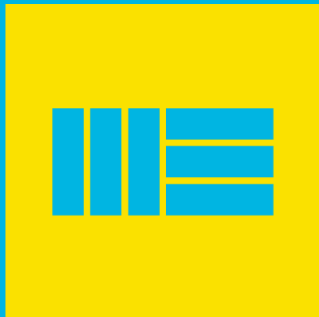


MONTAGU EVANS PRESENTS... **VIABILITY**





- WHITE PAPER PUBLISHED **6TH AUG 2020**
- PROPOSES AMALGAMATION OF S106, CIL & AFFORDABLE HOUSING INTO SINGLE **"INFRASTRUCTURE LEVY"**
- LEVY SET AT A PERCENTAGE OF **END VALUE** AND PAID **BEFORE OCCUPATION**
- REDUCED (OR ZERO) RATE FOR AFFORDABLE HOUSING TO ENCOURAGE **ON-SITE DELIVERY**
- **SMALL SITES THRESHOLD RISING TO 40 OR 50 HOMES?**
- DETAILS AS TO HOW THIS WILL BE ACHIEVED **THIN ON THE GROUND!**

VIABILITY

WORD ASSOCIATION

AFFORDABLE
HOUSING

“DARK ART”

MINIMISING
AFFORDABLE
%

FACILITATING
HOUSING
DELIVERY

PREVENTING
‘LAND
BANKING’

COMPLICATED

“GETTING
ONE OVER
ON THE
COUNCIL”

NEGOTIATION

VIABILITY

WHAT IS IT?

- SMALL 'v' **VS** BIG 'V'
- FEASIBILITY **VS** AFFORDABLE HOUSING VIABILITY



VIABILITY

THE PROCESS

- 01** SUBMIT FINANCIAL VIABILITY ASSESSMENT WITH PLANNING APPLICATION
(HAVING, IDEALLY, ENGAGED WITH LA BEFOREHAND)
- 02** LA INSTRUCTS THEIR OWN INDEPENDENT ADVISOR TO REVIEW
(AT APPLICANT'S COST)
- 03** NEGOTIATIONS
- 04** (HOPEFULLY!) AGREEMENT
- 05** PLANNING COMMITTEE
- 06** (HOPEFULLY!) RESOLUTION TO GRANT CONSENT. DOES IT ALL END THERE?

GETTING THE VIABILITY PROCESS “SPOT ON”

“SPOT ON”?

- FOR WHO?
- IS THERE SUCH A THING?

WHY IS IT IMPORTANT?

- SHARES LAND VALUE UPLIFT EQUITABLY & DELIVERS PLANNING BENEFITS
- DELIVERABILITY: ALLOWS US TO “BUILD, BUILD, BUILD”
- £££ AT STAKE (2018/19: £7BN S106 CONTRIBUTIONS, OF WHICH £4.6BN AH)
- NOT JUST AFFORDABLE HOUSING – OTHER USES FOR VIABILITY

WHEN IS IT IMPORTANT?

DURING APPLICATION PROCESS ONLY?

GETTING THE VIABILITY PROCESS SPOT ON

PRE-APP STAGE

DO



DON'T



GETTING THE VIABILITY PROCESS SPOT ON

PRE-APP STAGE

DO

- ENGAGE WITH LA (INC. HOUSING OFFICER & VIABILITY ADVISOR)
- CONSIDER ENGAGING WITH RP'S. GRANT FUNDING?
- TRY TO UNDERSTAND LA'S ASPIRATIONS & HOW THEY MIGHT BE MET (POLICY OFTEN OUTDATED)
- CONSIDER PRESENTING A MENU OF OPTIONS
- TRY TO IRON OUT DIFFERENCES BEFORE EITHER SIDE GETS ENTRENCHED (BUT NOTE HOXTON STUDIOS DECISION)
- CONSIDER THE COST OF A REVIEW: FAST TRACK ROUTE?
- BE AWARE OF LOCAL POLITICS AND RECENT CONSENTS

DON'T

- SAY: "WE ARE AWARE OF THE LA'S ASPIRATIONS AND WILL BE SUBMITTING A VIABILITY ASSESSMENT IN DUE COURSE"
- DWELL ON RECENT CONSENTS



GETTING THE VIABILITY PROCESS SPOT ON

THE SUBMISSION

DO

- EXPECT IT TO BE MADE FULLY PUBLIC
- COMPLY WITH REQUIREMENTS OF PPG AND RICS GUIDANCE/BEST PRACTICE
- PROVIDE AN EXEC SUMM
- ALIGN FULLY WITH OTHER APPLICATION DOCUMENTS
- BE MINDFUL OF VIABILITY REVIEW(S)

DON'T

- EXPECT TO BE ABLE TO REDACT MUCH
- HAVE YOUR VIABILITY CONSULTANT WORK IN ISOLATION
- MAKE UNJUSTIFIED ASSERTIONS: ONUS IS ON APPLICANT TO PROVE POLICY CANNOT BE MET



GETTING THE VIABILITY PROCESS SPOT ON

THE NEGOTIATIONS

DO

- INVOLVE THE LA
- PICK CAREFULLY IF A PANEL OF INDEPENDENT REVIEWERS IS OFFERED
- CONSIDER FUTURE WORK IN SAME LA
- PICK YOUR BATTLES, BE MINDFUL OF POTENTIAL REVIEWS
- REMEMBER THE POLITICS
- BE MINDFUL OF AN APPEAL

DON'T

- CUT THE LA OUT
- FIGHT LOSING BATTLES



GETTING THE VIABILITY PROCESS SPOT ON

THE COMMITTEE

DO

- CONSIDER OFFERING WORKSHOP FOR OFFICERS AND MEMBERS
- PRESENT AFFORDABLE HOUSING IN CONTEXT OF OTHER PLANNING BENEFITS
- READ THE COMMITTEE REPORT ASAP (IDEALLY WHEN IN DRAFT)
- PREP YOUR SPEAKER WITH ANSWERS FOR ANY BURNING VIABILITY QUESTIONS (EASIER IF COMMITTEE IS VIRTUAL)
- BEGIN DRAFTING S106 ASAP

DON'T

- ASSUME OFFICER'S RECOMMENDATION = RESOLUTION (BEWARE OVER-CONFIDENT PR CONSULTANTS!)



GETTING THE VIABILITY PROCESS SPOT ON

DRAFTING THE S106

DO

- INVOLVE YOUR VIABILITY CONSULTANT
- KEEP IT SIMPLE (FIX AND DEFINE AS MANY INPUTS AS POSSIBLE)
- USE STANDARD CLAUSES AND FORMULAE IF POSSIBLE (IN LONDON REFER TO SPG)
- REFLECT OVER-DELIVERY AS A 'CREDIT' IF YOU CAN

DON'T

- LEAVE THE DRAFTING TO YOUR LAWYER
- EXPECT AN EASY RIDE IF YOU SEEK TO DEPART FROM STANDARD VIABILITY CLAUSES



VIABILITY AT MONTAGU EVANS

SOME OF OUR CLIENTS



OUR PROJECTS

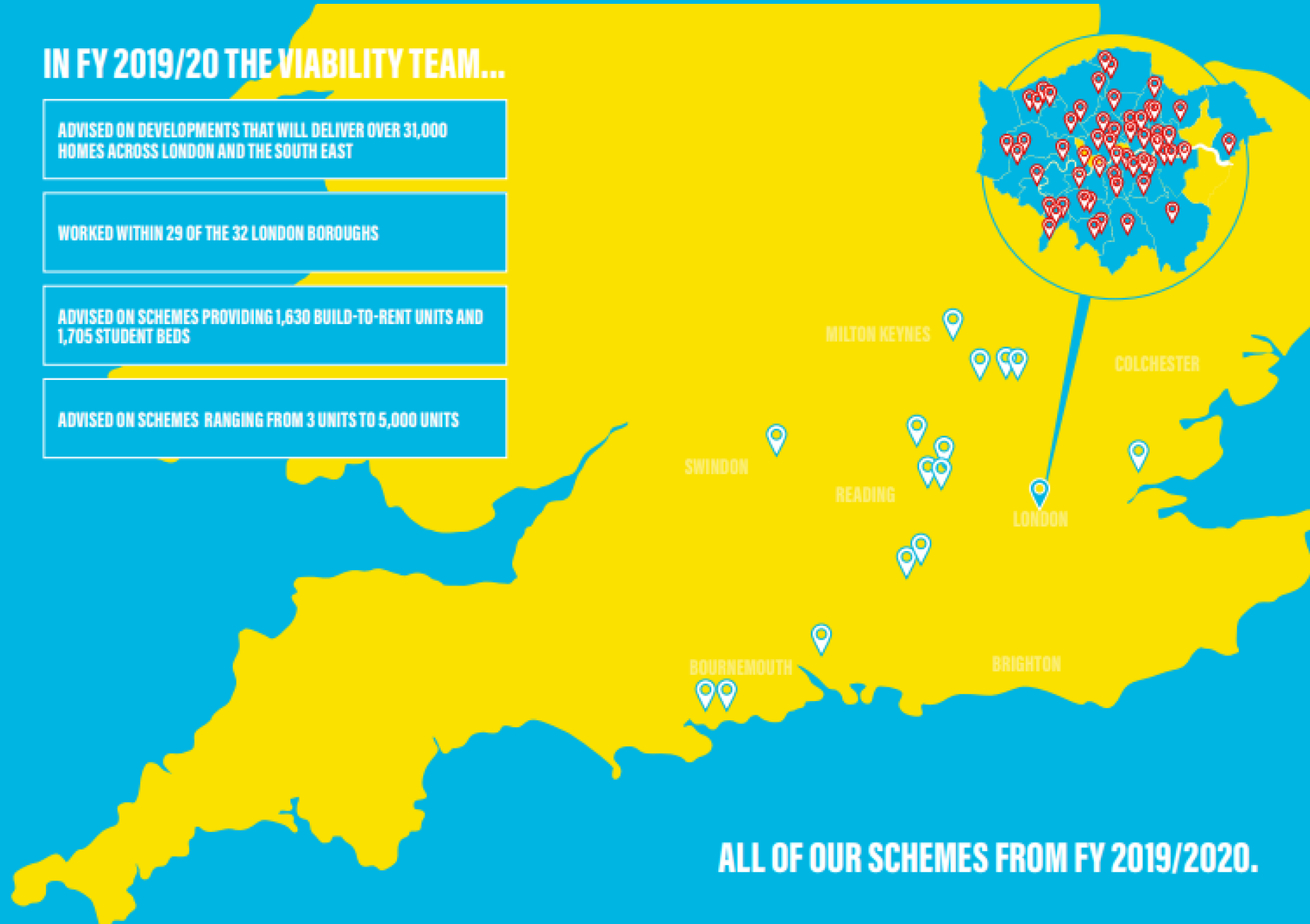
IN FY 2019/20 THE VIABILITY TEAM...

ADVISED ON DEVELOPMENTS THAT WILL DELIVER OVER 31,000 HOMES ACROSS LONDON AND THE SOUTH EAST

WORKED WITHIN 29 OF THE 32 LONDON BOROUGHs

ADVISED ON SCHEMES PROVIDING 1,630 BUILD-TO-RENT UNITS AND 1,705 STUDENT BEDS

ADVISED ON SCHEMES RANGING FROM 3 UNITS TO 5,000 UNITS

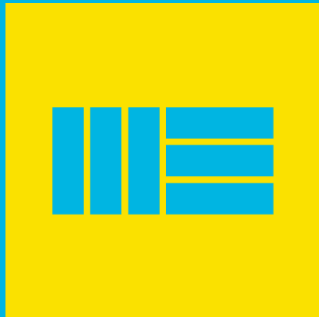


ALL OF OUR SCHEMES FROM FY 2019/2020.



MONTAGU EVANS

5 BOLTON STREET,
LONDON W1J 8BA



e will.seamer@montagu-evans.co.uk
m 07818 012438

MONTAGU-EVANS.CO.UK

LONDON | EDINBURGH | GLASGOW | MANCHESTER

WE CONSIDER OUR CREDENTIALS, HOW WE HAVE STRUCTURED OUR BID AND OUR PROPOSED CHARGING RATES TO BE COMMERCIALY SENSITIVE INFORMATION.
WE REQUEST THAT THESE BE TREATED AS CONFIDENTIAL.