Land Market Paper

Whole Plan Viability

Birmingham City Council

March 2024

Quality Assurance

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Limitation

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1 Introduction

1.1 The (benchmark) land value assumption(s) are fundamental in terms of Local Plan Viability. We set out below our approach to land values for the viability assessment, before reviewing land values across Birmingham to inform our assumptions for the Benchmark Land Value (BLV) used in the appraisals. The viability assessment is discussed in our separate, main viability report.

1.2 The purpose of this study is to test the emerging policy options (Preferred Options Local Plan) and provide the evidence that will validate the Local Plan policies. This has regard to the cumulative impact of policy costs (including the current CIL Charging Schedule) and other development value and cost assumptions, including land value.

1.3 This paper includes the following sections:

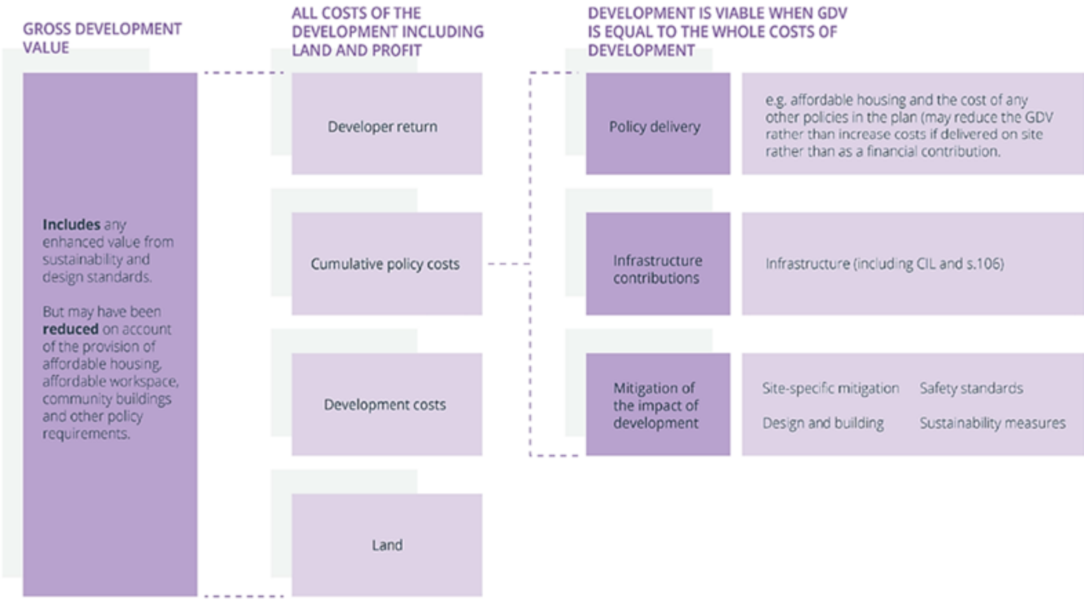
2) Land Value Approach	This section summarises our approach to the BLV. It should be read in conjunction with the more detailed discussion and analysis in the main Viability report.
3) UK Land Context	This section provides contextualises land values at a national and regional level. This includes development land as well as agricultural land to gain a better understanding of benchmark land values.
4) Existing Evidence Base Review	In this section, we review the existing evidence base with regard to land values from previous viability studies.
5) Agricultural Land Values	This section sets out the market information for agricultural land values across Birmingham.
6) Residential Development Land Values	This section sets out residential development land value evidence (i.e., from land that has either obtained planning permission or has outline planning consent for residential use and/or is allocated for residential development).
7) Benchmark Land Value Assumptions	Finally, we set out our BLV assumptions. These are derived from the above research and interrogation of our confidential land value database.

2 Land Value Approach

2.1 In a development context, the land value is calculated using a residual approach – the Residual Land Value (RLV).

2.2 The RLV is calculated by the summation of the total value of the development, less the development costs, planning obligations, and developers' return/profit to give the land value. This is illustrated in the following diagram Figure 2.1.

Figure 2.1 - Development Viability



Source: Royal Institution of Chartered Surveyors (RICS) Assessing viability in planning under the NPPF 2019 for England – 1st edition, March 2021

2.3 To determine whether development is viable in the context of area-wide studies, the NPPF is silent on the requirements of landowners and developers[1]. It now simply states that 'all viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.[2]

2.4 The PPG Viability provides guidance on the land values and particularly benchmark land values for the purposes of viability assessment:

- How should land value be defined for the purpose of viability assessment? – a benchmark land value should be established based on the existing use value (EUV) of the land, plus

[1] Previously paragraph 173 of the NPPF (2012) stated that 'to ensure viability, the policy costs should provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable'

[2] Paragraph 57, February 2019, Ministry of Housing, Communities and Local Government, National Planning Policy Framework

a premium for the landowner'. Paragraph: 0013 Reference ID: 10-013-20190509 Revision date: 09 05 2019

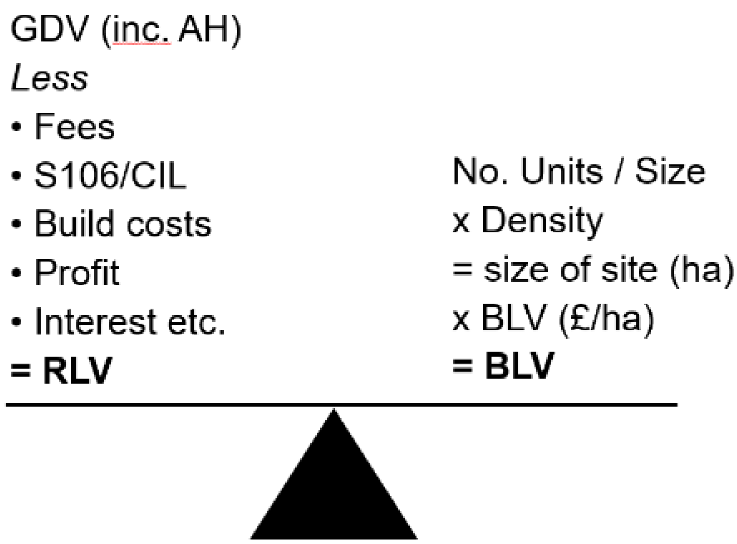
- What factors should be considered to establish benchmark land value? – '*In plan making, the landowner premium should be tested and balanced against emerging policies.'* Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019 [our emphasis]
- What is meant by existing use value in viability? 'EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development)'. Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019
- How should the premium to the landowner be defined for viability assessment? – 'The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.' Paragraph: 016 Reference ID: 10-016-20190509, Revision date: 09 05 2019

2.5 The above PPG guidance is described in detail in the main report (section on National Policy Context). The PPG does not provide any guidance on the quantum of premiums. One therefore has to 'triangulate' the BLV based on market evidence.

2.6 In this respect we have created a land value database of Birmingham's land value evidence. This has 65 data points and we can interrogate this by evidence source, value basis and zone etc.

2.7 Hence for plans and schemes to be viable, the RLV has to be tested against the benchmark which would enable sites to come forward – the Benchmark Land Value (BLV). This is illustrated in the following diagram Figure 2.2.

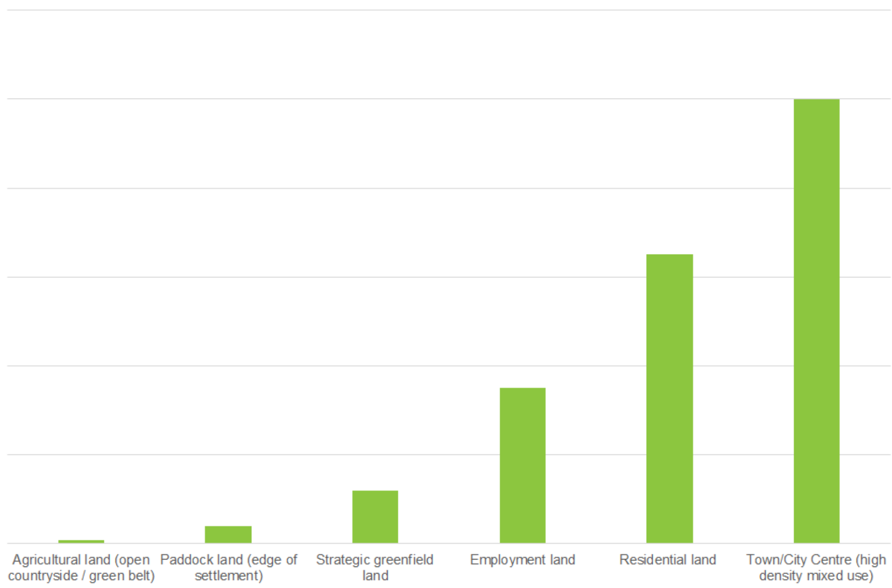
Figure 2.2 - Balance between RLV and BLV



Source: AspinallVerdi (© Copyright)

2.8 The fundamental question is, '*What is the appropriate BLV?'* The land market is not perfect but there is a generally accepted hierarchy of values based on the supply and demand for different uses. This is illustrated on an indicative basis in the following chart (Figure 2.3).

Figure 2.3 - Indicative Land Value Hierarchy



Source: AspinallVerdi (© Copyright)

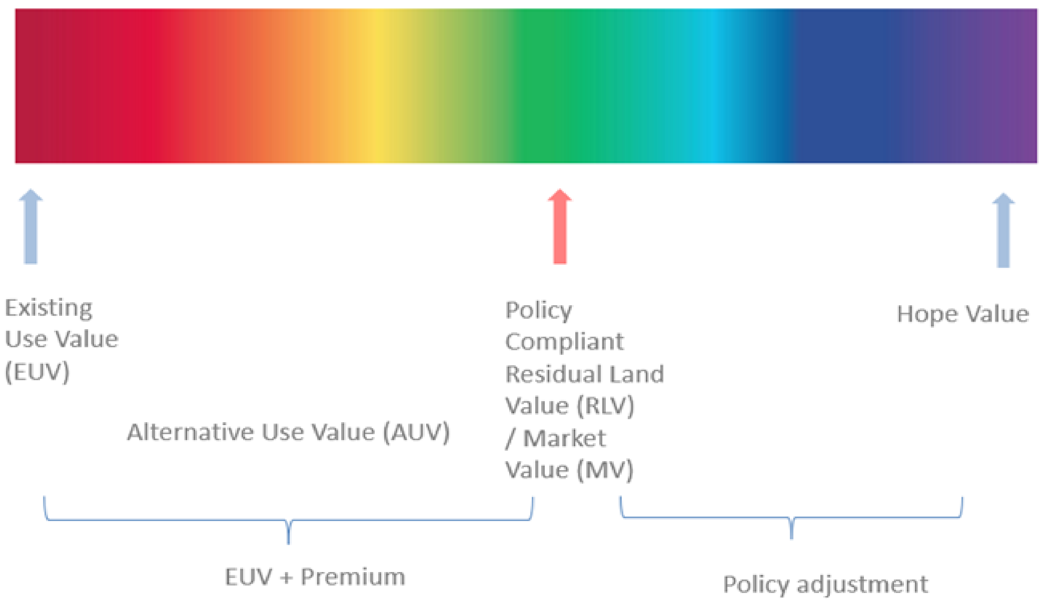
2.9 Note that the value of individual sites depends on the specific location and site characteristics. For development to take place (particularly in the brownfield land context) the value of the alternative land use has to be significantly above the existing use value to cover the costs of site acquisition and all the costs of redevelopment (including demolition and construction costs) and developers profit / return for risk. In an area-wide context, we can only be broad-brush in terms of the BLV as we can only appraise a representative sample of hypothetical development typologies.

2.10 Note also that some vendors have different motivations for selling sites and releasing land. Some investors (e.g., Oxbridge colleges) take a very long-term view of returns, whereas other vendors could be forced sellers (e.g. when a bank forecloses).

2.11 Finally, 'hope value' has a big influence over land prices. Hope value is the element of value in excess of the existing use value, reflecting the prospect of some more valuable future use or development. The PPG specifically states that hope value (and the price paid) should be disregarded from the EUV. However, hope value is a fundamental part of the market mechanism and therefore is relevant in the context of the *premium.*

2.12 The diagram below (Figure 2.4) illustrates these concepts. It is acknowledged that there has to be a premium over EUV to incentivise the landowner to sell. This 'works' in the context of greenfield agricultural land, where the values are well established, however, it works less well in urban areas where there is competition for land among a range of alternative uses. It begs the question EUV "*For what use?*" It is impossible to appraise every single possible permutation of the existing use (having regard to any associated legacy) and development potential.

Figure 2.4 - Benchmark Land Value Approaches



Source: AspinallVerdi © (Copyright)

2.13 There is very little specific guidance on premiums. The main guidance and references are set out in section 4 of the main report - Guidance on Premiums/Land Value Adjustments. The main references are:

- RICS, Assessing Viability in Planning under the National Planning Policy Framework 2019 for England, March 2021 (effective from 01 July 2021)
- Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners (The Harman Report)
- HCA Transparent Viability Assumptions (August 2010)
- Planning Inspectorate,15 May 2020, Examination of the Shared Strategic Section 1 Plan - North Essex Authorities, Inspector's Post-Hearing Letter to North Essex Authorities
- Parkhurst Road v SSCLG & LBI, Before MR JUSTICE HOLGATE Between: Parkhurst Road Limited Claimant - and - Secretary of State for Communities and Local Government and The Council of the London Borough of Islington Defendant/s, Case No: CO/3528/2017
- House of Commons Housing, Communities and Local Government Committee Land Value Capture Tenth Report of Session 2017–19 HC 766 Published on 13 September 2018 by authority of the House of Commons
- Appeal Decision, Appeal Ref: APP/Q4245/W/19/3243720, Land at Warburton Lane, Trafford by Christina Downes BSc DipTP MRTPI an Inspector appointed by the Secretary of State for Communities and Local Government Decision date: 25th January 2021

2.14 The HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) is the only source of specific guidance on the size of the premium. The guidance states:

There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied. Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value.[3]

2.15 Greater emphasis is now being placed on the existing use value (EUV) + premium approach to planning viability to break the circularity of ever-increasing land values. Due to increasing land values (partly driven by developers negotiating a reduction in policy obligations on grounds of 'viability'), we are finding that the range between existing use value (EUV) and 'Market Values' and especially asking prices is getting larger. Therefore (say) 20 x EUV and (say) 25% reduction from 'Market Value' may not 'meet in the middle' and it is therefore a matter of professional judgement what the BLV should be (based on the evidence). Our BLVs are set out in Table 7.1 – at the end of this paper.

[3] HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions), August 2010, Transparent Assumptions v3.2 06/08/10

2.16 In order to provide a comprehensive analysis, we also set out a variety of sensitivities in terms of changes to the BLV (and other) assumptions – these are shown for each of the typologies on the appraisals appended (with an explanation of how to interpret the sensitivities in the Main Viability Assessment report).

3 UK Land Context

3.1 This section provides background context to residential development land values at a national and regional level. We focus on development land and have included a section on agricultural land on the assumption that greenfield sites may come forward and be tested (appraised) for release to satisfy the housing need.

Development Land

3.2 In Q2 2023, Knight Frank produced a short market update on the residential land market. This index highlights that land values have decreased in both greenfield land and urban brownfield land. This is despite an uplift in the market since the height of the COVID-19 Pandemic in March 2020. House prices are slowly falling as well as a slowdown in sales rates, impacting major housebuilders. This could be the reason that Knight Frank reports that 73% of housebuilders are looking to delay payments for land. Therefore, uncertainty remains within the residential development land market.

3.3 Figure 3.1 is taken from Knight Frank's residential development land index in Q2 2023, reporting that UK greenfield and brownfield values fell on average by 6.1% and 5.9% in Q2 2023, a further decline from 3.0% and 4.6% in Q1 2023. Additionally, in June 2023, Nationwide reported that house prices were flat compared to May, but down 3.5% on an annual basis. However, as inflation eases, Knight Frank reports that there could be a sharp rebound in land values.

Figure 3.1 Residential Development Land Prices

Source: Knight Frank, Residential land index, Q2 2023

3.4 Savills also released a residential development land 'Market in Minutes' report for Q2 2023. The headline is that the land market is price-sensitive, due to fewer land sales despite mounting downward pressure on land values, these pressures aren't being reflected in the prices being paid for land due to lack of land supply and competitiveness.

3.5 Savills report that:

- UK greenfield land values have fallen by -4.4% (annual change to June 2023)
- UK urban land values have fallen by -3.6% (annual change to June 2023)

3.6 Where in Q1 2023, UK greenfield and urban brownfield land values fell by -1.7% and -1.8% in Q1 2023, marking -3.8% and -3.4% falls since September 2022.

3.7 Additionally, planning remains a key challenge to the market. In England, 11% fewer homes were granted consent in the year to Q1 2023, compared to the same period in 2022.

3.8 Land values will continue to face downward pressure due to rising build costs, falling house prices and slower sales rates in the new build market. Over the past year, build costs have increased by 8.6% and are forecast to increase by 17% over the next 5 years to Q1 2028, according to BCIS. Additionally, house prices in the UK have fallen by -3.1% in the year to March 2023.

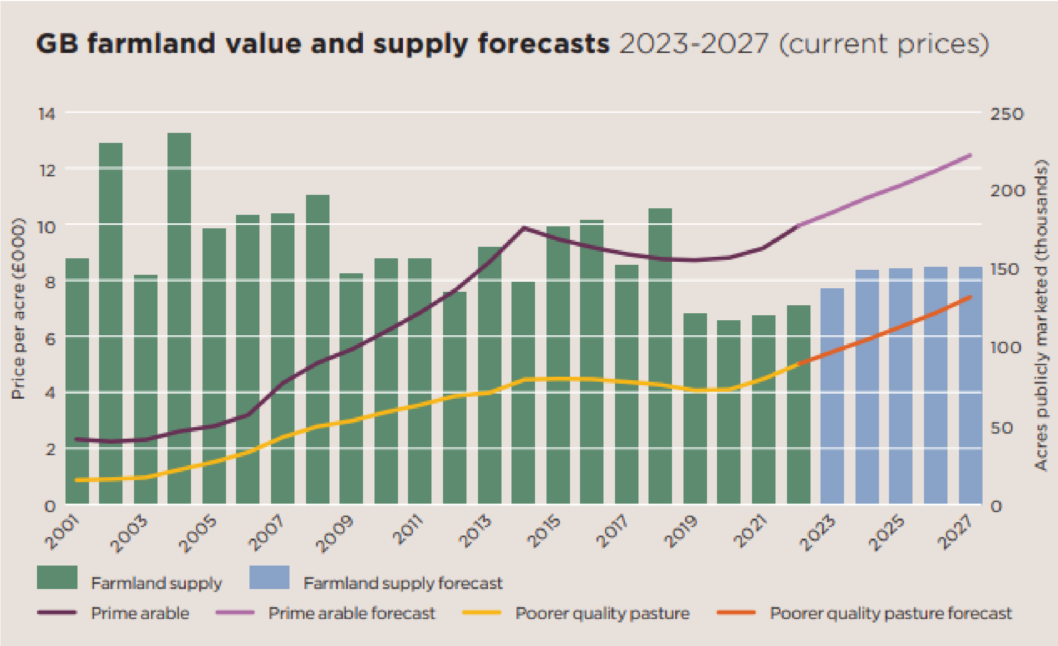
3.9 Due to the weaker housing market, there has been reduced competition for sites, as parties remain cautious. Savills report an increase in the preference for conditional deals, deferred payment structures and more deals having to be renegotiated.

Agricultural Land

3.10 Whilst understanding the development land market is important, with the changes to the PPG on viability, exploring agricultural land values is equally as important to understand where there are new greenfield sites (e.g., through Green Belt release). This informs the Benchmark Land Value of greenfield allocations.

3.11 Savills published their farmland market report in January 2023, highlighting that the farmland supply has increased when farmers are exiting the industry. Figure 3.2 illustrates the average farmland values and the forecast in the UK. Here it shows that there has been moderate, but consistent growth in value for all land types. This graph draws particular attention to prime arable and poor livestock land types, again both reporting a moderate period of growth, where the average value of UK farmland increased by 8.90% in 2022 to £7,800 per acre.

Figure 3.2 Agricultural Land Values



Source: Savills Research 2023

3.12 Savills report that specifically within the West Midlands region between 2021-2022, there has been a -7% in supply. This is contrasting as on average, there was a 5% increase in farmland supply on 2021 levels.

4 Existing Evidence Base Review

4.1 We have undertaken a review of the existing evidence base regarding land values, reviewing the studies listed below:

- Birmingham CIL Viability Review, BNP Paribas, 2022
- Development Management in Birmingham: Development Plan Document – Financial Viability Assessment, BNP Paribas, 2019
- CIL Economic Viability Assessment, GVA, 2012

Birmingham CIL Viability Review, BNP Paribas, 2022

4.2 In 2022, BNP Paribas undertook a community infrastructure levy viability review for Birmingham City Council, which recommended that existing zones be retained (higher and lower value zones).

4.3 In summary, BNP Paribas adopted the following land values:

- Large housing sites on greenfield land at a BLV of £250,000 per gross hectare (this value generates a significant premium above existing use value, typically £22,000 per hectare).

4.4 The report points to a 'Land Values Estimates for Policy Appraisal' produced by MHCLG in May 2017, which adopts the following land values for various uses in Birmingham (all shown per gross hectare):

- Residential Land - £1,270,000 (£513,960 per acre)
- Offices (city centre) - £12,000,000 (£4,856,333 per acre)
- Offices (elsewhere) - £1,270,000 (£513,960 per acre)
- Retail - £1,270,000 (£513,960 per acre)
- Hotels - £1,270,000 (£513,960per acre)
- Industrial - £1,000,000 (£404,694 per acre)
- Greenfield, other open space - £250,000 (£ 101,174 per acre)

4.5 We note that BNP has not changed these BLVs since their 2019 financial viability assessment for development management in Birmingham.

Financial Viability Assessment, BNP Paribas, 2019

4.6 In 2019, BNP Paribas was commissioned to test the viability of the requirements set out in the 'Development Management in Birmingham: Development Plan Document (Oct 2019)', as well as the policy requirements in the Birmingham Development Plan which was adopted in January 2017.

4.7 BNP Paribas adopted the benchmark land values which were produced by MHCLG in their ‘Land Value Estimates for Policy Appraisal’ (May 2017) which are set are set out above at paragraph 4.4.

4.8 Additionally, for large housing sites on greenfield land, BNP adopted a benchmark land value of £250,000 per hectare (£101,173 per acre). Tthis value generates a significant premium above existing use value, typically £22,000 per hectare (£8,900 per acre).

CIL Economic Viability Assessment, GVA, 2012

4.9 In 2012, GVA produced a report to give viability advice on a potential CIL for different uses across the city. As part of their study, they undertook research into land values, which was based on evidence from the following sources: Valuation office agency land value data; known land transactions in the city; and local stakeholder consultation.

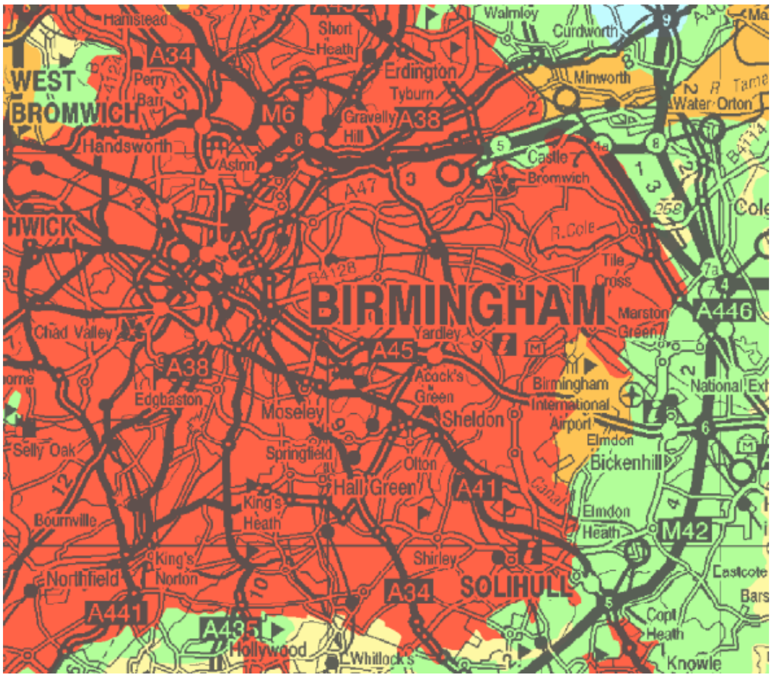
4.10 In summary, GVA assumed the following benchmark land values:

- Residential land values at £375,000 per acre for the highest value areas.
- Residential land values at £200,000 per acre for the lower value areas.
- Office land values at £5,000,000 per acre (city centre).
- Office land values at £750,000 per acre (city fringe).
- Office land values at £350,000 per acre.
- Retail land values at £500,000 per acre.
- Employment land values at £350,000 per acre.
- Hotel land values at £375,000 per acre.
- Student housing land values at £450,000 per acre.
- Leisure land values at £375,000 per acre.
- Health and Education land values at £375,000 per acre for high value areas.
- Health and Education land values at £200,000 per acre for low value areas.

5 Agricultural Land Values

5.1 In determining a value per acre / hectare (ha) for agricultural land, we have searched CoStar for transactional evidence and Rightmove for current quoting prices and local agent websites.

Figure 5.1 - Agricultural Land Classification Map for Birmingham



Grade	Description
1	Excellent
2	Very Good
3	Good to Moderate
4	Poor
5	Very Poor

Non-Agricultural Land

- Other land primarily in non-agricultural use
- Land predominantly in urban use

Source: Natural England 2010

5.2 Within the confines of Birmingham's city boundary, the landscape primarily comprises urban development and infrastructure, making agricultural land scarce within this area. As a result of the city's substantial built-up environment, agricultural land transactions or listings are notably absent. The urbanisation and expansion of residential and commercial spaces have limited the availability of agricultural land for transactions or listings within Birmingham's boundaries, reflecting the predominantly developed nature of the region.

5.3 It is reasonable to suggest that agricultural values would be in line with the Savills Agricultural Land research, putting values in the region of £8,000-£10,000 per acre depending on the grade of the land. This is also in line with values within the surrounding local authorities, Sandwell and Dudley in which we have recently assessed land values within.

Paddock Land Values

5.4 We classify paddock land as a small scale (i.e., generally less than 1 acre or thereabouts) agricultural / 'pony paddock' greenfield land which is on the edge of an existing settlement. This type of land typically has 'hope value' attached, perhaps due to a lapsed extant planning permission on that the site; or a neighbouring site has been identified as one with development potential.

5.1 Our transactional evidence indicates that the value per acre for paddock land with limited development potential in the borough ranges from £111,111 per acre to a maximum value of £300,000 per acre.

5.2 The variance between these values reflects the varying level of 'hope value'. These values vary depending on the level of confidence in the likelihood of planning permission being granted. Note these values are aspirational and there is no indication that these values can be achieved for paddock land.

5.3 Paddock land evidence is set out in Table 5.1. We have an open call for more land value evidence (se e section 6).

Table 5.1 - Paddock Land Evidence Summary

Land Address/Site Name	Information Type	Evidence of What?	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
Dark Lane, Hollywood, Birmingham, B47 5BT	Transaction	Existing Use Value	1.17	0.47	£130,000	£111,111	£274,556	19/07/2022
Plot 56, Gunner Lane, Rubery, Birmingham, B45 9EX	Asking Price	Existing Use Value	0.04	0.02	£12,000	£300,000	£741,300	25/07/2023
Plot no. 17, Lot 4 Gunner Lane Rubery B45 9EX	Asking Price	Existing Use Value	0.05	0.02	£10,000	£200,000	£494,200	25/07/2023

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

5.4 There are 2 paddock land sites advertised for sale ranging from £200,000 - £300,000 per acre. We note that these values are for small sites and are being advertised at what is likely an aspirational price.

5.5 In addition to the advertised plots of land, we have identified land at Dark Lane, Hollywood which was transacted in July 2022 for a value of £111,111 per acre.

5.6 We do not place too much weight on the paddock land values. This is because they reflect some hope value which is explicitly not part of the definition of EUV (in the PGG).

6 Residential Development Land Values

6.1 For the purpose of this research, residential development land is land which has either obtained planning permission or has outline planning consent for residential use and/or is allocated for residential development within the Council's adopted policy documents.

6.2 As with agricultural land, we have utilised EGi and CoStar for transaction-based evidence and supplemented this where possible with stakeholder evidence of agreed prices paid for land. We have also noted sites currently listed on Rightmove and local agent websites to determine a value per acre / hectare and a value on a per unit basis. Dependent upon the availability of information and stakeholder engagement, this process tries to gauge an understanding of what typical market values are for residential land (greenfield and/or brownfield).

6.3 It should be noted that within our database of evidence we have carried out background research wherever possible into the planning consent the site has, and whether it is policy compliant or not. However, it is difficult to be certain that developers have not offered values (and landowners have not asked for values) which are not sustainable in planning policy terms and therefore challenge viability at the detailed planning stage. This practice is contrary to the NPPF/ PPG.

6.4 We also recognise that it is difficult to generalise what a typical greenfield or brownfield residential development site is worth across a District given that all sites are unique. It is therefore important to reiterate that this is a plan-wide study and thus the purpose of our research is to establish a suitable Benchmark Land Value for the respective typologies of development to be appraised, utilising both existing use and market values for greenfield and brownfield land.

Greenfield Development Land Transactions

6.5 Our search has identified 4no.comparable transactions or asking prices of Greenfield Development. The evidence is set out below in Table 6.1.

Table 6.1 - Greenfield Residential Development Land Evidence Summary

Land Address/Site Name	Information Type	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Date
Land at Pedmore Hall Lane & Hagley Road, Pedmore, Stourbridge, DY9 0SU	Transaction	7.40	2.99	£242,000	£32,703	14/09/2023
Land at Hurst Green Road, B76 9AP	Asking Prices	0.60	0.24	£35,000	£58,333	27/02/2024
Langley Park House Lands, Ox Leys Road, B75 7HP	Transaction	223.00	90.25	£23,627,500	£105,953	31/01/2021
North Worcestershire Golf Club Hanging Ln Birmingham, B31 5LP	Transaction	83.00	33.59	£24,000,000	£289,157	02/03/2021

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

6.6 Across the transactions listed above we have identified a range in values between £32,703 - £289,157 per acre, with an average of £121,357 per acre across the greenfield development land.

6.7 Langley Sustainable Urban Extension (SUE) and Peddimore Employment development were allocated for development in the Birmingham Development Plan. These are two of the largest development opportunities in the UK, with Langley SUE identified for approx. 6,000 homes, and Peddimore for 71 hectares of employment land.

6.8 Covering 274ha, Langley SUE is located in the north of the City adjacent to existing established residential areas, with New Hall Valley Country Park nearby and farmland to the east out toward the M6 toll road. The area is well connected, with access to the strategic road network on the A38 and M42, and public transport to key destinations and local train stations.

6.9 Homes England acquired 223 acres of land within Langley Sue boundary to facilitate the development. Our research indicates that Homes England paid £23,627,500 for the land equating to just over £100,000 per acre for the land within the strategic allocation.

6.10 Alongside Homes England, the SUE will also be delivered by Taylor Wimpey, Vistry, Bellway and William Davis acting in partnership through a Consortium Collaboration Agreement.

6.11 We also note the sale of North Worcestershire Golf Club, which is located in Frankley and sold for £24,000,000, amounting to £289,157 per acre. This sale included the outline planning for 800 homes, which was approved in 2019. The site is being developed by Bloor Homes in multiple phases, with Phase 1a being approved for 170 homes in June 2021 and Phase 2 for 353 homes being approved in February 2022.

6.12 Due to the urban nature of Birmingham, we note that there is limited greenfield residential land across the city.

Brownfield Development Land Transactions:

6.13 For plan-viability studies, establishing a brownfield land value is challenging given the numerous variables which influence the value of brownfield development land. As with greenfield land, we are reliant upon market evidence and agreed prices for brownfield sites within Birmingham.

6.14 Our analysis has identified c. 26no brownfield residential land comparables, from 2021 to 2023. This is excluding EUV and BLV comparables, which are analysed separately in the next section (see below).

6.15 We note that transactions and asking prices are not all representative of EUV as they include an element of hope value, as some are sold with the potential for planning, or with planning permission.

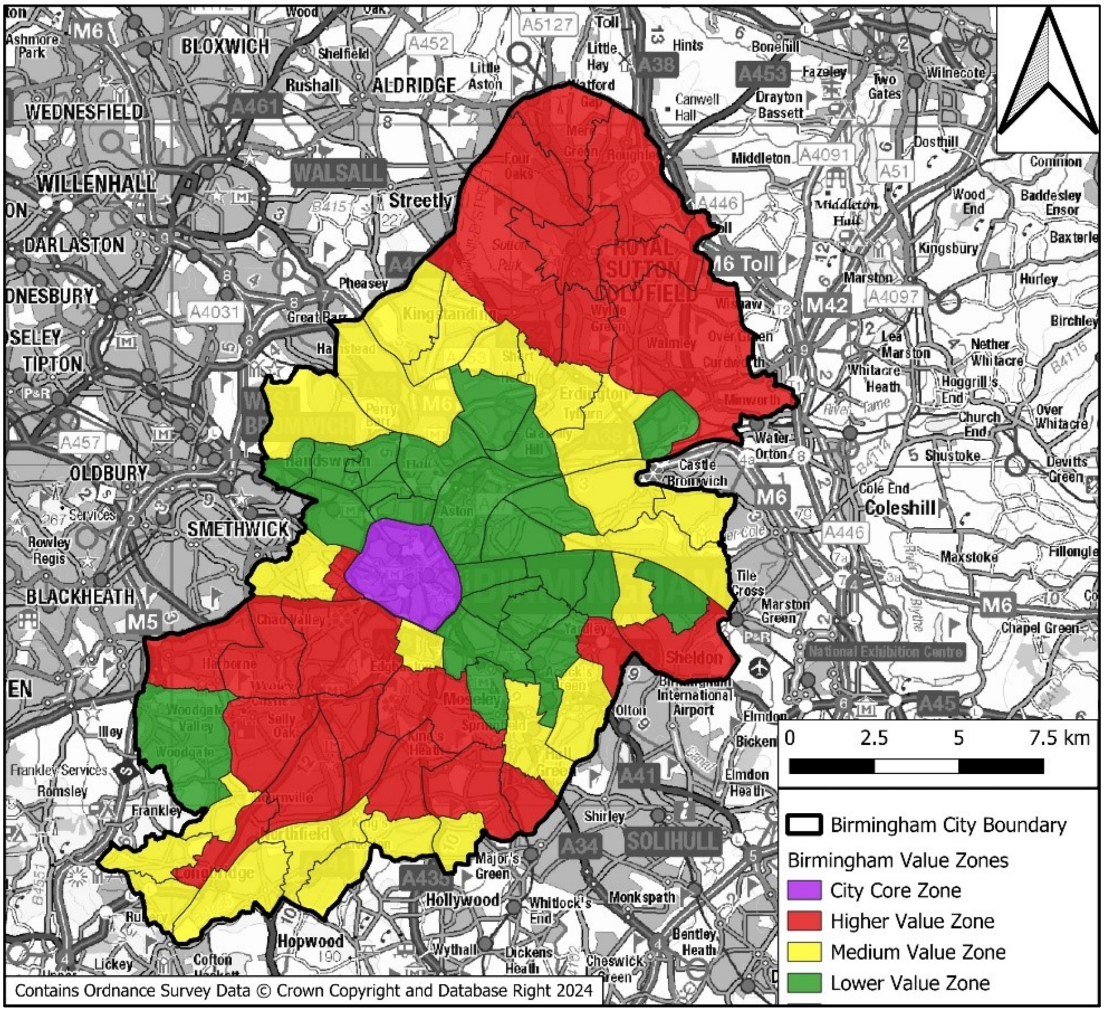
6.16 Where there is a possibility of development the landowner will often have regard to 'hope value'. Hope value is the element of the market value of a property in excess of the existing use value, reflecting the prospect of some more valuable future use or development. Hope value is represented in the EUV premium and can never be in excess of policy compliant market value (RLV), given RICS guidance on the valuation of development sites.

6.17 Hope value takes into account the uncertain nature or extent of such redevelopment prospects, including the time which would elapse before one could expect planning permission to be obtained or any relevant constraints overcome, to enable the more valuable use to be implemented.

6.18 We have analysed our comparable evidence for brownfield development land on a more nuanced approach compared to the greenfield sites. We have opted to include a fourth additional zone named Birmingham City Core which will allow us to pick up on sites that sit within the central area as identified in Figure 6.1 below of the city, to differentiate from the surrounding medium and lower value zones which would otherwise encompass the majority of inner-city Birmingham. The Core Zone is designated in purple and occupies the area within the inner ring road. This is consistent with our finding of the residential market values (see the separate Residential Market Paper).

6.19 The Brownfield Development Land transactions identified are split into value zones tabulated in Table 6.2 (Lower Value) Table 6.3 (Medium Value), Table 6.4 (Higher Value), and Table 6.5 (Core Zone) below.

Figure 6.1 - Birmingham Value Zones Map



Source: AspinallVerdi (2024)

Table 6.2 – Lower Value Brownfield Residential Development Land Market Evidence Summary

Land Address/Site Name	Information Type	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
220 Shaftmoor Ln, B28 8SP	Transaction	0.95	0.38	£1,000,000	£1,052,632	£2,601,053	09/11/2023
Land to rear of Tarry Road, Alum Rock, Birmingham B8 3JN	Asking Prices	0.39	0.16	£700,000	£1,794,872	£4,435,128	24/10/2023
Land off Mansel Rd, Small Heath	Asking Prices	0.18	0.07	£700,000	£4,000,000	£9,884,000	
Melvina Road, Birmingham, B7	Asking Prices	0.90	0.37	£1,999,999	£2,214,838	£5,472,865	24/10/2023
Seeleys Rd, B11 2LA	Transaction	1.99	0.81	£1,720,000	£864,322	£2,135,739	09/11/2023

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Table 6.3 - Medium Value Brownfield Residential Development Land Market Evidence Summary

Land Address/Site Name	Information Type	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
251 Holly Lane, Erdington, Birmingham B24 9LE	Asking Prices	0.51	0.21	£298,000	£584,314	£1,443,839	24/10/2023
Sheldon Dr, B31 5GE	Transaction	2.40	0.97	£1,600,000	£666,667	£1,647,333	09/11/2023
Land to the rear of Scott Arms, Newton Rd, B43 6BN	Asking Prices	0.73	0.30	£550,000	£753,425	£1,861,712	
Land of Foxton Road, Alum Rock, Birmingham	Asking Prices	0.37	0.15	£550,000	£1,486,486	£3,673,108	24/10/2023
Fox Hollies Road, Acocks Green, B27	Asking Prices	0.68	0.28	£1,000,000	£1,470,588	£3,633,824	
Rear of 81-85 New Road, Rubery, Birmingham, B45 9JR	Asking Prices	0.25	0.10	£225,000	£900,000	£2,223,900	24/10/2023
Building plot and existing house on Warren Lane, Lickey, B45 8ER	Asking Prices	0.37	0.15	£1,900,000	£5,135,135	£12,688,919	
Warstock Rd - Commercial Development Land	Transaction	3.83	1.55	£3,420,000	£892,950	£2,206,480	09/11/2023
Land on the southeast side of Rotten Park Street, Birmingham	Transaction	1.63	0.66	£462,634	£283,675	£700,961	28/11/2018

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Table 6.4 - Higher Value Brownfield Residential Development Land Market Evidence Summary

Land Address/Site Name	Information Type	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
Land at Pershore Road, Birmingham	Transaction	3.30	1.34	£3,400,000	£1,030,303	£2,545,879	16/09/2021
1 Chapel Ln, B29 6SJ	Asking Prices	3.99	1.61	£15,000,000	£3,759,398	£9,289,474	09/11/2023
1 Hagley Road West Harborne Birmingham B17 8AL	Asking Prices	0.32	0.13	£1,350,000	£4,202,596	£10,384,615	24/10/2023
79-81 Waterloo Rd, B25 8JT	Transaction	0.92	0.37	£3,500,000	£3,804,348	£9,400,543	09/11/2023
334-340 High Street and 8-22 Harborne Park Road Harborne Birmingham	Transaction	0.58	0.23	£1,000,000	£1,724,138	£4,260,345	05/09/2022

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Table 6.5 - Core Zone Brownfield Residential Development Land Market Evidence Summary

Land Address/Site Name	Information Type	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
111 Broad St, B15 1AS	Transaction	2.13	0.86	£9,050,000	£4,248,826	£10,498,850	13/10/2020
Land at Vittoria Street	Asking Prices	4.50	1.82	£2,500,000	£555,556	£1,372,778	
212-215 Bradford St, B12 0RG	Transaction	0.90	0.36	£3,875,000	£4,305,556	£10,639,028	09/11/2023
Land at 122 Moseley Street, Digbeth	Transaction	0.17	0.07	£630,000	£3,705,882	£9,157,235	26/03/2019
Camp Hill Gardens, 193 Camp Hill	Transaction	3.80	1.54	£13,000,000	£3,421,053	£8,453,421	01/06/2021
240 Holliday Street, Birmingham	Transaction	0.46	0.19	£3,300,000	£7,173,913	£17,726,739	01/04/2021
Fountain Lofts, Alcester Street, Digbeth, Birmingham	Transaction	0.21	0.08	£1,500,000	£7,142,857	£17,650,000	01/03/2021

Source: AspinallVerdi ‘230724_Birmingham BLV Database_v1’

Low Value Zone

6.20 We have identified 5no. Transactions / asking values within the identified low value zone, these values ranged from £864,322 per acre to £4,000,000 per acre, averaging £1,985,333 across the data set. These transactions and asking prices range in size from 0.39 to 1.99 acres, averaging 0.88 acres.

6.21 At the highest end of the range is the land off Mansel Rd, Small Heath, this is a small plot, totalling 0.18 acres with approved planning for the development of 1x 3-bed flat, 1x 2-bed flat, 1x 2-bed terrace, 2x 1-bed flat, totalling 5 units. The land is advertised at £700,000 which totals £140,000 per unit, combined with development costs and residential values in the area, developers would struggle to make a reasonable profit margin unless the land is sold for less.

6.22 We note that 3 out of the 5 values derive from asking prices which are purely aspirational and not fully representative of the achieved value. We typically expect land to transact below the listing value, especially in the lower value areas identified.

Medium Value Zone

6.23 Our search identified 10no. value points across the medium value zone, of which 3 are transactions, and 7 are asking values. Values range from £283,675 - £1,486,486 per acre averaging at £1,352,582 per acre. The values on the higher end of the range are typically smaller sites. The sites range from 0.25 – 3.83 acres, averaging 1.20 acres.

6.24 At the highest end of the range is the site on Foxton Road, which totals 0.22 acres and has planning permission for the development of 30 residential units. The site is on the market for £550,000 equating to a price of £1,486,486 per acre. As this is an asking value, rather than a transaction we apply less weight to the data as asking values are often aspirational and not fully representative of the true value for which the land may transact. We also note that this site has lapsed planning permission.

Higher Value Zone

6.25 Our Search Identified 5no values across the high value zone, in which 3 are transactions and 2 are asking prices. Values range from £1,030,303 - £4,202,596 per acre and average £2,904,157 per acre. The sites range from 0.32 – 3.99 acres, with an average of 1.82 acres.

6.26 On the higher end of the range is the site at 1 Hagley Road, B17 8AL, which represents a value of £4,202,596 per acre. The site currently has planning permission for the refurbishment of 4 maisonettes and the erection of 8 two-bedroom apartments. We also note that this is the current asking value and could be aspirational. We are not aware of any offers having been made on the land.

Core Value Zone

6.27 We have identified 7no. development land values across the Core Zone which includes 1no. asking price and 6no. transactions. We have evaluated both EUV and BLV evidence separately, to differentiate from the ‘hope’ associated with the transactions / asking values for residential development in Birmingham.

6.28 Values within the Core Zone range from £555,556 - £7,173,913 per acre and average £4,364,806 per acre, which is the highest average within the Borough, signifying that higher land values are being achieved within the Core Zone this can be attributed to the Core Zone being the inner city centre of Birmingham and commercial land values therefore achieving a premium taking into consideration the city amenities and transport networks. The higher end of the range is substantially higher than the EUV’s and BLV’s being recorded in the city centre and this can be attributed to a competitive land market within the city core.

6.29 Taking into consideration the NPPF’s and RICS' guidance on the assessment of Benchmark Land Value, we have taken into consideration several site-specific Financial Viability Assessments in order to determine the Benchmark Land Value for the city core and to ensure that our findings do not place too much weight on the “hope” value that can be attributed to some of the land transactions within the Core Zone.

Brownfield Land EUV and BLV:

6.30 This section supplements the transactional evidence with both EUV transactions and BLV evidence taken from financial viability reports which have been submitted to the Council.

6.31 The following section will evaluate both BLVs and EUVs across each of the distinct value zones in Birmingham, starting with the Lower Value Zone.

Low Value Zone

6.32 There are c. 3no. brownfield residential development sites in which we are aware of their BLV highlighted in their viability modelling within the Low Value Zone. These are tabulated in Table 6.6

6.33 The Benchmark Land Values in the Lower Value zone range from £1,045,445 - £2,011,111 per acre, averaging £1,453,468 per acre across the dataset.

6.34 2 Nursery Road, Lozells B19 2XN has a Benchmark Land Value of £1,308,838 per acre evidenced by a financial viability review undertaken by the Council's approved assessors. The site has planning permission for the development of a residential block over three and four stores comprising 22no. apartments.

6.35 At the highest end of the range is the sale of land at 428 Tyburn Road, which amounts to a Benchmark Land Value of £2,011,111 per acre. Godwin Developments have purchased the freehold interest in the land comprising of a 0.45 acre of vacant land.

6.36 The land was purchased from a private vendor for £905,000 with the intention of redevelopment. At the point of sale, no planning applications had been submitted.

Existing Use Value

6.37 The challenge with land value for brownfield land is (unlike agricultural land which is generally more homogeneous) there are infinite permutations of the 'existing use' and hence the Existing Use Value (EUV) will be also uniquely different (having regard also to the location, shape, size and topography).

6.38 We have identified c. 6no. Transactions Existing Use Values within the identified low value zone, these values ranged from £156,250 per acre to £2,045,445 per acre, averaging £987,695 per acre across the data set. These transactions range in size from 0.09 – 1.60 acres, averaging 0.43 acres.

6.39 We have identified 6 Existing Use Value (EUV) transactions tabulated in Table 6.7.

Table 6.6 – Lower Value Zone Brownfield BLV Evidence Summary

Land Address/Site Name	Information Type	Evidence of What?	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
27 Nursery Road Lozells Birmingham	Benchmark Land Value	Site-specific FVA/Appeals etc	0.30	0.12	£387,240	£1,303,838	£3,221,785	02/06/2023
208-216 Electric Ave, B6 7EG	Benchmark Land Value	Transaction	0.11	0.04	£115,000	£1,045,455	£2,583,318	09/11/2023
428 Tyburn Rd - Development Site, B24 8HP	Benchmark Land Value	Transaction	0.45	0.18	£905,000	£2,011,111	£4,969,456	09/11/2023

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Table 6.7 – Lower Value Zone Brownfield EUV Evidence Summary

Land Address/Site Name	Information Type	Evidence of What?	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
113 Adderley Rd - Land fronting 113 Adderley Road, B8 1LE	Transaction	Existing Use Value	0.28	0.11	£210,000	£750,000	£1,853,250	09/11/2023
115 Adderley Rd, B8 1LD	Transaction	Existing Use Value	0.14	0.06	£130,000	£928,571	£2,294,500	09/11/2023
115-119 Wainwright St, B6 5TG	Asking Prices	Existing Use Value	0.22	0.09	£450,000	£2,045,455	£5,054,318	09/11/2023
2 Kiln Ln, B25 8HF	Transaction	Existing Use Value	1.60	0.65	£250,000	£156,250	£386,094	09/11/2023
36 Crawford St, B8 1JL	Transaction	Existing Use Value	0.23	0.09	£215,000	£934,783	£2,309,848	09/11/2023

3 Small Heath Bridge	Transaction	Existing Use Value	0.09	0.04	£100,000	£1,111,111	£2,745,556	15/11/2023

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Medium Value Zone

6.40 There is one brownfield residential development in which we are aware of the BLV highlighted in their viability modelling within the Medium Value Zone. These are tabulated in Table 6.8.

6.41 The Land North of Warwick Road, Acocks Green is a 2.0-acre development site which represents a Benchmark Land Value of £123,750 per acre. We would consider this an outlier compared to the rest of our evidence. The site has pending planning permission for 48 units.

6.42 It is stated within the financial viability assessment for the site that:

'The current Use Class for the site is F.1. Learning & Non-residential Institutions. This Use Class does not have permitted development rights for use as open storage. This presents a planning risk, for which we would reduce the site value by 50%, which would provide an AUV of £247,500.'

6.43 Due to the low BLV signified in this piece of evidence, we have applied less weight to this piece of comparable evidence within the medium value zones.

Existing use Value

6.44 Our comparable evidence of transactions and asking prices for development land, as well as Benchmark Land Values is further supplemented by Existing Use Value evidence, which is important for establishing the percentage uplift required between Existing Use Value and Benchmark Land Value.

6.45 Our search identified 7no. Existing Use Value comparables across the medium value zone, of which 5 are transactions and 2 are asking values. The sites range in size from 0.22 to 6.02 acres, averaging 2.64 acres.

6.46 Values range from £313,636 - £1,359,649 per acre, averaging £958,057 across the dataset.

Table 6.8 – Medium Value Zone Brownfield Residential BLV Evidence Summary

Land Address/Site Name	Information Type	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
Land North of Warwick Road Acocks Green Birmingham	Site-specific FVA/Appeals etc	2.00	0.81	£247,500	£123,750	£305,786	29/09/2022

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Table 6.9 - Medium Value Zone Brownfield EUV Evidence Summary

Land Address/Site Name	Information Type	Evidence of What?	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
Land at Warstock Road, Birmingham	Transaction	Existing Use Value	3.83	1.55	£3,420,000	£892,950	£2,206,480	10/01/2022
Land to the south of Heronswood Road, Rednal, B45 8QS	Transaction	Existing Use Value	0.22	0.09	£69,000	£313,636	£774,995	14/09/2022
127 Aldridge Rd, B42 2EU	Transaction	Existing Use Value	4.94	2.00	£3,900,000	£789,474	£1,950,789	09/11/2023
5 Tameside Dr, B6 7AY	Asking Prices	Existing Use Value	1.20	0.49	£1,200,000	£1,000,000	£2,471,000	09/11/2023
Oxhill Rd, B21 8EX	Transaction	Existing Use Value	1.70	0.69	£2,250,000	£1,327,434	£3,280,088	09/11/2023
The Golden Hind, Kingstanding Rd, B44 8JR	Asking Prices	Existing Use Value	0.57	0.23	£775,000	£1,359,649	£3,369,565	09/05/2023
St Andrews Trading Estate, Great Barr Street, Birmingham	Transaction	Existing Use Value	6.02	2.44	£6,160,000	£1,023,256	£2,528,465	01/12/2022

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Higher Value Zone

6.47 We have not identified any Benchmark Land Value evidence contained within the Higher Value Zones.

Existing Use Values

6.48 Our research has identified 2no. Existing Use Values across the Higher Value Zone with values ranging from £1,166,667 - £1,533,333 per acre, averaging £1,350,000 per acre.

Table 6.10 – Higher Value Zone Brownfield EUV Evidence Summary

Land Address/Site Name	Information Type	Evidence of What?	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
2292/292a Coventry Road, Sheldon, B26 3JR	Asking Prices	Existing Use Value	0.15	0.06	£230,000	£1,533,333	£3,833,333	22/06/2023
Kingsbury Rd - Distribution Depot, B76 9DD	Transaction	Existing Use Value	1.50	0.61	£1,750,000	£1,166,667	£2,882,833	09/11/2023

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Core Zone

6.49 There are 12no. brownfield residential development sites in which we are aware of the BLV targeted in their viability modelling within the Core Value Zone. These are tabulated in Table 6.7. The Core Zone has the highest number of comparables, suggesting that it also has the highest amount of development across the value zones.

6.50 Across the BLV evidence there is a range in values from £644,622 - £4,264,227 per acre, with an average of £2,340,564 per acre. The sites also range in size from 0.11 to 2.60 acres, averaging 0.675 acres.

6.51 We also highlight Land at Watery Lane, a 0.40-acre site with full planning permission for 85no. dwellings, approved in February 2023. This site at the time of writing was advertised for sale at £3,000,000, which amounts to £7,500,000 per acre. However, within the reviewed viability assessment for this site, The Benchmark Land Value is stated to be £1,720,800 per acre, indicating a significant difference between the asking price, and its 'benchmark land value', signifying developers are paying a considerable premium for sites in the city core.

6.52 For this study, we have applied the most weight to the existing BLV evidence which has been provided by Birmingham City Council.

Existing Use Value

6.53 Our Research identified 1no. existing use value comparable in the city core, which is the land at 121-122 Suffolk Street, Queensway. This is a 1.65-acre site, which sold in December 2021 for £2,760,000, which amounts to a value of £1,672,727 per acre.

Table 6.11 – Core Zone Brownfield BLV Evidence Summary

Land Address/Site Name	Information Type	Evidence of What?	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
212-215 Bradford St, B12 0RG	Site-specific FVA/Appeals etc	Benchmark Land Value	0.90	0.36	£1,921,788	£2,135,320	£5,276,376	21/09/2021
Great Charles Street Queensway - Car Park, B3 1HP	Site-specific FVA/Appeals etc	Benchmark Land Value	2.05	0.83	£6,080,000	£2,965,854	£7,328,624	09/11/2023
Car Park, Upper Gough Street, Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	0.47	0.19	£1,539,000	£3,288,462	£8,125,788	14/04/2022
Water Lane Middleway / Bolton Street	Site-specific FVA/Appeals etc	Benchmark Land Value	0.40	0.16	£688,320	£1,720,800	£4,252,097	26/10/2022
13-21 Vittoria Street, Jewellery Quarter Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	0.12	0.05	£531,060	£4,264,227	£10,536,905	07/07/2023
30-33 Sherborne Street Ladywood Birmingham B16 8DE	Site-specific FVA/Appeals etc	Benchmark Land Value	0.30	0.12	£480,000	£1,600,000	£3,953,600	24/04/2023
Land at Irving Street Holloway Head Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	0.11	0.04	£82,500	£750,000	£1,853,250	21/04/2023
80-82 Great Hampton Street - rear of Jewellery Quarter Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	0.22	0.09	£744,000	£3,381,818	£8,356,473	06/05/2024

Former Sytner/BMW Dealership Site on the corner of Newhall Hill, Sand Pits, Camden Street, Sloane Street and Summer Hill Terrace Jewellery Quarter Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	2.60	1.05	£6,643,200	£2,555,077	£6,313,595	08/12/2022
Car park land adjacent to Queensgate House Suffolk Street Queensway Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	0.26	0.11	£562,000	£2,161,538	£5,341,162	06/07/2023
240 Holliday Street, Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	0.46	0.19	£296,526	£644,622	£1,592,860	01/04/2021
Fountain Lofts, Alcester Street, Digbeth, Birmingham	Site-specific FVA/Appeals etc	Benchmark Land Value	0.21	0.08	£550,000	£2,619,048	£6,471,667	01/03/2021

Source: AspinallVerdi '230724_Birmingham BLV Database_v1

Table 6.12 – Core Zone Brownfield EUV Evidence Summary

Land Address/Site Name	Information Type	Evidence of What?	Site Area (acres)	Site Area (ha)	Value £	Value (£/acres)	Value (£/ha)	Date
121-122 Suffolk Street Queensway	Transaction	Existing Use Value	1.65	0.67	£2,760,000	£1,672,727	£4,133,309	13/12/2021

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

Brownfield Land by Use

6.54 The challenge with land value for brownfield land is (unlike agricultural land which is generally more homogeneous) there are infinite permutations of the 'existing use' and hence the Existing Use Value (EUV) will be also uniquely different (having regard also to the location, shape, size and remediation / demolition requirements).

6.55 Similarly, the premium for the brownfield site will be uniquely different having regard to the proposed use and hope value (within the context of planning allocations and policy requirements). This is further complicated on a site-specific level if there are extant consents and possible alternative uses which generate Alternative Use Values.

6.56 As set out in the main report section on brownfield/greenfield land economics and hope value, the timing of any redevelopment decision on brownfield land is determined by the relationship between the EUV and the value of the site in its redeveloped [higher value] use – less the costs of redevelopment.

6.57 Redevelopment takes place at a point in time when buildings are economically obsolete (as opposed to physically obsolete). Over time the existing use value of buildings falls as the operating costs increase, depreciation kicks in and the rent falls by comparison with modern equivalent buildings. In contrast, the value of the next best alternative use of the site increases over time due to development pressure in the urban context (assuming there is general economic growth in the economy). Physical obsolescence occurs when the decreasing existing use value crosses the rising alternative use value.

6.58 However, redevelopment requires costs to be incurred on-site demolition, clearance, remediation, and new build construction costs. These costs have to be deducted from the alternative use value 'curve'. The effect is to extend the period to achieve the point where redevelopment is viable (economic obsolescence).

6.59 Where there is a possibility of development the landowner will often have regard to 'hope value'. Hope value is the element of the market value of a property in excess of the existing use value, reflecting the prospect of some more valuable future use or development. Hope value is represented in the EUV premium and can never be in excess of policy-compliant market value (RLV), given RICS guidance on the valuation of development sites.

6.60 Hope value takes into account the uncertain nature or extent of such redevelopment prospects, including the time which would elapse before one could expect planning permission to be obtained or any relevant constraints overcome, to enable the more valuable use to be implemented.

Open Call for Land Evidence

6.61 We currently have an open call for land value data and comparable evidence. We would welcome more comparable land value evidence for all land uses (residential, commercial and retail). In this respect, we need specific details of:

- the transaction date;
- net and gross site area;
- price paid;
- greenfield / brownfield (existing use)
- planning consent (including affordable housing % and S106 details)
- abnormal costs.

6.62 Please note that this data will be retained in our land value database but anonymised as appropriate for reporting purposes.

7 Benchmark Land Value Assumptions

7.1 Our benchmark land value (BLV) assumptions are based on a 'bottom-up' approach starting with EUV of the gross land area. For typologies the bottom-up approach is based on the value per acre/hectare gross for agricultural / paddock land (existing use value (EUV)). This EUV is 'grossed up' to reflect a net developable to gross site area ratio of:

- 80% net to gross on smaller greenfield typologies (<75 units)
- 75% net to gross on larger greenfield typologies (>75 units)
- 50% net to gross on strategic greenfield typologies.

7.2 For brownfield site typologies we have assumed that 100% of the site is redeveloped.

7.3 It is important to note that our BLVs in Table 7.1 – Birmingham Benchmark Land Value Assumptions are higher than in previous area wide studies by other consultancies. Our BLVs are based on detailed analysis of the land market and consultation with stakeholders. Land Values / BLVs may need to come down in the future to accommodate new policy requirements e.g. Bio-diversity Net Gain (BNG); Urban Greening Factor (UGF); zero carbon homes etc. Part of the role of the Local Plan is to set these parameters in order for land-owners expectations to be tempered. That said, we do not want to stymie the market and therefore we have tested the Local Plan based on the typologies and land values (BLV's) below.

Brownfield Land

7.4 For the residential typologies on brownfield land, the benchmark land value is based on a 10-25% premium over perceived Existing Use Values. Note that EUVs for brownfield sites are sensitive to the particular use (i.e. the EUV could be lower if the site is not in existing lawful use for industrial/commercial) and any legacy costs of contamination, site remediation and demolition.

7.5 Across the defined value zones, we have used a value of £775,000 to £2,000,000 per acre (EUV) and BLVs ranging from £852,500 - £2,500,000 per acre, representing an uplift multiplier ranging from 10-25%.

7.6 It is important to note the BLV caveats at the end of this report and the comments thorough-out that every brownfield site is, in reality, unique. The EUVs and BLVs are based on the best 'available' evidence herein and the uplift multipliers reflect an element of hope value between the different value zones. For example, we know that substantial premiums are being paid for land in the City Core Zone which is often well beyond what a policy compliant scheme could support. Conversely, we would expect premiums to be lower in the low value area where the development pressure is less (in this respect the multiplier covers the vendors sale and legal fees) as an incentive to sell.

Greenfield Land

7.7 Within the confines of Birmingham's city boundary, the landscape primarily comprises urban development and infrastructure, making agricultural and greenfield land scarce within this area. As a result of the city's substantial built-up environment, agricultural and greenfield land transactions or listings are notably absent. The urbanisation and expansion of residential and commercial spaces have limited the availability of agricultural and greenfield land for transactions or listings within Birmingham's boundaries, reflecting the predominantly developed nature of the region.

7.8 The evidence that we have gathered has indicated that paddock land and greenfield land that is contained within strategic allocation achieves a rate of £100,000 per acre. This price per acre is consistent across the borough with the transactions that are evidenced. This value does not reflect agricultural values (EUV) for farming and includes higher value use such as paddock land and urban fringe leisure uses. Hence the analysis of the uplift multiplier cannot be considered equivalent to agricultural land (i.e. as a multiplier) and should be considered also in the context of percentage uplifts (similar to brownfield land which has a higher starting EUV).

7.9 Based on existing evidence of greenfield land transactions within Birmingham we have applied an EUV of £100,000 per acre across all the zones, with an uplift of 20% (or 1.2 multiplier) resulting in a BLV of £275,00 per acre.

7.10 For larger 'strategic sites' we have established the BLV at £250,000 per acre. This equates to £125,000 per acre gross (@50% net to gross ratio). Based on EUV for agricultural land of £12,000 per acre this equates to 10x (9.4x) EUV which is sufficient net premium.

Benchmark Land Value Caveats

7.11 It is important to note that the BLVs contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular BLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site-specific planning applications. Where sites have obvious abnormal costs, these costs should be deducted from the value of the land. The land value for site-specific viability appraisals should be thoroughly evidenced having regard to the existing use value of the site (as is best practice in the PPG) This report is for plan-making purposes and is 'without prejudice' to future site-specific planning applications.

7.12 Furthermore, we are not saying that land can *only* be acquired in the city for these BLVs. As the appraisals show there is often a surplus between the RLV and BLV which could be put to a stronger land bid or retained as profit. Furthermore, the sensitivity scenarios show the impact on the surplus (i.e., the difference between the RLV and BLV) for various levels of BLV and profit %.

Table 7.1 – Birmingham Benchmark Land Value Assumptions

Typology	Location	Greenfield /Brownfield	EUV -					Uplift Multiplier	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)	x [X] x [Y]%	(per acre) (net developable) (rounded)	(per ha) (net developable) (rounded)
Residential/Commercial	Low Value Area	Brownfield	£775,000	£1,915,025	100%	£775,000	£1,915,025	10.0%	£852,500	£2,106,528
Residential/Commercial	Medium Value Area	Brownfield	£1,100,000	£2,718,100	100%	£1,100,000	£2,718,100	15.0%	£1,265,000	£3,125,815
Residential/Commercial	High Value Area	Brownfield	£1,525,000	£3,768,275	100%	£1,525,000	£3,768,275	20.0%	£1,830,000	£4,521,930
Residential/Commercial	Core Zone	Brownfield	£2,000,000	£4,942,000	100%	£2,000,000	£4,942,000	25.0%	£2,500,000	£6,177,500
Residential (Paddock Land)	All Areas	Greenfield	£100,000	£247,100	80%	£125,000	£308,875	1.2	£275,000	£679,525
Residential (Strategic Site)	All Areas	Greenfield	£12,000	£29,652	50%	£24,000	£59,304	9.4	£250,000	£617,750
The above values are for Plan-making purposes only. This table should be read in conjunction with our Financial Viability Assessment Report and the caveats therein. No responsibility is accepted to any other party in respect of the whole or any part of its contents.										

Source: AspinallVerdi '230724_Birmingham BLV Database_v1'

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