

# **VIABILITY STATEMENT OF COMMON GROUND**

**PLANNING INSPECTORATE REFERENCE: (APP/P4605/W/23/3336011)**

**LOCAL PLANNING AUTHORITY REFERENCE: 2022/06737/PA**

**An Appeal Against the refusal of planning permission by Birmingham City Council  
for:**

“Demolition of existing buildings and construction of 83 residential apartments across two new development blocks, central amenity space including soft landscaping and planting, cycle storage, bin stores, plant store and enabling works.”

**334-340 High Street and 8-22 Harborne Park Road**

**March 2024**

## 1.0 Background

- 1.1** This Statement of Common Ground (SoCG) in respect of the viability aspects of the case has been prepared between White Land Strategies Ltd on behalf of Midland Properties and Finance (Birmingham) Ltd (the Appellant) and Lambert Smith Hampton on behalf of Birmingham City Council, ('the Local Planning Authority/LPA').
- 1.2** The appeal follows the refusal of the LPA to grant planning permission pursuant to planning application (LPA reference 2022/06737/PA).
- 1.3** The planning application was determined on 4th July 2024, citing 6 reasons for refusal. Main issue 5 of this appeal is set out below and relates to viability:
- Issue 5            whether or not the appeal proposal would provide adequate contributions to meet public open space and affordable needs, with particular regard to viability (following RfR 2 & 3).
- 1.4** The Viability Statement was originally submitted in August 2022 and updated and re-submitted in December 2023. The application as updated was for 83 Units following revision to design proposals. An Independent Financial Viability Assessment was submitted alongside the main planning submission (prepared by White Land Strategies Ltd).
- 1.5** The appraisal assessed a 100% open market scheme Residual Land Value (RLV) and determined that when the RLV was assessed against the site benchmark land value the scheme is unable to provide affordable housing. In this case, the benchmark land value is assessed against the existing use value for mixed commercial ground floor uses and residential upper floors. This scheme produced a negative viability of - £3,062,082 against target.
- 1.6** A conclusion to the Viability Assessment was not possible prior to the refusal of permission as the Council proceeded to its decision without a completed assessment by Lambert Smith Hampton.
- 1.7** In February 2024, the council instructed Lambert Smith Hampton to reassess the viability position and to seek an agreed position on the viability of the scheme.

**1.8** White Land Strategies and Lambert Smith Hampton have liaised in order to seek to ensure an agreed position.

**1.9** The following section provides a summary of the agreed position.

**2.0 Summary of Agreed Viability Inputs**

**2.1** The table below outlines the development appraisal inputs, each party’s position, and the agreed inputs as at March 2024.

<b>Appraisal Input</b>	<b>WLSL Assumption</b>	<b>LSH Assumption</b>	<b>Agreed Inputs March 2024</b>
BLV	£2.6m	£1.65m	£1.65m
Accommodation	83 Open Market /50,940sq ft	83 Open Market /50,940sq ft	83 Open Market /50,940sq ft
GDV	£16,508,333 (£324psf)	£19,102,500 (£375psf)	£19,102,500 (£375psf)
Base Build Cost	BCIS Median £149.48 psft Residential	BCIS Median £149.48 Residential	BCIS Median £149.48 psft Residential
	Total £8,924,255	Total £8,924,255	Total £8,924,255
Externals/Abnormals	£1,428,549	£1,428,549	£1,428,549
Contingency	5%	5%	5%
Professional Fees	8%	8%	8%
Finance	7%	7%	7%
Programme	30 months Pre-Construction 19 months Construction 12 months Sales Total Programme 62 months	3 months Pre-Construction 19 months Construction 10 months Sales Total Programme 33 months	3 months Pre-Construction 19 months Construction 10 months Sales Total Programme 33 months
Sales & Marketing	OM - Agent - 2.5%	OM - Agent - 2.5%	OM - Agent - 2.5%
	OM - Legal - 0.5%	OM - Legal - 0.35%	OM - Legal - 0.35%
Profit	20%	17.5%	17.5%

**3.0 Summary of Agreed Viability Outputs**

**3.1** The table below outlines the development appraisal outputs, each party’s position, and the agreed inputs as at March 2024


Appraisal Output	WLSL Assumption	LSH Assumption	Agreed Inputs March 2024
On site Affordable Housing	0%	0%	0%
Off Site Affordable Housing	£220,000	£220,000	£220,000
CIL	£390,114 (£90.39psft)	£390,114 (£90.39psft)	£390,114 (£90.39psft)
Section 106	£25,000	£25,000	£25,000
BLV met	No	No	No

**3.2** The parties will provide a Section 106 agreement to secure the sum of £245,000 to be disaggregated as deemed appropriate by the Council, in accordance with the regulations.

**3.3** The parties have explored the possible CIL cost decreasing. It is agreed that, as the Benchmark Land Value (BLV) has not been met, any savings related to a reduction in CIL by up to £20,000 will be added to the Residual Land Value where this falls short of the BLV target and will not increase the Section 106 financial contribution.

**3.4** Any increase in CIL to the Agreed amount will be deducted off the Section 106 financial contribution.

Agreed by Lambert Smith Hampton on behalf of the Council by

  
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Agreed by White Land Strategies Ltd on behalf of the Appellant by

 21/3/24  
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