



**LEWISHAM LOCAL PLAN
SITE ALLOCATIONS – LAND AT CONNINGTON ROAD AND LEWISHAM ROAD (TESCO)**

We understand that queries have been raised during the examination hearings in relation to the Benchmark Land Value ('BLV') applied to the proposed site allocation at Connington Road and Lewisham Road (Tesco) in the Local Plan Viability Study (EB17). In particular, we understand that the agents acting for the landowner have drawn comparisons with the BLV applied to the Sainsbury's Site at Bell Green.

The BLV at Connington Road has been applied as £6.87 million, assuming a site area of 0.6 hectares. However the submission version of the Local Plan assumes a site area of 1.53 hectares, which means that the BLV is slightly understated.

The landowner notes that the BLV applied to the Sainsbury's Bell Green site is higher (£63.13 million) but this is based on a larger site area of 5.4 hectares. This equates to £11.69 million per hectare. In comparison, the £6.87 million applied to Connington Road equates to £11.45 million per hectare, which is almost identical.

If we take the slightly higher value of £11.69 million per hectare from the Sainsbury's site and apply this to the Connington Road revised site area of 1.53 hectares, the BLV would be £17.89 million.

With this revised site area and higher BLV, the comparison of residual land value to BLV will change. The relevant table in EB17 is Table 6.12.6, which shows the residual land value for the Connington Road Site (Site 36) ranging from £64.88 million (with 0% affordable housing) to £20.61 million (with 50% affordable housing). In this table, all the outputs for this site are shown as green, as the residual land value generated by the development exceeds the BLV (and is therefore viable).

At Appendix 1, we replicate this analysis, but using instead the BLV with a revised site area of 1.53 hectares (which as noted above increases the BLV from £6.87 million to £17.89 million). As can be noted, with a £17.89 million BLV, all of the residual land values remain shown in green, as they exceed the BLV. The lowest residual land value (assuming 50% affordable housing, which is far in excess of the 35% affordable housing 'fast track threshold') is £20.61 million. At 35% affordable housing, the residual land value would be £33.96 million, again comfortably above the BLV.

APPENDIX 1: TABLE 6.12.6 FROM EB17 WITH REVISED BLV FOR CONNINGTON ROAD SITE

