

# **Trafford Economic Viability Study**

## **Appendix 1 – Stakeholder Consultation Summary**

Trafford Council

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# 1. Introduction

1.1 The following provides a summary of the following elements of the stakeholder engagement process for the Trafford Economic Viability Study:

- Consultees
- Responses to the Engagement Process
- Subsequent Amendments to the Study

## 2. Consulted Stakeholders

- 2.1 In total 40 key stakeholders were invited to attend the Trafford Economic Viability Consultation Event held on Thursday 26<sup>th</sup> February 2009 at GVA Grimley's Manchester offices. These stakeholders were taken from a list provided by Trafford Council of stakeholders currently engaged through the council's SHLAA or Strategic Sites process as well as a list of developer and RSL contacts held by GVA Grimley.
- 2.2 In total 20 persons attended the event representing 17 different stakeholder organisations. A full list of consultees is provided in the following figure.

Figure 2.1: List of Consultees

| Consultee                  | Organisation                      |
|----------------------------|-----------------------------------|
| Ben Moorhouse              | Prixton Plc                       |
| Philip Grant (& colleague) | Drivers Jonas                     |
| Andrew Thompson            | DTZ                               |
| John Hockey                | Meyler Denton Hockey              |
| Pat Tomsett                | Landowner                         |
| David Fowler               | Property Alliance Group           |
| Andrew Thornley            | Taylor Wimpey                     |
| Richard Knight             | Turley Associates                 |
| Michael Barratt            | L&M Limited                       |
| Rawdon Gascoigne           | Emery Planning Partnership        |
| Mark Rogers                | Harvest Housing Trust             |
| Emma Richman               | Trafford Housing Trust            |
| Marie Taboni               | Trafford Housing Trust            |
| Garnet Fazackerley         | Adactus Housing Group             |
| Cym D'Souza                | Arawak Walton Housing Association |
| Chris Curtis               | Great Places Housing Association  |
| Simon Fahey                | Fahey & Sons                      |
| Andrew Fahey               | Fahey & Sons                      |
| Jemma Glossop              | Irwell Valley Housing Association |

Source: GVA Grimley, 2009

### 3. Stakeholder Responses

3.1 The feedback received from stakeholders at the stakeholder consultation event, and thereafter, is presented in the following table alongside the related amendment made to the Economic Viability Study assumptions or model (if applicable) as a result.

Figure 3.1: Summary of Responses & Amendments

| Issue Topic                  | Comments  | GVA Grimley Response  |
|------------------------------|---|---|
| Development Cost Assumptions | Precise figures should be provided to consultees for consideration.   | Consultees were issued with an Assumptions Note inclusive of precise costs with comments for stakeholders invited. A revised set of development cost assumptions was utilised within the viability model taking into account stakeholder comments.  |
|                              | Allowance for abnormal costs within the model should be increased.  | Selective abnormal costs have been adjusted based on where specific comments/evidence has been supplied or where consensus has been evident. It is appreciated here however that estimating comparables with minimal site evidence (i.e. survey work) remains speculative and is an estimate.   |
|                              | Consideration should be given to policy driven changes in development costs within the model.   | Consideration of economic viability of 100 sample sites includes sub-section assessing impact on viability of uplifting build costs to Code for Sustainable Homes (CfSH) Level 3. For future monitoring/updating the model allows value and cost assumptions to be amended to reflect conditions at a specific point in time.                               |
| Land Value                   | If possible values for land should vary according to the size of the development plot (i.e. small sites command premium).                           | The study has sought to base land value estimates on comparable land transactions and VOA data. Comparable and consistent transaction data across land sizes is limited. On this basis the study seeks to assume an 'average' across all sites. Given 100 sites have been tested to inform policy we feel this provides a suitably representative approach. |
|                              | Land transaction values are too high when reflecting VOA data.  | Land transaction values adjusted downward to reflect spatial sub-market performance, stakeholder comments and further analysis by Trafford Council and GVA Grimley Residential Land Team on comparable land transactions. These revised values were then resubmitted to stakeholders for comment. No comments were received.                                |
| Affordable Housing           | The current difficulties in delivering intermediate (shared ownership) affordable housing products should be taken into consideration in the model. | This is a qualitative issue rather than a financial appraisal one. Therefore the study seeks to address this within the wider commentary. The toolkit underpinning site negotiations is sufficiently flexible to allow for changes in affordable housing mix and capital receipts associated with such dwellings.   |

|                                   |   |  |
|-----------------------------------|---|--|
| <b>Residential Property Value</b> | Distinct variations in values within Trafford's sub-markets that may not be recognised by 'hot', 'moderate' and 'cold' location characteristics.                | Consultees agreed that this was the most robust approach to utilise for a study at this scale and were reminded that negotiations would be taken forward with the Council on a site-by-site basis. The analysis of Strategic Sites recognises this issue and adopts a flexible approach given the scale and type of development proposed. Further, the Toolkit allows for bespoke market values to be inputted for site specific negotiations. |
|                                   | Trafford should not be considered in isolation from neighbouring authorities due to sub-markets not necessarily having regard for authorities' boundaries.      | Consideration of economic viability assessment being undertaken across Greater Manchester along with other published assessments included within the Study. Progress/approach to be monitored in future by Trafford Council.   |
|                                   | The property market values utilised should reflect the premium paid for new-built developments.   | Achievable open market property values were amended within the viability model to reflect the premium paid for new-build properties utilising evidence from market transactions.   |
| <b>Strategic Sites</b>            | There was insufficient time for consultees to submit robust site data, which would impact on the ability of the study to reflect accurate site characteristics. | Consultees were provided with a time extension to provide additional site data to allow robust data to be provided for the study. This was taken into account in the appraisal of Strategic Sites.   |
| <b>Market Condition Scenarios</b> | Rapid changes in the current market could undermine the validity of the assumptions in the model.   | Market scenarios ('good', 'normal', 'poor') utilised in the model to reflect changing market conditions. For future monitoring/updating the model allows value and cost assumptions to be amended to reflect conditions at a specific point in time.   |
| <b>S106 Contributions</b>         | Need for prioritisation towards S106 Contributions to enable a flexible process adaptable to site specific and location requirements.                           | Consideration of economic viability of 100 sample sites includes sub-section assessing impact on viability of waiving S106 contributions (excluding affordable housing) and makes recommendations on this basis. Balance of requirements sought will be negotiated on a site by site basis reflecting market conditions and the objectives of policy.  |

Source: GVA Grimley, 2009