

## **Greater Cambridge Local Plan – Draft Viability Outputs 6 July 2026**

This short note sets out the draft viability outputs for the Reg 19 Local Plan testing stage, for information prior to submission of the full Viability report.

A Whole Plan Viability Assessment (WPVA) is undertaken to demonstrate that a Local Plan, taken as a whole, is capable of being delivered over the plan period. Its purpose is not to prove that every allocated site is immediately viable or that all schemes will generate the same level of developer return, but rather to test whether the cumulative impact of policy requirements—such as affordable housing, infrastructure contributions, design standards and environmental mitigation—would still allow development to come forward across the area. In this way, viability assessment supports the preparation of a sound plan by ensuring that policy ambitions are balanced against economic realities and that development is not unduly constrained.

This is done through the typology approach. Rather than assessing every individual allocation, sites are grouped into representative typologies based on factors such as location, scale, greenfield/brownfield etc. These typologies are then tested using a range of assumptions to understand how different types of development are likely to perform financially. This recognises that viability will inevitably vary between sites and that no plan area is homogeneous. Consequently, a sound Local Plan does not require every single site allocation to be viable in every circumstance. Some sites may face abnormal costs, infrastructure requirements or market constraints that affect their viability. It is a strategic assessment of plan-wide deliverability to demonstrate that the overall package of sites and policies remains deliverable and that a sufficient supply of viable and developable land exists to meet the plan's objectives.

### **Assumptions Used**

We briefly set out the key assumptions used – full detailed assumptions and inputs will be clearly set out in our final report.

Affordable Housing – all typologies have been tested at 40% affordable housing, except Urban A and Dispersal Village A which are below the affordable housing threshold.

Values have been assessed based on market evidence, as set out in our Residential Land Paper, which will be appended to our main report. Values are split into three zones – high, mid and low value areas.

Each typology includes £60psm (on market housing) for CIL, based on the emerging CIL zones. Each typology also includes £45,500 per unit for planning contributions. This is based on the draft Infrastructure Delivery Plan (IDP) prepared by AtkinsRealis, in which they have apportioned the total costs across the total dwelling numbers (and commercial space) as set out in the Local Plan. These costs have been grouped under the catch-all term of 'planning contributions' to make it simple to see the total impact, but in reality we recognise that these costs may be borne through a combination of S106, S278, direct on-site delivery, and external funding. In reality, the cost may not be split equally, with strategic sites taking a greater share of the costs.

### **Results**

For each appraisal, the Residual Land Value (RLV) is compared with the Benchmark Land Value (BLV). If the RLV is higher than the BLV (i.e. it produces a surplus of at least £1), then the typology is viable. If it produces a negative RLV (a deficit), the scheme is classed as unviable. Each appraisal shows the surplus / deficit compared to the BLV in terms of £ / acre, £ / unit, and £ total.

Viable	if $RLV > BLV$
Marginal	if $RLV < BLV$ , but $RLV$ is positive
Not Viable	if $RLV < BLV$ , and $RLV$ is negative

If the RLV is positive, but doesn't reach the BLV i.e it still produces a positive land value that doesn't quite reach the level of the BLV, then the typology is classed as marginal. In this case, it may demonstrate that whilst most policies can be accommodated, the cumulative affect means that the land value doesn't quite reach the requirement, and one or more of the inputs (values or costs) may need to move in order for the typology to be viable.

In order to illustrate the change in circumstances required to be viable, each appraisal includes 9 sensitivity analyses of various inputs:

- Table 1 – CIL v Affordable Housing %
- Table 2 – Site Specific S106 v Affordable Housing %
- Table 3 – Profit v Affordable Housing %
- Table 4 – BLV v Affordable Housing %
- Table 5 – Density v Affordable Housing %
- Table 6 – Build Cost v Affordable Housing %
- Table 7 – Market Values v Affordable Housing %
- Table 8 – Grant v Affordable Housing %
- Table 9 – Biodiversity Net Gain v Affordable Housing %

In order to be fully viable, it may not need a large change in one individual input, it may just require small changes in multiple inputs.

## Urban Typologies

These typologies represent brownfield sites in Cambridge, which mainly sit in mid-value areas.

Appraisal Ref:	Urban A	Urban B	Urban C	Urban C - Alternative Tenure	Urban D	Urban E
Scheme Typology:	Flats	Flats	Houses & Flats	Houses & Flats	Flats	Flats
No Units:	6	12	700	700	50	700
Location / Value Zone:	Mid	Mid	Mid	Mid	Higher	Mid
Greenfield/Brownfield:	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield	Brownfield
Surplus/Deficit (£/acre) [RLV-BLV]	2,055,167	520,435	2,129,556	1,923,224	3,994,304	2,624,275
Surplus/Deficit (£/ha)	5,078,318	1,285,995	5,262,133	4,752,287	9,869,925	6,484,583
Surplus/Deficit Total (£)	406,265	205,759	49,113,238	44,354,676	3,084,352	15,130,695
Surplus/Deficit (£/unit)	67,711	17,147	70,162	63,364	61,687	21,615
<b>RAG</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>

The results show that all typologies are fully viable, with a healthy surplus for any additional costs.

## Edge of Cambridge Typologies

These typologies represent greenfield and brownfield sites that sit on the edges of Cambridge and South Cambridgeshire, representing mid-value areas.

Appraisal Ref:	Edge of Cambridge A	Edge of Cambridge B	Edge of Cambridge B - Alternative Tenure	Edge of Cambridge C	Edge of Cambridge D	Edge of Cambridge E	Edge of Cambridge F	Edge of Cambridge G
Scheme Typology:	Houses	Houses	Houses	Houses	Houses	Houses & Flats	Houses & Flats	Houses & Flats
No Units:	3870	1935	1935	500	3870	1935	150	500
Location / Value Zone:	Mid	Mid	Mid	Mid	Mid	Mid	Mid	Mid
Greenfield/Brownfield:	Greenfield	Greenfield	Greenfield	Greenfield	Brownfield	Brownfield	Brownfield	Brownfield
Surplus/Deficit (£/acre) [RLV-BLV]	1,322,211	1,309,347	1,309,347	2,138,471	835,268	1,565,626	1,442,334	760,532
Surplus/Deficit (£/ha)	3,267,183	3,235,395	3,235,395	5,284,162	2,063,947	3,868,662	3,564,008	1,879,276
Surplus/Deficit Total (£)	316,099,949	156,512,245	156,512,245	44,034,679	199,686,884	124,764,335	8,910,021	23,490,945
Surplus/Deficit (£/unit)	81,680	80,885	80,885	88,069	51,599	64,478	59,400	46,982
<b>RAG</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>	<b>Viable</b>

The results show that all typologies are fully viable, with a healthy surplus for any additional costs.

## New Settlements

These typologies represent large sites (2,500 units +) on low-value greenfield sites in South Cambridgeshire, that have not been identified as named strategic sites.

Appraisal Ref:	New Settlement A	New Settlement B	New Settlement B Alternative Tenure
Scheme Typology:	Houses & Flats	Houses & Flats	Houses & Flats
No Units:	5120	2560	2560
Location / Value Zone:	Lower	Lower	Lower
Greenfield/Brownfield:	Greenfield	Greenfield	Greenfield
Surplus/Deficit (£/acre) [RLV-BLV]	467,521	1,044,883	1,067,233
Surplus/Deficit (£/ha)	1,155,244	2,581,907	2,637,133
Surplus/Deficit Total (£)	147,871,197	88,129,096	90,014,139
Surplus/Deficit (£/unit)	28,881	34,425	35,162
RAG	Viable	Viable	Viable

The results show that all typologies are fully viable, with a healthy surplus for any additional costs.

## Dispersal Villages

These typologies represent schemes centred around villages in the low value areas of South Cambridgeshire, for both greenfield and brownfield sites. Dispersal Village C & E reflect sites in the Green Belt, and therefore have a higher affordable housing requirement of 50%, in accordance with the 'golden rules' as set out in the NPPF>

Appraisal Ref:	Dispersal Villages A	Dispersal Villages B	Dispersal Villages C (Green Belt)	Dispersal Villages D	Dispersal Villages E (Green Belt)	Dispersal Villages F	Dispersal Villages F (Alternative Tenure)
Scheme Typology:	Homes	Homes	Homes	Homes	Homes	Homes	Homes
No Units:	6	12	50	50	250	250	250
Location / Value Zone:	Lower	Lower	Lower	Lower	Lower	Lower	Lower
Greenfield/Brownfield:	Greenfield	Greenfield	Green Belt	Brownfield	Green Belt	Brownfield	Brownfield
Surplus/Deficit (£/acre) [RLV-BLV]	(384,768)	99,758	203,430	(415,224)	468,647	(78,004)	(44,138)
Surplus/Deficit (£/ha)	(950,762)	246,502	502,676	(1,026,019)	1,158,027	(192,748)	(109,066)
Surplus/Deficit Total (£)	(190,152)	98,601	837,793	(1,710,032)	8,271,619	(1,376,770)	(779,040)
Surplus/Deficit (£/unit)	(31,692)	8,217	16,756	(34,201)	33,086	(5,507)	(3,116)
RAG	Marginal	Viable	Viable	Marginal	Viable	Marginal	Marginal

Three of the typologies are viable, with healthy surpluses. The Green Belt sites are viable with the higher 50% affordable housing requirement.

Dispersal Village A is showing as marginal. This is most likely due to the impact of the £45.5k per unit planning contribution, which is high for such a small site.

Dispersal Village D & F typologies are also marginal. These are brownfield sites, which will have potentially higher site remediation costs, and higher Benchmark Land Values. All three schemes would become viable with a lower planning contribution.

On all typologies where they are viable in the low / mid value zones, then they are implicitly viable in the mid / high value zones.

## Strategic Sites

We have tested three strategic sites – large sites which would have significant infrastructure requirements and cumulatively are required to meet housing targets in the emerging Local Plan.

- Cambourne - the Cambourne Strategic Site is located to the west of Cambridge off the A428, that could deliver c. 13,000 dwellings, plus additional commercial space. We have tested a hypothetical 'cell' of 1,000 dwellings.
- Cambridge Airport – the site of Cambridge Airport, which was recently purchased by Homes England and The Hill Group. Capacity is c. 10,000 dwellings, and may include a new railway station. We have tested a hypothetical 'cell' of 1,000 dwellings. Whilst the airport is a mix of brownfield and greenfield land, we have tested based on the 'worst-case' assumption that the whole site is brownfield. We have also classed it as being in the mid-value zone, although technically some of the site falls into the low-value zone.
- Grange Farm – a greenfield site to the south east of Cambridge. We are advised capacity is 4,500 units, but with 10% being required for specialist older person's living, therefore we have tested 4,050 dwellings.

Appraisal Ref:	Cambourne	Cambridge Airport	Grange Farm
Scheme Typology:	Cambourne	Cambridge Airport	Grange Farm
No Units:	1082	1000	4050
Location / Value Zone:	Lower	Medium	Lower
Greenfield/Brownfield:	Greenfield	Brownfield	Greenfield
Surplus/Deficit (£/acre) [RLV-BLV]	518,880	2,463,719	629,024
Surplus/Deficit (£/ha)	1,282,152	6,087,851	1,554,318
Surplus/Deficit Total (£)	30,828,640	62,120,924	125,899,783
Surplus/Deficit (£/unit)	28,492	62,121	31,086
RAG	Viable	Viable	Viable

The appraisals show that all three strategic sites are viable. Cambridge Airport has the largest surplus due to being in the medium-value zone, rather than the lower-value zone like the other two.

We would highlight that we have used the generic £45,500 per unit for planning contributions. The strategic sites are likely to take up a greater share of the IDP costs, and therefore the contributions may be higher. Our appraisals show that the contributions could be increased to c. £75,000 at Cambourne and Grange Farm, and over £105,000 at Cambridge Airport without impacting viability.

## Build to Rent / Co-Living

Build to Rent schemes are valued on an investment method, by taking the net rental income (after operating costs) and capitalising it. The two typologies represent a high value brownfield site in Cambridge, and a mid-value greenfield site in South Cambridgeshire. These have been tested on the basis of a 20% discount on market rent 20% of the units. Co-living is tested in the same manner.

Appraisal Ref:	Build to Rent A	Build to Rent B	Co Living
Scheme Typology:	BTR	BTR	Co Living
No Units:	250	250	200
Location / Value Zone:	High Value	Medium Value	High Value
Greenfield/Brownfield:	Brownfield	Greenfield	Brownfield
Surplus/Deficit (£/acre) [RLV-BLV]	7,908,419	1,802,183	393,239
Surplus/Deficit (£/ha)	19,541,704	4,453,195	971,693
Surplus/Deficit Total (£)	16,284,753	7,421,992	647,796
Surplus/Deficit (£/unit)	65,139	29,688	3,239
RAG	Viable	Viable	Viable

Both BTR typologies are viable with a healthy surplus. The Co-living scheme is viable, but with a much smaller surplus. This may be reflective of this being a new product in the market, with less evidence of values, and therefore a riskier proposition.

## Student Accommodation

Student Accommodation is tested on the basis of a brownfield site in a high-value area (i.e. the City of Cambridge), with 20% of the units let at a 20% discount on market rent.

Appraisal Ref:	Student Accommodation
Scheme Typology:	Student Accommodation
No Units:	250
Location / Value Zone:	High Value
Greenfield/Brownfield:	Brownfield
Surplus/Deficit (£/acre) [RLV-BLV]	1,489,459
Surplus/Deficit (£/ha)	3,680,454
Surplus/Deficit Total (£)	3,067,045
Surplus/Deficit (£/unit)	12,268
RAG	Viable

Student accommodation is viable, with a reasonable surplus, which is reflective of the established student accommodation market in the city.

## Older Persons Accommodation

These typologies reflect 60-bed specialist Extra Care accommodation. They include 40% affordable housing. Typology A reflects a brownfield location in the high-value zone, and Typology B reflects a greenfield location in a mid-value zone.

Appraisal Ref:	Older Person Extra Care A	Older Person Extra Care B
Scheme Typology:	Flats	Flats
No Units:	60	60
Location / Value Zone:	Higher	Mid
Greenfield/Brownfield:	Brownfield	Greenfield
Surplus/Deficit (£/acre) [RLV-BLV]	(228,690)	(1,061,761)
Surplus/Deficit (£/ha)	(565,092)	(2,623,611)
Surplus/Deficit Total (£)	(271,244)	(1,259,333)
Surplus/Deficit (£/unit)	(4,521)	(20,989)
RAG	Marginal	Marginal

Both appraisals are currently showing as marginal viability, i.e. the RLV is below the BLV. Our sensitivity analysis show that Typology A would be viable with between 30 – 35% affordable housing, or a reduction in planning contributions to c. £40,000 per unit. Typology B would be viable with between 10 – 15% affordable housing, or a reduction in planning contributions to c. £25,000.

Our final report will also include a Sheltered Housing typology.

## Overall Conclusions

Based on the assumptions, appraisals and sensitivity analyses contained herein, we believe that the proposed Local Plan Policies do not undermine the viability of development on the whole within Greater Cambridge. The vast majority of typologies, in particular the strategic sites and large typologies are viable with a healthy surplus, and it shows that broadly the cumulative policies do not undermine the deliverability of the plan. On those that are showing as marginal, primarily small brownfield sites in low value areas, they all still produce a positive RLV, and require relatively small changes in inputs to be viable over the plan period.

Final QA checks are currently being carried out, so there may be small changes between the figures included in this interim note and the final report.