

ADDENDUM / UPDATE to the
2024 PRELIMINARY VIABILITY REPORT

prepared by Burrows-Hutchinson Ltd

in respect of

Candidate Site Viability Assessments

for

Monmouthshire County Council's



Contents

	Appendices	
	List of Acronyms / Abbreviations	
	Glossary of Terms	
1.	NON-TECHNICAL EXECUTIVE SUMMARY	1
2.	RICS COMPLIANCE	2
3.	DETAILS of the REVIEW	3
4.	SUMMARY and CONCLUSIONS	8

Appendices

APPENDIX A : SUMMARY of 2025 VIABILITY DATA for ALLOCATED SITES

APPENDIX B : COST IMPACT of ENERGY EFFICIENCY POLICIES for NEW HOMES

List of Acronyms / Abbreviations

AMR	Annual Monitoring Report
BBNP	Bannau Brycheiniog National Park
BHL	Burrows-Hutchinson Ltd
DVM	Development Viability Model (site-specific Viability Appraisal toolkit)
EPC	Energy Performance Certificate
FVA	Financial Viability Assessment (or Appraisal)
FW	Future Wales – The National Plan 2040
GDV	Gross Development Value
GIA	Gross Internal Area
ISA	Integrated Sustainability Appraisal
LDP	Local Development Plan
LHMA	Local Housing Market Assessment
LPA	Local Planning Authority
MCC	Monmouthshire County Council
MEV	Mechanical Extract Ventilation
MVHR	Mechanical Ventilation with Heat Recovery
NIA	Net Internal Area
PPW	Planning Policy Wales (Edition 12 : February 2024)
RDP	Replacement Deposit Plan
RVM	Regional Viability Model (for high-level viability assessments)
RLDP	Replacement Local Development Plan
SAB	SuDS Approving Body
SME	Small-to-Medium Enterprise
SoCG	Statement of Common Ground
SPG	Supplementary Planning Guidance
SuDS	Sustainable Drainage System(s)
The Manual	Welsh Government Development Plans Manual (Edition 3) : March 2020
TAN	Technical Advice Note
ULEV	Ultra-Low-Emission Vehicle
VSG	Viability Study Group
WDQR	Welsh Development Quality Requirements
WG	Welsh Government

Glossary of Terms

Adoption	The final stage of Local Development Plan preparation where the RLDP becomes the statutory development plan for the area it covers.
Affordable Housing	Residential development for sale or rent below market prices and retained as affordable in perpetuity
Affordable Housing Allocation	Land allocated for affordable housing either low cost home ownership or to rent.
Availability and Deliverability of Land	Available land includes land which the owner is willing to develop or to sell for development. Deliverability relates to the economic viability of bringing a site forward; and to the absence of other material constraints to its development.
Countryside	Land outside the settlements identified within the Settlement Hierarchy
Deposit Plan	A full draft of the Plan which is available for public consultation during the Deposit Period.
Housing Allocation	Residential development sites identified in the Development Plan.
Infrastructure	Infrastructure encompasses power supplies, water supply, means of sewage or surface water disposal, roads and other transportation networks, telecommunications and other facilities that are required as a framework for development. It can also encompass facilities and services needed to support communities, such as schools, parks and/or leisure facilities.
Market Housing	Housing for sale at market prices (can include self-build or custom build housing).
Preferred Strategy	The first formal strategy document for the Replacement LDP which sets out the framework and overarching policies that will guide the policies and proposals relating to land use.
Review Report	A document which evaluates the extent to which the adopted LDP is functioning effectively. MCC consulted on a draft review report between Dec 2017 – Feb 2018; and published a final report in March 2018.
Settlement Hierarchy	The settlement hierarchy reflects the findings of the Sustainable Settlement Appraisal (SSA) which has grouped settlements into tiers based on their role and function. This has involved an assessment of the level of sustainable transport and accessibility, the availability of local facilities and services and the level of employment opportunities in and around settlements.
Self-build/custom build housing	Bespoke housing development commissioned and managed by the intended occupier. In all cases whether a home is self-build or custom build, the initial owner of the home will have primary input into its final design and layout.

1. NON-TECHNICAL EXECUTIVE SUMMARY

- 1.1 In July 2020, Burrows-Hutchinson Ltd (“BHL”) was initially commissioned by Monmouthshire County Council to undertake a County-wide Viability Assessment (“the Study”) of its Housing policies, with a particular focus on the financial viability of affordable housing and other s.106 obligations on market-led residential development sites. The Study was delayed on more than one occasion, by working restrictions during the Covid-19 pandemic and by issues of capacity for phosphate treatment at Wastewater Treatment Works in parts of the County.
- 1.2 However, the initial Study was completed by September 2024; and the conclusions drawn are set out in a Preliminary Financial Viability Report published alongside the Deposit version of the Council’s Replacement LDP. This Addendum to that 2024 Report must be read in tandem with it.
- 1.3 In March 2025, in preparation for the Council submitting the Deposit plan for Examination, BHL was asked to review the viability assessments undertaken the previous year on sites that are specifically allocated for residential and/or mixed-use development in the Deposit RLDP. This has specifically involved

- increasing the transfer values that will be paid for new social rented homes on the sites the Council has allocated in the Deposit RLDP, by approximately 20%, in line with the change in the Social Rent Cap since those values were last reviewed in 2021;
- taking on board the site-specific infrastructure requirements set out in the Council’s Infrastructure Delivery Plan (IDP) Background Paper, published in October 2024; and
- incorporating the effect of any material new information that has emerged since the 2024 FVA’s were undertaken, particularly in relation to abnormal site works/costs for each site.

At the start of this exercise, a review of more general changes in house prices and basic build costs, over a previous 9-month period, indicated that growth in Monmouthshire house prices was outstripping build cost inflation by (on average) £12,000 or more per dwelling^A. Section 3 of this Report explains how this has been treated as providing an additional “viability buffer” to the updated (2025) FVA’s that are summarised at **Appendix A**.

- 1.4 BHL anticipates that part of this “buffer” may be needed to absorb an average cost uplift in the region of £4,335 per dwelling^B to meet the requirements of Policy NZ1 - Monmouthshire Net Zero Carbon Homes, as opposed to the standard that is likely to be set by the new Welsh Building Regulations, due to be published in the near future. It is possible that this degree of cost uplift is overstated; but the “viability buffer” still significantly exceeds it.
- 1.5 Only one site promoter^C has failed to co-operate with the Council and BHL in this process. With that one exception, it is clear from the work that BHL has undertaken that it is viable for all the sites that the Council is allocating for new residential and/or mixed-use development in the Deposit version of its Replacement LDP, to
- a) deliver 50% of their new homes as affordable dwellings;
 - b) meet the requirements set out in the Council’s IDP Background Paper (October 2024); and
 - c) deliver homes that will comply with Policy NZ1, as well as other general and site-specific policies in the Deposit RLDP.

^A Based on an average dwelling size of 96 m².

^B See paragraph 3.13 in this Addendum Report.

^C See paragraphs 3.8 and 4.4 in this Addendum Report.

2. RICS COMPLIANCE

- 2.1 Prior to accepting the commission referred to in paragraph 1.1 above, it was confirmed that BHL has no actual/potential conflict of interest in undertaking the Study. BHL does not act for any site promoter(s), landowner or developer, who might have a financial or other beneficial interest in the outcome of the Study.
- 2.2 BHL also confirms that the fees agreed for this Study are not performance-related or in any way contingent on the outcome of the Study or the conclusions reached in this Report.
- 2.3 In accordance with the RICS Professional Standard entitled Financial Viability in Planning: conduct and reporting (April 2023), BHL confirms its review of all individual site appraisals has been undertaken impartially, in an objective way and without interference.
- 2.4 It is also confirmed that all relevant and available sources of information have been taken into account; and that, in accordance with best practice, the Study has relied on market-based, rather than client-specific, information.
- 2.5 This Report still refers to the RICS Guidance Note entitled Financial Viability in Planning (GN 94/2012) as the more recent Guidance issued in March 2021 on Assessing Viability in Planning under the National Planning Policy Framework 2019 for England has a more direct application in England, rather than in Wales. The spirit of the Guidance has changed little between 2012 and 2021; and has been developed in any event by relevant case law and a variety of Planning Appeal decisions, which the methodology behind this Report takes into account.

3. DETAILS of the REVIEW

- 3.1 The Council has commissioned Burrows-Hutchinson Ltd (“BHL”) to review the financial viability assessments (“FVAs”) undertaken to inform the Deposit RLDP, which were the subject of BHL’s Preliminary Viability Report in September 2024. **This Addendum to that earlier Report must be read alongside the September 2024 Report**; as this document only covers any necessary changes to the 2024 FVA’s and aims to avoid repeating information and assumptions set out in that earlier Report.
- 3.2 BHL began this Review in March 2025 by considering, in general terms, what level of change had occurred in house prices and building costs over a period of approximately 9 months that had elapsed since a majority of the 2024 Candidate Site FVA’s were undertaken. The most up to date information available on house prices, from HM Land Registry’s website and the UK House Price Index (reproduced below) was from April 2024 through to January 2025.

Local Authority	Period	All Sales	Avg £ All	HPI All	Avg £ Extg	HPI Extg	Sales Extg
Monmouthshire	2024-04	79	£315,420	97.8	£312,840	97.6	72
Monmouthshire	2024-05	104	£316,590	98.1	£314,018	98.0	85
Monmouthshire	2024-06	114	£325,559	100.9	£323,322	100.9	99
Monmouthshire	2024-07	97	£331,421	102.7	£329,125	102.7	91
Monmouthshire	2024-08	119	£331,098	102.6	£328,788	102.6	106
Monmouthshire	2024-09	82	£326,543	101.2	£323,922	101.1	74
Monmouthshire	2024-10	90	£320,920	99.5	£318,266	99.3	90
Monmouthshire	2024-11	91	£327,055	101.4	£323,249	100.8	91
Monmouthshire	2024-12	87	£331,918	102.9	£326,327	101.8	87
Monmouthshire	2025-01	68	£335,772	104.1	£328,546	102.5	68
Change over 9 months			£20,352	6.44%	£15,706	5.02%	

- 3.3 This shows a 5% increase in the average price of second-hand housing stock over that period, equivalent to an uplift of some £15,700 in the average price of an existing dwelling; and nearly 6.5% (or some £20,350) in the average price of all homes (old and new) in Monmouthshire as a whole.
- 3.4 Changes in the BCIS All-in Tender Prices and General Building Cost indices over a comparable period (see below) show a smaller level of increase – less than 2%.

Series:	BCIS All-in Tender Prices Index			BCIS General Building Cost Index		
Series number:	101		quarterly	1111		monthly
Base:	1985 mean = 100			1985 mean = 100		
Date	Index	Status	% change	Index	Status	% change
May-2024	392	Provisional		460.6	Firm	
Jun-2024				459.9	Firm	
Jul-2024				466.3	Firm	
Aug-2024	394	Provisional		465.8	Firm	
Sep-2024				464.8	Firm	
Oct-2024				465.8	Firm	
Nov-2024	397	Provisional		466.0	Firm	
Dec-2024				465.3	Provisional	
Jan-2025				467.0	Provisional	
Feb-2025	399	Provisional	1.79%	468.0	Provisional	1.61%

This would typically equate to an uplift of some £3,700 in the cost of building an average sized house (96 sqm for Monmouthshire), including appropriate allowances for normal on-costs.

- 3.5 Based on this data, BHL considered it unnecessary to undertake a full review of all revenue and development cost assumptions for each of the proposed new housing allocations in the Deposit RLDP, given that the uplift in average house prices since the 2024 FVA's exceeds the increase in build costs by some £12,000 or more per dwelling (i.e. £15,700 less £3,700). It is also considered unnecessary to update the high-level County-wide Viability Assessments that were used to establish the affordable housing policy for smaller windfall sites (of less than 20 dwellings)^D. Indeed, the higher level of growth in house prices can be seen to be providing a further viability "buffer" to the financial assessment work undertaken in 2024.
- 3.6 This additional "buffer" may be partially eroded by additional costs relating to Policy NZ1 in the Deposit RLDP (see paragraphs 3.10 to 3.18 below); but it still significantly exceeds those likely extra costs.
- 3.7 Two other factors necessitate a review of the 2024 site-specific viability assessments, for sites identified in Policies HA1 to HA18 in the Deposit RLDP. Those are:
- a) In April 2025, the Council decided to increase the **transfer values** paid to developers via s.106 agreements **for new social rented homes** on the sites allocated in the Deposit RLDP, in line with the changes in the Social Rent Cap (published annually by Welsh Government). Those transfer values are still based on figures set out in Welsh Government's "2021 ACG's including land"; but changes in the Social Rent Cap since 2021 have been used to increase the values derived from the 2021 tables by 20.3%, with effect from 1st April 2025. The Council intends to further increase these transfer values with effect from 1st April in each future year, in line with changes in the Social Rent Cap.
 - b) The Council's Infrastructure Delivery Plan Background Paper, published in October 2024, after BHL's Financial Viability Report, contained some alterations to **the infrastructure requirements for individual sites** (to be imposed mainly by means of s.106 obligations) by comparison with earlier cost estimates that had been used in the 2024 FVA's.
- 3.8 At the same time as updating the 2024 FVA's to account for the above two factors, BHL asked all parties promoting these sites to advise whether other changes should be made to the site's 2024 FVA to reflect any new information on such things as abnormal site works/costs. BHL has held meetings with each site promoter on the above issues; and appropriate adjustments to the 2024 FVA's have been made, where necessary, to reflect new evidence in these areas. BHL can say, with confidence, that all the latest FVA's for the sites covered by Policies HA1 to HA18 in the Deposit RLDP, as summarised in the table at Appendix A^E, give an up to date picture of the financial viability of each site. As noted at Appendix A, Land at Drewen Farm (Policy HA7) is the only site for which the Council has no viability evidence; but this site is already allocated for development in the current LDP and an outline planning application, lodged and validated in October 2024, is expected to go to Planning Committee in September 2025.
- 3.9 For the avoidance of doubt, the updated FVA's confirm it is viable for all the other sites listed at Appendix A to deliver new housing/mixed-use developments (as applicable) in compliance with the policies set out in the Deposit RLDP, including the requirement for 50% of the new homes to be "affordable" tenure (70% for social rent and 30% for low-cost home ownership at a permanent discount of 40% from full market value), in current economic/market conditions.

^D Paragraph 4.2.20 in PPW12 states that a high-level plan-wide viability appraisal must be undertaken at the 'Deposit' stage of a development plan, to give certainty that its policies can be delivered in principle; and that requirement has already been satisfied in this case – see BHL's 2024 Preliminary Viability Report.

^E Appendix A is an updated version of Appendix B to BHL's 2024 Preliminary Viability Report; and reflects the guidance in para. 5.96 of the Development Plans Manual.

BHL also confirms that particular attention has been paid in this Review to the FVA's relating to those sites that the Deposit RLDP identifies as "key" to delivery of the plan's strategy.

- 3.10 One area in which there has been a degree of uncertainty and speculation concerns the likely additional cost of complying with **Policy NZ1** in the Deposit RLDP, over and above the costs of complying with current Building Regulations. The terms of Policy NZ1 were not fully available at the time that some of the 2024 FVA's were undertaken. In a majority of those FVA's, it was assumed that additional costs in the order of £7,500 – £8,000 per dwelling would be incurred in order to comply with changes to national Building Regulations that were (and still are) expected to be announced in 2025. This level of additional cost was supported by discussion at the Viability Study Group meeting in July 2023^F. A few site promoters have assumed a higher building specification, alongside estimates of between £10,000 – £13,500 per dwelling in additional costs; but this level of specification (including battery storage, for example) would appear to go beyond the requirements of Policy NZ1^G.
- 3.11 In section 1 of BHL's Preliminary Viability Report^H, it was stated that this aspect of the 2024 FVA's might need to be reviewed before the Deposit RLDP is submitted for Examination; and that is a further part of this Addendum to BHL's Preliminary Viability Report dated September 2024.
- 3.12 To support the policies in the Deposit RLDP, the Council commissioned a report from Spring Design on the likely practical and cost implications of Policy NZ1. Spring's April 2025 Report is being published as part of the Council's evidence base, alongside submission of the Deposit RLDP for Examination. It includes an assessment by Cost Consultants RPA of the costs that are likely to be involved in achieving compliance with Policy NZ1, as opposed to the anticipated requirements of the new Welsh Building Regulations standard.
- 3.13 The Spring report concludes that complying with Policy NZ1, rather than the new standard that is expected to be set by Welsh Building Regulations, will probably add between £42/m² - £64/m² to construction costs for 2-storey houses and walk-up flats. This is broadly an increase of between 2.0% - 2.5%; and equates to approximately £3,775 for a typical 3-bedroom semi-detached dwelling of 83.6 sqm^I. For an average dwelling size of 96 sqm, the equivalent extra cost would be approximately £4,335.
- 3.14 It is possible though that this degree of cost uplift is overstated, as the cost estimates in Spring's report are based on single unit rates (or single block rates in the case of apartments). They do not therefore align with the rates that pertain to multi-unit developments; and which have been discussed and agreed at Viability Study Group meetings across the whole of Mid and South Wales, as being appropriate to viability studies of this kind.
- 3.15 BHL has therefore consulted a similarly experienced team of quantity surveyors at the Coreus Group, for evidence from other development projects and cost studies that they have carried out for regional housebuilders and others.
- 3.16 In conjunction with the Coreus Group, BHL has produced an analysis of differing standards of energy efficiency and associated cost guidelines, set out in a table at **Appendix B**. The table includes information from Welsh Government's Impact Assessment, published in December 2019, alongside its consultation on changes to Part L and Part F of the Building Regulations at that time.

^F See Appendix A to BHL's 2024 Preliminary Viability Report.

^G See paragraphs 5.30 to 5.33 in BHL's 2024 Preliminary Viability Report.

^H See paragraphs 1.8 and 1.10 in particular, as well as later sections of BHL's 2024 Preliminary Viability Report.

^I See HT900 cost analysis on page 5 of Spring Design's Report

3.17 Spring's report assumes that the new Welsh Building Regulations standard will require a reduction in operational carbon emissions of at least 75% (when compared with the 2014 Regulations) for new homes. From a more recent conversation with the technical team in Welsh Government, BHL has confirmed this to still be a reasonable assumption. The new Regulations are unlikely to prescribe a precise specification for achieving the enhanced level of energy efficiency they will be seeking; but in the opinion of BHL and Coreus, they could typically give rise to additional costs in the following building elements for an average dwelling size of 96 m²:

- Triple glazing in lieu of double glazing – £2,000;
- Improved insulation and airtightness – £1,000;
- Heating (air-source heat pump in lieu of gas boiler) – £2,000;
- PV roof panels – £4,000;
- MVHR^J in lieu of MEV – £1,000.

These figures are based on current equipment costs. Technical innovation and increased levels of production are likely to reduce unit costs, particularly for larger scale housing schemes.

3.18 In that context, it may be noted from **Appendix B** that the agreed additional cost for meeting the requirements of the 2022 Regulations, at an average of £3,000 per dwelling (in Column E of Appendix B), is less than the extra cost estimate of £5,900 per dwelling that appeared in the WG 2019 Impact Assessment (Column B of Appendix B).

3.19 It is important to stress that although both the 2024 FVA's, and the updated 2025 FVA's that are summarised at Appendix A, make allowances for increased costs arising from anticipated regulatory changes, the revenue estimates in those FVA's are all based on evidence from sales of new and existing homes with a lower energy performance rating than that set by Policy NZ1 and/or the likely changes arising from the imminent 2025 Building Regulations. Thus, although the FVA's make allowance for higher costs arising from a more energy efficient specification than that required by the current Building Regulations, they have not factored in any uplift in value for new homes, built to a higher specification that will generate significant cost savings for their occupiers.

3.20 There is a growing volume of evidence from housing schemes that are already being built to a more energy efficient standard than is required by current Building Regulations, to support the view that purchasers will pay a premium for that enhanced performance standard. Whilst to date this has mainly involved only smaller scale developments (up to 20/25 dwellings) in Wales, premiums of £25-30,000 for a 3-bedroom detached home, and £30-35,000 for a 4-bed detached home can be identified on specific projects.

3.21 It is also worth mentioning a study^K undertaken by the University of Cambridge and Think Three Ltd, which was commissioned by Octopus Energy to test the premise that new homes built to a standard that would meet their "Zero Bills" tariff, would not only offer significant savings in the occupier's energy costs but would also command higher market values as a result. The "overriding conclusion" from the Report, published in March 2024, "is that zero-bills homes can deliver significant savings in energy costs to the home owners, not only for the 5 years the Octopus Energy guarantee is provided for, but crucially for the life of the mortgage term. The savings derived over a typical 25-year mortgage term can easily exceed £25k valued

^J Mechanical Ventilation with Heat Recovery, in lieu of Mechanical Extract Ventilation

^K

https://irp.cdnwebsite.com/037925b4/files/uploaded/Zero_Bills_and_Higher_Values_Octopus_Report_Mar24_Final.pdf

at today's prices; even accounting for replacement components, indexation, and performance degradation of the generating systems used to achieve a zero-bills home."

- 3.22 The Report recognises that "the estimated willingness-to-pay for a zero-bills home is expected to vary across regions [of England & Wales], due to variations in climate, regional population, socio-economic characteristics, building stock and, perhaps crucially, average house prices." Compared with an average estimated house price premium of 13% across all regions, the Report estimates a 9.1% premium for Wales. Interestingly, this percentage rate aligns with the evidence referred to in paragraph 3.20 above.
- 3.23 Crucially though, particularly on larger housing developments, BHL considers that it may be necessary for developers to quantify the potential cost savings in homes built to the Policy NZ1 standard, in an appropriate and positive way, in order to establish a suitable price premium. This may be of particular importance to buyers seeking a maximum mortgage.
- 3.24 Drawing together all the evidence and discussion points from the preceding paragraphs, BHL concludes that:
- a) costs relating to the requirements of Policy NZ1, wherever these may not have been fully reflected in allowances made in the 2024 and current FVA's for sites identified in policies HA1 to HA18 in the Deposit RLDP, will be more than fully covered by the viability buffer referred to in paragraphs 3.5 and 3.6 above; and
 - b) there could well be an additional "buffer" in the fact that no allowance has been made in any of the site-specific FVA's, or in the high-level Countywide Viability Assessments, for a potential further uplift in house prices arising from cost savings to occupiers of new homes that will be built to a significantly more energy-efficient standard than that required under current (2022) Building Regulations.
- 3.25 The Review has involved making some changes to the mix of open market dwelling types on the sites covered by Policies HA13 to HA18, to better reflect the aim of Policy HA8 – Housing Mix. Where the Council has considered it appropriate, the 2025 FVA's include a lower proportion of larger 4-bedroom homes; and a greater number of 3-bedroom homes. Affordable housing on all sites is predominantly in the form of 1-bedroom or 2-bedroom dwellings.
- 3.26 Save as mentioned above, comments and assumptions made in relation to other matters for the 2024 FVA's, remain largely unchanged.

4. SUMMARY and CONCLUSIONS

- 4.1 Following an initial, high-level review of changes in house prices and build costs since BHL's Preliminary Viability Report in September 2024, this Review has focused on updating the 2024 FVA's for individual housing allocations in the Deposit RLDP in a way that is broadly limited to the following areas:
- an agreed increase in the transfer values payable for new social rented accommodation on new site allocations, to reflect the change in the Social Rent Cap since transfer values were last set in 2021;
 - the Council's reassessment of infrastructure requirements for individual sites, as published in its Infrastructure Delivery Plan Background Paper dated October 2024; and
 - any material new information arising from ongoing investigation and assessment work for each site; and/or design work or discussions preparatory to an outline planning application.
- 4.2 In relation to Policy NZ1 in the Deposit RLDP, where costs relating to this energy efficiency standard may not have been fully allowed for in the 2024 or 2025 FVA's, the additional costs that are likely to arise from complying with the policy are more than fully covered/offset by a net uplift of £12,000 or more in the average house price for Monmouthshire^L.
- 4.3 Although, at this stage in the planning process, viability appraisals will often still be based on a number of relatively high-level assumptions, the background to all such assumptions has been interrogated by BHL. Thus, each site-specific appraisal is considered to be sufficiently robust to meet the national policy requirements and guidance contained in Planning Policy Wales and the Development Plans Manual, at this stage in the planning process. All the site promoters are aware that "only in exceptional circumstances should further viability appraisals be undertaken at the planning application stage"^M.
- 4.4 On that basis, this Review confirms the financial viability of all the Council's proposed housing allocations in the Replacement LDP; with the exception of Drewen Farm, Monmouth (CS0277) where the developer has now applied for outline consent pursuant to the site's allocation in the current LDP.
- 4.5 This Report is made for Monmouthshire County Council, as part of the evidence base for the Council's Replacement LDP; and is supplementary to BHL's Preliminary Viability Report in September 2024. This Addendum to that earlier Report has again been prepared with all reasonable skill, care and diligence; and in a manner consistent with the RICS Practice Statement and Guidance Note for Surveyors acting as Expert Witnesses. Nevertheless, no duty of care can be accepted to third parties for the whole or any part of its contents.

Andrew Burrows MA FRICS

Director

Burrows-Hutchinson Ltd

Strategic Asset Management,

Economic Regeneration and Viability,

Energy Conservation and Performance.

July 2025

^L See paragraphs 3.2 to 3.5 above for details

^M See paragraph 5.90 in the Development Plans Manual

APPENDICES

APPENDIX A : SUMMARY of 2025 VIABILITY DATA for ALLOCATED SITES

Policy Ref	Site Name	No. Homes in Plan Period			Site Area (net ha)	Develpmt Density		Affordable Homes		2025 DVM reviewed by BHL					Comments	
		RLDP site	LDP site	Total		dph	sqm/ha	Total	SR	OMV/m²	Build/m²	s.106/dwg	Sales/mth	Land /ac		
Abergavenny																
HA1	Land East of Abergavenny	500		500	14.82	39.0	3,486	50%	70%	£3,787	£1,163	£5,235	3.75	£314,034	Mixed-use, including commercial uses & local centre	
HA5	Land at Penlanlas Farm	100		100	3.40	29.4	2,731	50%	70%	£3,886	£1,248	£7,510	4.00	£350,000		
Total		600		600	26.0% of total new homes											
Monmouth																
HA4	Leasbrook (Dixton)	270		270	7.08	38.1	3,658	50%	70%	£3,710	£1,150	£14,567	3.00	£400,000		
HA8	Land at Tudor Road, Wyesham		50	50	1.15	43.5	3,847	100%	Site proceeding as a 100% affordable scheme							
HA7	Land at Drewen Farm		110	110	Site allocated for development in existing LDP and outline planning application, lodged in October 2024, is under consideration.											
HA6	Land west of Rockfield Road	60		60	3.23	40.2	3,270	50%	70%	£3,596	£1,100	£12,293	4.00	£150,351	Allocation for 60 additional homes in RLDP, adding to existing outline consent for 70 units.	
Total		330	160	490	21.3% of total new homes											
Chepstow																
HA3	Mounton Rd	146		146	3.90	37.4	3,601	50%	70%	£3,804	£1,217	£9,997	4.33	£337,245	Mixed-use, may include hotel and care home	
Total		146		146	6.3% of total new homes											
Severnside																
HA2	The Showground (CS0087)	385		385	11.36	33.9	2,882	50%	70%	£3,748	£1,100	£12,460	4.00	£350,000	Taken together, these two candidate sites are entitled "Land east of Caldicot/North of Portskewett" in the RLDP	
	Bradbury Farm (CS0251)	385		385	13.00	32.1	2,740	50%	70%	£3,782	£1,100	£12,460	4.00	£300,400		
HA9	Former MoD Training Centre, Caerwent	40		40	2.47	23.0	2,165	50%	70%	£3,748	£1,275	£5,370	3.00	£180,328	Mixed-use, with 1 ha of employment land	
Total		810		810	35.1% of total new homes											
Rural Secondary Settlements																
HA10	South of Monmouth Road, Raglan	54		54	1.56	34.6	3,000	50%	70%	£3,848	£1,100	£9,201	2.75	£300,000		
HA11	East of Burrium Gate, Usk	40		40	1.26	31.7	2,933	50%	70%	£4,290	£1,300	£12,304	2.22	£480,769		
HA12	West of Trem yr Ysgol, Penperlleni	42		42	1.20	35.0	3,086	50%	71%	£3,875	£1,248	£7,505	3.00	£350,000		
Total		136		136	5.9% of total new homes											
Rural																
HA14	Land at Churchfields, Devauden	20		20	0.52	38.5	3,342	50%	70%	£4,001	£1,300	£7,200	1.11	£375,969		
HA15	Land to the east of Little Mill	20		20	0.77	26.0	2,140	50%	70%	£3,890	£1,275	£3,600	2.50	£262,789		
HA16	Land north of Little Mill		15	15			Site rolling forward from existing LDP, with planning for consent for 7 open market homes and 8 affordable dwellings (53% AH).									
HA17	Llanellen Court Farm, Llanellen	26		26	1.08	24.1	2,520	50%	69%	£3,731	£1,225	£6,166	1.18	£284,785		
HA18	Land west of Redd Landes, Shirenewton	26		26	1.20	21.7	1,986	50%	69%	£4,047	£1,275	£4,659	3.25	£286,659		
HA13	Land at Piercefield, St Arvans	16		16	0.48	33.3	3,340	50%	63%	£3,796	£1,300	£8,463	4120.00	£404,694		
Total		108	15	123	5.3% of total new homes											
GRAND TOTALS																
NEW ALLOCATIONS in RLDP		2,130	Analysis of Open Market Values : Median £3,804													
EXISTING LDP SITES			175	U/Qtle £3,890												
TOTAL NEW HOMES on ALLOCATED SITES during PLAN PERIOD				2,305	100.0%	L/Qtle £3,748										

APPENDIX B : COST IMPACT of ENERGY EFFICIENCY POLICIES for NEW HOMES

COST IMPACT of ENERGY EFFICIENCY MEASURES for NEW HOMES

APPENDIX B

Category	Building Regs 2014 (as BCIS):	WG 2019 IA – Option 1 (Preferred Option)	WG 2019 Option 2 (High fabric + tech)	Building Regulations 2022:	AD: L Wales 2025 (Coreus / BHL)	MCC NZ1 (Spring / RPA)
Column Ref.	Column A	Column B	2019 Col C 2025 Col D	Column E	Column F	Column G
Carbon reduction vs 2014	0	33%	69%	~31% (stated)	~75% -80%	~88–90% (modelled)
Space Heating Demands (kWh/m ² /yr)	100 + kWh	60–70 (assumed)	25-30 (inferred by comparison to Spring)	60–90	~30-35 (estimated)	~25 (HT421)
Heating system	Gas Boiler	Gas boiler + PV	Gas or ASHP	Combi / or Gas	ASHP	ASHP
Ventilation	Intermittent	MEV (intermittent or dMEV)	MVHR	MEV / Dmev	dMEV or MEV	MVHR
Airtightness (permeability)	10 m ³	5 m ³ /h.m ²	3 m ³ /h.m ² (anticipated)	5 m ³ /h.m ²	5 (modelled)	3 (modelled)
Window U-value	1.6 W/m ² k	1.4 W/m ² k	1.3 W/m ² k	1.3 W/m ² k	1.2 - 1.4 W/m ² k	1.0 - 1.2 W/m ² k
Wall U-value	0.3 w m ² K	0.18 - 0.20 W/m ² k	0.15-0.18 W/m ² k	0.13 (W/m ² K)	0.13 - 0.15 W/m ² k	0.13 - 0.15 W/m ² k
PV (max. output)	No	yes (no kWp)	yes	2-3 kWp	2-4 kWp	2-5 kWp
Semi-det'd house - Additional Unit Cost	£0.00	£5,900	£8,300 £11,100	£3,000	£12,000	£15,776
GIA (m ²) and £/m ²	84 m ²	84 £70.24	84 £132.14	84 £35.71	84 £142.86	84 £187.81
Detached house - Additional Unit Cost	£0.00	£8,100	£11,000 £14,700	£3,500	£13,000	£21,357
GIA (m ²) and £/m ²	117 m ²	117 £69.23	117 £125.64	117 £29.91	117 £111.11	167 £127.89
3/4-storey Flats - Additional Unit Cost	£0.00	£2,700	£4,900 £6,600	£2,150	£8,750	£14,076
Avg GIA (m ²) and £/m ²	60 m ²	60 £45.00	60 £110.00	60 £35.83	60 £145.83	47 £299.49
Average Extra Cost £/unit and £/m ² (from 2014 base)	96 m ² £0.00	£5,900 £61.90	£11,800 £122.60	£3,000 £31.30	£12,000 £125.00	£16,335 £170.20

This table compares the typical measures required to achieve reduced levels of operational carbon emissions, relative to the 2014 Building Regulations.

In December 2019, Welsh Government published an impact assessment of two options for achieving a 33% reduction and a 69% reduction in operational carbon emissions. The findings of this assessment are recorded in Columns B and C. Column D updates the 2019 cost estimates to the present day, using the change in the BCIS General Building Cost Index.

Column E records the now established view on the extra costs of complying with the 2022 Regulations, broadly equivalent to WG's 2019 Option 1.

Coreus / BHL cost estimates in Column F can be broadly compared with those in Column D; but do not reflect probable economies of scale or savings from technical innovation.

Costings in Column G are taken from the Spring Design Report dated April 2025.

All figures in the final row (highlighted in red) show the extra cost of meeting the relevant standard, relative to the 2014 Building Regulations, for a 2-storey dwelling of 96 m².