

Revenues



We are concerned that the private sale revenues assessed in the Viability Appraisal (VA) remain excessive.

This arises out of our own substantial research undertaken for three housebuilders as part of the work undertaken for the construction of up to 3,000 houses at Blue Boar Lane, Sprowston.

Using the housebuilder's actual sale prices (all of which are publicly accessible on Land Registry), the range of values recorded was £1,866/m² to £3,634/m².

The VA reports a range from £2,950/m² - £3,750/m².

We note the additional research and market changes that have taken place since the interim viability report in 2019.


However, we dispute the validity of using market surveys, asking prices and developer appraisals to assess baseline revenues for Local Plan viability purposes.

There is a perfectly adequate, reliable and constantly updated source of data in the Land Registry. It has the added benefit of updating sold prices with the House Price Index (HPI) to provide instant current value estimates regardless of the date of the actual sale.

Use of this data removes the need for subjectivity. Market conditions change frequently and with it optimism or pessimism (which is the metric used in the RICS survey the VA refers to). The VA acknowledges this subjectivity at para 163.

We accept there there can be a time delay in sold prices being entered onto the Land Registry system but, given the timescale of Local Plan period we see this as a minor issue compared to the use of asking prices and optimism indexes.

We would request that all house price data be based on Land Registry data and ignore asking prices.

 The purpose of the Local Plan Viability is to assess the revenues that will be generated and that can only be reliably assessed using actual sales data.