

Helen Lambert
Greater Norwich Development Partnership
PO Box 3466
Norwich
Norfolk
NR7 7NX

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Our Ref: SAB/DW/C-0158500

Dear Helen,

Affordable Housing Viability Study statistics

We understand that Mr Foster has requested a few more statistics from the results of our study.

There was much discussion during EiP about the results of our study, with most parties concentrating in particular on our Chart 1. This takes a pessimistic outlook and we consider it unlikely that we will see the lower end of this range in values again. Chart 3 (and other 'refined' value range results) takes a more realistic outlook, and in our view should be the chart that is given the most weight.

As discussed briefly on the day, the proposed social housing reforms are likely to improve viability. Social housing grant, albeit a reduced amount, will also be available for unviable schemes. Hence we have also included the 'with grant' results.

It is also worth mentioning again that some development options tested are unviable in almost all situations (our commentary around Chart 2 eludes to this). It is unlikely that these options would come forward in practice for residential development, or that the market would consider them. As these options are included in our results, it skews the percentages slightly and makes viability appear more constrained than it may actually be.

The requested statistics are below:

Refined value range

%age affordable	No Grant			With Grant		
	Viable	Marginal	Unviable	Viable	Marginal	Unviable
40%	47%	15%	38%	74%	8%	18%
30%	60%	13%	27%	78%	6%	16%
20%	71%	9%	20%	81%	7%	12%

Base value range

%age affordable	No Grant			With Grant		
	Viable	Marginal	Unviable	Viable	Marginal	Unviable
40%	30%	10%	60%	49%	10%	41%
30%	39%	9%	52%	52%	9%	39%
20%	46%	8%	46%	54%	9%	37%

I hope this provides the additional detail that the inspector has asked for. The results of the 26,000 appraisals can be summarised and presented in a large number of ways, and we would be happy to provide further statistics if required.

Your faithfully,

David Wakeford
for Deloitte LLP (trading as Drivers Jonas Deloitte)