassland to the west of Bolton Road. There are very steep banks to the east of the site	Council Ownership	There is access to the site from Bolton Road.
CCF4	Singleton Street	The site consists of a purpose built office block with associated car parking. The site is flat.	Private Ownership	The site is fully accessible with access to rear coming from singleton street

## Appendix 3 New Build Evidence

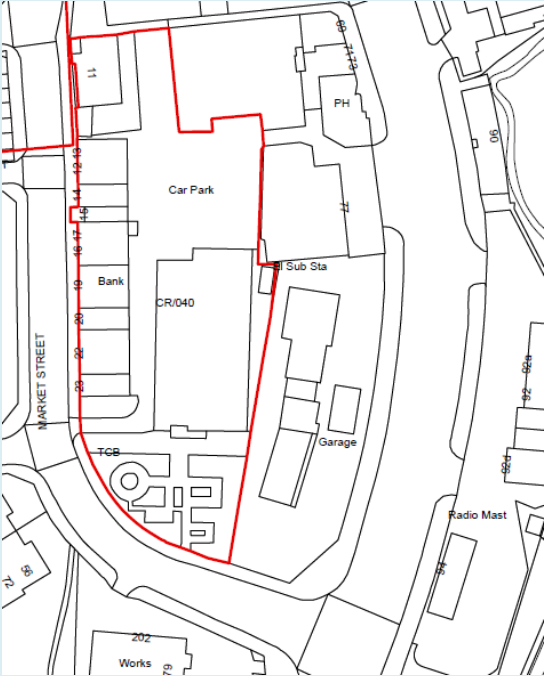
AREA ACTION PLAN DELIVERY STRATEGY  
SHIPLEY AND CANAL ROAD

Developer	Number of Beds	Asking Price (£)	Discounted Asking Price (£)	Sales Price Achieved (£)	Area (sqft)	£/sqft	
Barratt/ David Wilson Homes, (Open Thursday 10:00am)	<b>Hewenden Ridge, Cullingworth. 13 plots - CIL Charge zone 3</b>						
	Nugent 3 bed	£194,995	£185,245	Asking price	1059	£174.92	
	hadley 3 bed	£224,995	£213,745	£226,580	986	£229.80	
	Bayswater 4 bed	£289,995	£275,495	Asking price	1290	£213.56	
	Millford 4 bed	£292,995	£278,345	Asking price	1316	£211.51	
	Millford 4 bed	£309,995	£294,495	Asking price	1316	£223.78	
	Cornell 4 bed	£319,995	£303,995	Asking price	1358	£223.86	
	Cornell 4 bed	£334,995	£318,245	Asking price	1358	£234.35	
	Layton 4 bed	£364,995	£346,745	Asking price	1591	£217.94	
	Holden 4 bed	£367,995	£349,595	Asking price	1519	£230.15	
	Irving 4 bed			£249,995	1167	£214.22	
					Average	£217.41	
	<b>Vision, Keighley (Barratts) - CIL charge zone 4</b>						
	Newton 2 bed	£99,995	£94,995	Asking price	677	£140.32	
	Newton 2 bed	£109,995	£104,495	£112,995	677	£166.91	
	Finchley 3 bed	£129,995	£123,495	£124,195	817	£152.01	
	Barwick 3 bed	£129,995	£123,495	£123,995	836	£148.32	
	Barwick 3 bed	£129,995	£123,495	£124,495	836	£148.92	
	Finchley 3 bed	£139,995	£132,995	Asking price	817	£162.78	
	Morpeth 3 bed	£154,995	£147,245				
	Padstow 3 bed	£159,995	£151,995				
	Woodbridge 4 bed	£169,995	£161,495	Asking price	1216	£139.80	
	thornbury 4 bed	£199,995	£189,995	£184,195	1186	£168.63	
	tavistock	£179,995	£170,995	£164,395	1106	£162.74	
	Finchley 3 bed	£129,995	£123,495	Asking price	817	£159.11	
					Average	£155.29	
	<b>Bluebell Woods, Wyke - CIL charge zone 4</b>						
	Holden 4 bed	£342,995	£325,845	£331,995	1536	£216.14	
	Winstone 4 bed	£419,995	£398,995	£419,995	1771	£237.15	
	Irving 4 bed	£277,995	£264,095	£270,746	1167	£232.00	
	Irving 4 bed	£279,995	£265,995	£274,096	1167	£234.87	
	Holden 4 bed	£339,995	£322,995	£338,995	1536	£220.70	
	Maddoc 5 bed	£389,995	£370,495		1780		
				Average	£228.17		
Bellway Homes	<b>Scalebor Grange, Burley-in-Wharfedale - CIL charge zone 1</b>						
	Keswick 4 bed	£349,995	£332,495	Asking prices being achieved - 5% discount for incentives allowed	1151	£288.88	
	Harewood 4 bed	£409,995	£389,495		1324	£294.18	
	Harewood special 4 bed	£439,995	£417,995		1485	£281.48	
	Linton	£375,000	£356,250		1291	£275.95	
	Spofforth	£460,000	£437,000		1550	£281.94	
	Linton	£380,000	£361,000		1291	£279.63	
					Average	£283.67	
	<b>Queenshead park, Queensbury - CIL charge zone 3</b>						
	Buckden 3 bed	£209,995	£199,495	No information 5% discount from asking prices assumed	1133	£176.08	
	Swinton 4 bed	£219,995	£208,995		1059	£197.35	
	Ilkley 4 bed	£249,995	£237,495		1216	£195.31	
	Settle 4 bed	£269,995	£256,495		1400	£183.21	
	Harrogate 4 bed detach	£279,995	£265,995		1485	£179.12	
	Knarborough	£289,995	£275,495		1765	£156.09	
	Addingham 4 bed	£229,995	£218,495		1087	£201.01	
	Ilkley 4 bed	£254,995	£242,245		1216	£199.21	
Knarborough 4 bed	£339,995	£322,995	1765	£183.00			
			Average	£182.17			
Redrow Homes	<b>Manor Fields, Steeton - 250, 50% sold CIL charge zone 3</b>						
	3 bed warwick	£245,950	£233,653	Sales agent reports all achieving asking price in last 6 months - 5% discount from asking prices assumed	1059	£220.64	
	4 bed Shrewsbury	£255,950	£243,153		1134	£214.42	
	4 bed Stratford	£257,950	£245,053		1173	£208.91	
	4 bed Oxford	£282,950	£268,803		1300	£206.77	
			Average	£212.68			
Harron Homes	<b>Sycamore Chase, Wilsden - CIL charge zone 3</b>						
	The Aldingham 4 bed detached			Sales agent indicated discount of 10% to allow for incentives and prices agreed below asking price	1562	£181.50	
	The Portchester 5 bed detached	£314,995	£283,495.50				
	The Cheveley 4 bed detached						
	The Conisbrough 4 bed townhouse	£239,995	£215,995.50			1227	£176.04
	The Dunstanburgh 5 bed detached	£374,995	£337,495.50			1261	£267.64
	The Edlingham 5 bed detached						
	The Kenilworth 5 bed detached	£309,995	£278,995.50			1706	£163.54
	The Lydforth V0 4 bed detached	£269,995	£242,995.50			1202	£202.16
	The Newark 4 bed						
	The Pembroke 4 bed detached						
	The Richmond 4 bed detached	£264,995	£238,495.50				
	The Rochester V0 4 bed detached						
	The Salcombe V0 4 bed detached						
	The Salcombe 4 bed detached	£329,995	£296,995.50		1534	£193.61	
	The Tiverton 4 bed detached						
					Average	£198.17	
	<b>Queensbury Park, Queensbury. 114 properties completed (22 affordable) 41 sold - CIL charge zone 3</b>						
	The Ashford 4 bed	£229,995	£218,495	Sales agent reported sales values at or close to asking price	1033	£211.52	
	The Jedburgh 4 bed	£213,995	£203,295		1248	£162.90	
The Newark 4 bed	£247,995	£235,595	1136		£207.39		
The Newark 4 bed	£249,995	£237,495					
The Tiverton 4 bed	£254,995	£242,245	1217		£199.05		
The Tiverton 4 bed	£257,995	£245,095					
Rochester	£259,995	£246,995	-				
Settle 4 bed	£265,000	£251,750					
				Average	£195.21		

AREA ACTION PLAN DELIVERY STRATEGY  
SHIPLEY AND CANAL ROAD

Apperley Green, Apperley Bridge. 69 in total, 31 sold - CIL charge zone 3								
Ben Bailey Homes	The Ashbury 4 bed	£337,950	£321,053	Sales agent reported that all achieved sales prices with minimum incentives - 5% discount from market value assumed	1220	£263.16		
	The Thirston 3 bed	£279,950	£265,953		1223	£217.46		
	The Hanbury 4 bed	£339,950	£322,953		1212	£266.46		
	The Norbury 4 bed	£379,950	£360,953		1368	£263.85		
	The Rosebury 4 bed	£400,000	£380,000		1430	£265.73		
	The Kirkham 5 bed	£500,000	£475,000		1949	£243.71		
	The Hamilton 3 bed	£237,000	£225,150		931	£241.84		
	The Kilmington 3 bed	£234,950	£223,203		997	£223.87		
	The Salsbury 4 bed	£400,000	£380,000		1421	£267.42		
						Average	£248.79	
Chesnut Gardens, Baildon - CIL charge zone 2								
Yorplace	Plot 1	£459,950	£436,953	No sales information available - assume discount of 5% from asking price	2000	£218.48		
	Plot 2	£455,000	£432,250		2000	£216.13		
	Plot 3	£439,950	£417,953		1870	£223.50		
	Plot 4	£439,000	£417,050		1870	£223.02		
	Plot 5	£449,000	£426,550		2000	£213.28		
	Plot 6	£499,000	£474,050		2550	£185.90		
	Plot 7	£499,950	£474,953		2550	£186.26		
	Plot 8	£435,000	£413,250		1810	£228.31		
	Plot 9	£435,000	£413,250		1810	£228.31		
						Average	£213.69	
Rooley Park, Bradford. 109, 15 affordable - CIL charge zone 4								
Persimmon Homes	The Morley 2 bed	£114,950	£109,203	No sales information available - assume discount of 5% from asking price	739	£147.77		
	The Morley 2 bed	£117,950	£112,053		739	£151.63		
	The Hanbury 3 bed	£139,950	£132,953		761	£174.71		
	The Souter 3 bed	£139,950	£132,953		932	£142.65		
	The Rufford 3 bed	£158,950	£151,003		870	£173.57		
	The Rufford 3 bed	£164,950	£156,703		870	£180.12		
	The Rufford 3 bed	£169,950	£161,453		870	£185.58		
	The Hatfield 3 bed	£189,950	£180,453		969	£186.23		
	The Rosebury 4 bed	£209,950	£199,453		1096	£181.98		
	The Rosebury 4 bed	£214,950	£204,203		1096	£186.32		
	The Keating 4 bed	£214,950	£204,203		1180	£173.05		
	The Lumley 4 bed	£214,950	£204,203		1220	£167.38		
	The Keating 4 bed	£219,950	£208,953		1180	£177.08		
							£171.39	
	Blossom Meadows, Buttershaw. 97 - no affordable. Nearly completed (9 left) - CIL charge zone 4							
		The Hanbury 3 bed	£134,950		£128,203	No sales yet - 5% discount from asking price assumed	761	£168.47
		The Hanbury 3 bed	£142,950		£135,803		761	£178.45
		The Rufford 3 bed	£144,950		£137,703		871	£158.10
		The Rufford 3 bed	£159,950		£151,953		871	£174.46
	The Hatfield 3 bed	£169,950	£161,453	960	£168.18			
	rosebury	£185,000	£175,750	1096	£160.36			
	lumley 4 bed	£180,000	£171,000	1220	£140.16			
					£168.00			
Crossfield View - CIL Charge Zone 2								
Dacre Son & Hartley	Plot 1 detached 4 bed	£459,950	£436,953	No sales yet - 5% discount from asking price assumed	1851	£236.06		
	Plot 2 detached 4 bed	£317,500	£301,625		1376	£219.20		
	Plot 3 detached 4 bed	£317,500	£301,625		1376	£219.20		
	Plot 4 detached 4 bed	£317,500	£301,625		1376	£219.20		
	Plot 5 detached 4 bed	£317,500	£301,625		1376	£219.20		
	Plot 6 semi detached 4 bed	£339,950	£322,953		1539	£209.85		
	Plot 7 semi detached 4 bed	£339,950	£322,953		1539	£209.85		
	Plot 8 semi detached 4 bed	£329,950	£313,453		1376	£227.80		
	Plot 9 semi detached 4 bed	£329,950	£313,453		1376	£227.80		
					£217.52			
Low Bank Lane, Oakworth - CIL charge zone 4								
Bancroft Homes (Skipton) - Hunters Agents	3 bed terrace	£165,000	£156,750		828	£189.31		

**Appendix 4: Site Proformas and development appraisals for sampled sites**

<p><b>City of Bradford Metropolitan District Council</b> <b>Site Specific Viability Analysis</b> <b>Site 1 Shipley Gateway</b></p>	
	
<p><b>Site address</b></p>	<p>Shipley Gateway Site (Cragg Road) Land and buildings located between Market Square and Otley Road</p>
<p><b>Site size</b></p>	<p>1.181 acres (0.8 hectares)</p>
<p><b>Land ownership/tenure</b></p>	<p>City of Bradford Metropolitan District Council</p>
<p><b>Details of proposed development including current planning status</b></p>	<p>Town centre redevelopment opportunity. The site is located within the Shipley town centre boundary. There is no relevant planning history</p> <p>Two schemes tested.</p> <p>Option 1: Mixed use scheme comprising 10 2 bed houses and a small supermarket.</p>

	Option 2: Mid sized supermarket
<b>Site constraints</b>	There are a number of buildings on the site some of which have existing tenants.
<b>Accommodation schedule</b>	Option 1 assumes: 10 x2 bed houses all at market value. No affordable units are included Unit sizes: 2 bed houses 77 sq m  Option 2 assumes a mid sized supermarket 1,500 sq m (16,146 sq ft)
<b>Anticipated start date</b>	Assumed start date as per appraisal date
<b>Build period</b>	Option 1: Lead in 6 months, construction 12 months Option 2 : Lead in 6 months, construction 12 months
<b>Phasing</b>	Option 1: Assumed one phase for commercial and residential development.  Residential assumptions: Lead in 3 months. Sales start 3 months after construction start  Option 2: Assumed one phase
<b>Planning gain (including AH) &amp; timing of payments</b>	\$106 £1000 per unit for residential £50 psm for commercial
<b>Revenue</b>	Assumed current values: Retail warehouse: £12.00 psf rental income 5.5% Yield 6 months rent free Residential: VA4 £1,750 psm
<b>Affordable housing revenues</b>	n/a
<b>Build costs</b>	Assumed current build costs: Residential: £90.00 psf Commercial:£12,837 psf
<b>Abnormal costs</b>	Assumed 20% uplift in build costs

**CMBC Site Specific Viability Testing  
Site 1 Shipley Gateway Option 1 Mixed Use Scheme**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

<b>Sales Valuation</b>	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Unit Price</b>	<b>Gross Sales</b>
2 bed houses	10	8,290	163.00	135,127	1,351,270

**Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>
Supermarket	1	3,767	12.00	45,204	45,204

**Investment Valuation**

<b>Supermarket</b>					
Market Rent	45,204	YP @	5.5000%	18.1818	
		PV 0yrs 7mths @	5.5000%	0.9693	796,618

**GROSS DEVELOPMENT VALUE**

				<b>2,147,888</b>	
Purchaser's Costs - Residential		5.80%	(46,204)	(46,204)	

**NET DEVELOPMENT VALUE**

				<b>2,101,684</b>	
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**NET REALISATION**

				<b>2,101,684</b>	
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**OUTLAY**

**ACQUISITION COSTS**

Residualised Price				173,439	
Stamp Duty		4.00%		6,938	
Agent Fee		1.00%		1,734	
Legal Fee		0.50%		867	
Town Planning				50,000	
					232,978

**CONSTRUCTION COSTS**

<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>		
Supermarket	3,767 ft <sup>2</sup>	96 pF <sup>2</sup>	361,632		
2 bed houses	8,290 ft <sup>2</sup>	90 pF <sup>2</sup>	746,100		
<b>Totals</b>	<b>12,057 ft<sup>2</sup></b>		<b>1,107,732</b>	<b>1,107,732</b>	

Contingency		3.00%	10,849		
Contingency		5.00%	37,305		48,154

**Other Construction**

Abnormals - Residential 20% uplift		20.00%	149,220		
Abnormals - Commercial 20% uplift		20.00%	72,326		221,546

**Section 106 Costs**

Section 106 - Residential			10,000		
Section 106 - Commercial			17,500		27,500

**PROFESSIONAL FEES**

Professional Fes - Residential		6.00%	44,766		
Professional Fes - Commercial		10.00%	36,163		80,929

**DISPOSAL FEES**

Sales Agent Fee		3.00%	40,538		
Sales Legal Fee		0.50%	6,756		47,294

**FINANCE**

Debit Rate 6.500% Credit Rate 0.000% (Nominal)					
Land			13,249		
Construction			48,168		
<b>Total Finance Cost</b>					<b>61,417</b>

**TOTAL COSTS**

					<b>1,827,552</b>
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**PROFIT**

274,133

**Performance Measures**

Profit on Cost%	15.00%
Profit on GDV%	12.76%
Profit on NDV%	13.04%
Development Yield% (on Rent)	2.47%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
IRR	31.59%
Rent Cover	6 yrs 1 mth
Profit Erosion (finance rate 6.500%)	2 yrs 2 mths



**Site 1 Shipley Gateway Option 2 Commercial Scheme**

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

Rental Area Summary	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Supermarket	1	16,146	10.00	161,460	161,460	161,460

**Investment Valuation**

Supermarket						
Market Rent	161,460	YP @	6.0000%	16.6667		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	6.0000%	0.9713	2,613,730	

**GROSS DEVELOPMENT VALUE**

**2,613,730**

Purchaser's Costs

5.80% (151,596)  
(151,596)

**NET DEVELOPMENT VALUE**

**2,462,134**

**NET REALISATION**

**2,462,134**

**OUTLAY**

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost	
Supermarket	16,146 ft <sup>2</sup>	111 pF <sup>2</sup>	1,792,206	<b>1,792,206</b>

Contingency

3.00% 53,766  
53,766

Other Construction

Abnormal Costs 20% uplift 360,000  
360,000

Section 106 Costs

Section 106 75,000  
75,000

**PROFESSIONAL FEES**

professional fees 10.00% 215,221  
215,221

**MARKETING & LETTING**

Letting Agent Fee 10.00% 16,146  
Letting Legal Fee 5.00% 8,073  
24,219

**DISPOSAL FEES**

Sales Agent Fee 1.00% 24,621  
Sales Legal Fee 0.25% 6,155  
30,777

**FINANCE**

Debit Rate 6.750% Credit Rate 0.000% (Nominal)  
Construction 88,603  
Total Finance Cost 88,603

**TOTAL COSTS**

**2,639,792**

**PROFIT**

**(177,658)**

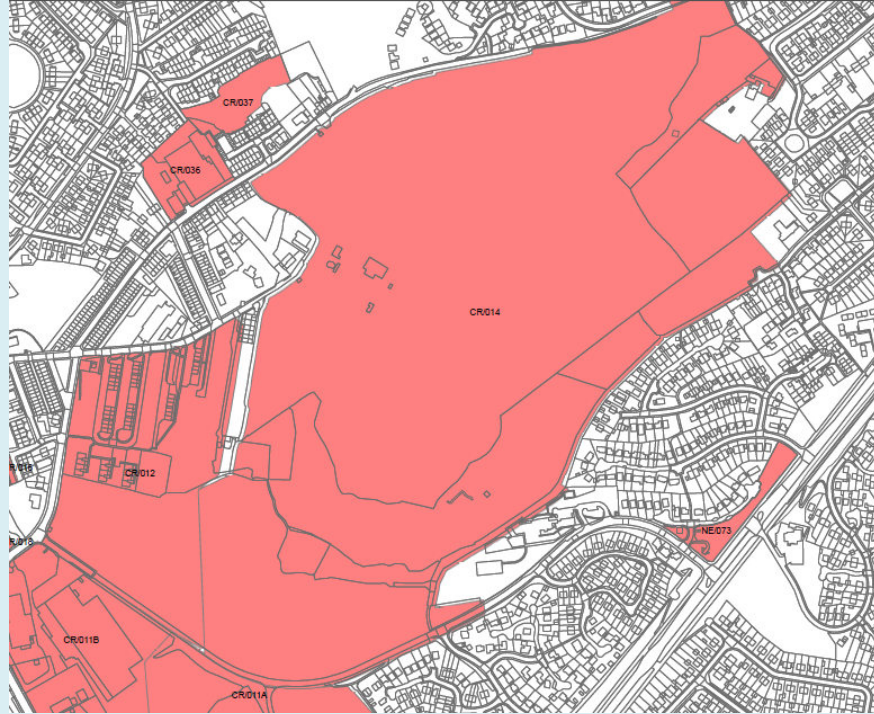
**Performance Measures**

Profit on Cost%	(6.73)%
Profit on GDV%	(6.80)%
Profit on NDV%	(7.22)%
Development Yield% (on Rent)	6.12%
Equivalent Yield% (Nominal)	6.00%
Equivalent Yield% (True)	6.23%
IRR	(5.88)%

Rent Cover  
Profit Erosion (finance rate 6.750%)

-1 yrs -1 mths  
N/A

**City of Bradford Metropolitan District Council  
Site Specific Viability Analysis  
Site 2 Bolton Woods Quarry**



<b>Site address</b>	Bolton Woods Quarry
<b>Site size</b>	28ha
<b>Land ownership/tenure</b>	Private
<b>Details of proposed development including current planning status</b>	<p>Longer term redevelopment of the quarry for new housing, open space and community facilities.</p> <p>The site is currently allocated as an existing minerals extraction site</p> <p>The owners have submitted a representation to the Core Strategy supporting residential redevelopment of the site.</p>
<b>Site constraints</b>	Quarry remediation - abnormal costs unknown
<b>Accommodation schedule</b>	1000 residential units delivered in four phases.

	<p>Assumed:  1 bed flat (40 market, 10 AH)  2 bed flat (40 market, 10 AH)  2 bed house (160 market, 40 AH)  3 bed house (320 market, 80 AH)  4 bed house (200 market, 50 AH)  5 bed house (40 market, 10 AH)</p> <p>Unit sizes:  1 bed flat 51 sq m  2 bed flat 55 sq m  2 bed houses 77 sq m  3 bed houses 93 sq m  4 bed houses 115 sq m  5 bed houses 137 sq m</p>
<b>Anticipated start date</b>	Assumed start date as per appraisal date
<b>Build period</b>	Four phases of 30 months construction.
<b>Phasing</b>	<p>1000 residential units delivered in four phases.</p> <p>Phase 1 - 248 units  Phase 2 - 248 units  Phase 3 - 252 units  Phase 4 - 252 units</p>
<b>Planning gain (including AH) &amp; timing of payments</b>	<p>20% affordable housing  S106 - £1,000 per unit paid on commencement of each phase</p>
<b>Revenue</b>	Assumed: VA 4 £1,750 p sm
<b>Affordable housing revenues</b>	Assumed: 65% of market value
<b>Build costs</b>	<p>Assumed current build costs:  Houses: £971.00 psm  Flats: £1,008</p>
<b>Abnormal costs</b>	Assumed 10% uplift in build costs

**Site 2 Bolton Woods Quarry**

**Summary Appraisal for Merged Phases 1 2 3 4**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
1 bed flat	10	5,490	163.00	89,487	894,870
1 bed flat AH	2	1,098	90.00	49,410	98,820
2 bed flat	10	5,490	163.00	89,487	894,870
2 bed flat AH	2	1,098	90.00	49,410	98,820
2 bed house	40	33,160	163.00	135,127	5,405,080
2 bed house AH	10	8,290	90.00	74,610	746,100
3 bed house	80	80,080	163.00	163,163	13,053,040
3 bed house AH	20	20,020	90.00	90,090	1,801,800
4 bed house	50	61,900	163.00	201,794	10,089,700
4 bed house AH	12	14,856	90.00	111,420	1,337,040
5 bed house	10	14,750	163.00	240,425	2,404,250
5 bed house AH	2	2,950	90.00	132,750	265,500
1 bed flat	10	5,490	163.00	89,487	894,870
1 bed flat AH	2	1,098	90.00	49,410	98,820
2 bed flat	10	5,490	163.00	89,487	894,870
2 bed flat AH	2	1,098	90.00	49,410	98,820
2 bed house	40	33,160	163.00	135,127	5,405,080
2 bed house AH	10	8,290	90.00	74,610	746,100
3 bed house	80	80,080	163.00	163,163	13,053,040
3 bed house AH	20	20,020	90.00	90,090	1,801,800
4 bed house	50	61,900	163.00	201,794	10,089,700
4 bed house AH	12	14,856	90.00	111,420	1,337,040
5 bed house	10	14,750	163.00	240,425	2,404,250
5 bed house AH	2	2,950	90.00	132,750	265,500
1 bed flat	10	5,490	163.00	89,487	894,870
1 bed flat AH	3	1,647	90.00	49,410	148,230
2 bed flat	10	5,490	163.00	89,487	894,870
2 bed flat AH	3	1,647	90.00	49,410	148,230
2 bed house	40	33,160	163.00	135,127	5,405,080
2 bed house AH	10	8,290	90.00	74,610	746,100
3 bed house	80	80,080	163.00	163,163	13,053,040
3 bed house AH	20	20,020	90.00	90,090	1,801,800
4 bed house	50	61,900	163.00	201,794	10,089,700
4 bed house AH	13	16,094	90.00	111,420	1,448,460
5 bed house	10	14,750	163.00	240,425	2,404,250
5 bed house AH	3	4,425	90.00	132,750	398,250
1 bed flat	10	5,490	163.00	89,487	894,870
1 bed flat AH	3	1,647	90.00	49,410	148,230
2 bed flat	10	5,490	163.00	89,487	894,870
2 bed flat AH	3	1,647	90.00	49,410	148,230
2 bed house	40	33,160	163.00	135,127	5,405,080
2 bed house AH	10	8,290	90.00	74,610	746,100
3 bed house	80	80,080	163.00	163,163	13,053,040
3 bed house AH	20	20,020	90.00	90,090	1,801,800
4 bed house	50	61,900	163.00	201,794	10,089,700
4 bed house AH	13	16,094	90.00	111,420	1,448,460
5 bed house	10	14,750	163.00	240,425	2,404,250
5 bed house AH	3	4,425	90.00	132,750	398,250
<b>Totals</b>	<b>1,000</b>	<b>1,004,350</b>			<b>149,045,540</b>

**NET REALISATION**

**149,045,540**

**OUTLAY**

**ACQUISITION COSTS**

AREA ACTION PLAN DELIVERY STRATEGY  
SHIPLEY AND CANAL ROAD

Residualised Price (68.00 Acres 66,439.15 pAcre)			4,517,862	
Stamp Duty		4.00%	180,714	
Agent Fee		1.00%	45,179	
Legal Fee		0.50%	22,589	
Town Planning			100,000	
				4,866,344
<b>CONSTRUCTION COSTS</b>				
<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
1 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
1 bed flat AH	1,098 ft <sup>2</sup>	108 pF	118,584	
2 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
2 bed flat AH	1,098 ft <sup>2</sup>	108 pF	118,584	
2 bed house	33,160 ft <sup>2</sup>	90 pF	2,991,032	
2 bed house AH	8,290 ft <sup>2</sup>	90 pF	747,758	
3 bed house	80,080 ft <sup>2</sup>	90 pF	7,223,216	
3 bed house AH	20,020 ft <sup>2</sup>	90 pF	1,805,804	
4 bed house	61,900 ft <sup>2</sup>	90 pF	5,583,380	
4 bed house AH	14,856 ft <sup>2</sup>	90 pF	1,340,011	
5 bed house	14,750 ft <sup>2</sup>	90 pF	1,330,450	
5 bed house AH	2,950 ft <sup>2</sup>	90 pF	266,090	
1 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
1 bed flat AH	1,098 ft <sup>2</sup>	108 pF	118,584	
2 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
2 bed flat AH	1,098 ft <sup>2</sup>	108 pF	118,584	
2 bed house	33,160 ft <sup>2</sup>	90 pF	2,991,032	
2 bed house AH	8,290 ft <sup>2</sup>	90 pF	747,758	
3 bed house	80,080 ft <sup>2</sup>	90 pF	7,223,216	
3 bed house AH	20,020 ft <sup>2</sup>	90 pF	1,805,804	
4 bed house	61,900 ft <sup>2</sup>	90 pF	5,583,380	
4 bed house AH	14,856 ft <sup>2</sup>	90 pF	1,340,011	
5 bed house	14,750 ft <sup>2</sup>	90 pF	1,330,450	
5 bed house AH	2,950 ft <sup>2</sup>	90 pF	266,090	
1 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
1 bed flat AH	1,647 ft <sup>2</sup>	108 pF	177,876	
2 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
2 bed flat AH	1,647 ft <sup>2</sup>	108 pF	177,876	
2 bed house	33,160 ft <sup>2</sup>	90 pF	2,991,032	
2 bed house AH	8,290 ft <sup>2</sup>	90 pF	747,758	
3 bed house	80,080 ft <sup>2</sup>	90 pF	7,223,216	
3 bed house AH	20,020 ft <sup>2</sup>	90 pF	1,805,804	
4 bed house	61,900 ft <sup>2</sup>	90 pF	5,583,380	
4 bed house AH	16,094 ft <sup>2</sup>	90 pF	1,451,679	
5 bed house	14,750 ft <sup>2</sup>	90 pF	1,330,450	
5 bed house AH	4,425 ft <sup>2</sup>	90 pF	399,135	
1 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
1 bed flat AH	1,647 ft <sup>2</sup>	108 pF	177,876	
2 bed flat	5,490 ft <sup>2</sup>	108 pF	592,920	
2 bed flat AH	1,647 ft <sup>2</sup>	108 pF	177,876	
2 bed house	33,160 ft <sup>2</sup>	90 pF	2,991,032	
2 bed house AH	8,290 ft <sup>2</sup>	90 pF	747,758	
3 bed house	80,080 ft <sup>2</sup>	90 pF	7,223,216	
3 bed house AH	20,020 ft <sup>2</sup>	90 pF	1,805,804	
4 bed house	61,900 ft <sup>2</sup>	90 pF	5,583,380	
4 bed house AH	16,094 ft <sup>2</sup>	90 pF	1,451,679	
5 bed house	14,750 ft <sup>2</sup>	90 pF	1,330,450	
5 bed house AH	4,425 ft <sup>2</sup>	90 pF	399,135	
<b>Totals</b>	<b>1,004,350 ft<sup>2</sup></b>		<b>91,569,590</b>	<b>91,569,590</b>
Contingency		5.00%	4,578,480	
				4,578,480
<b>Other Construction</b>				
S106			248,000	

AREA ACTION PLAN DELIVERY STRATEGY  
 SHIPLEY AND CANAL ROAD

S108		248,000	
S108		252,000	
S108		252,000	1,000,000
<b>Municipal Costs</b>			
Municipal Costs		2,271,074	
Municipal Costs		2,271,074	
Municipal Costs		2,271,074	
Municipal Costs		2,271,074	9,084,296
<b>PROFESSIONAL FEES</b>			
Professional fees	6.00%	5,494,175	5,494,175
<b>DISPOSAL FEES</b>			
Marketing and Sales Agent Fee	3.00%	3,929,017	
Sales Legal Fee	0.50%	745,228	4,674,245
<b>FINANCE</b>			
Debit Rate 6.500% Credit Rate 0.500% (Nominal)			
Total Finance Cost			(33,595)
<b>TOTAL COSTS</b>			<b>121,233,535</b>
<b>PROFIT</b>			<b>27,812,005</b>
<b>Performance Measures</b>			
Profit on Cost%		22.94%	
Profit on GDV%		18.66%	
Profit on NDV%		18.66%	
IRR		49.31%	
Profit Erosion (finance rate 6.500%)		3 yrs 2 mths	