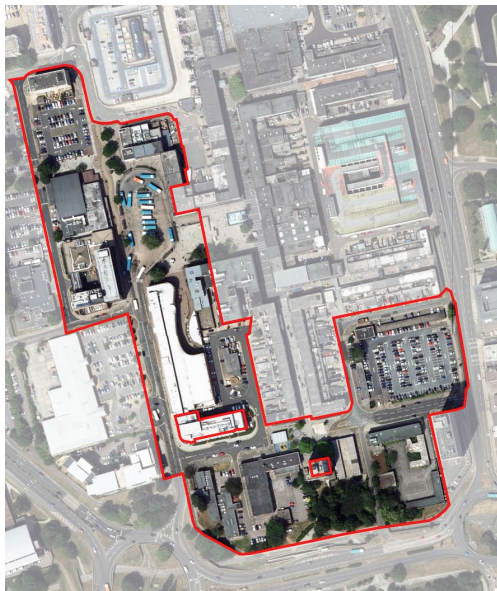


## Project Experience

### SG1 Development, Stevenage



**SG1:**

**14.5** ACRES  
 OF TOWN  
 CENTRE LAND

**10** YEAR  
 REGENERATION  
 PROJECT

**11** NEW  
 BUILDINGS  
 FOR STEVENAGE

#### Overview

AspinallVerdi were appointed by Stevenage Borough Council to undertake an independent assessment of the viability information submitted in support of the SG1 development masterplan proposals in Stevenage Town Centre. The four-phase regeneration scheme is being delivered by a public-private partnership between Stevenage Borough Council and Mace, and proposes the following:

- Up to 1,867 new dwellings
- 44,534 sqft GIA of flexible commercial space
- A new public services hub of c. 100,000 sqft
- 3 ac of landscaped public open space
- A new primary school

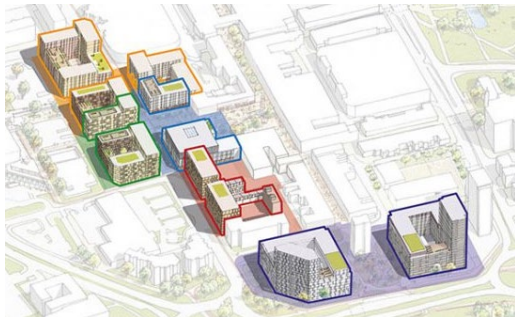
Local planning policy stipulates that 25% of new-build housing on brownfield land should be provided as affordable housing. The Applicant's assessment, concluded that the scheme could not viably support any on-site nor off-site affordable housing contributions. Despite identifying a significant deficit, the Applicant has confirmed their commitment to delivering the scheme and proposed that review mechanisms are installed within the S106 agreements to capture any favourable uplifts in viability as the scheme progresses.

Our review of the Applicant's assessment identified three main changes:

1. An increase in commercial rent assumption which contributed to additional GDV
2. A reduced commercial profit assumption
3. A reduction in benchmark land value

All other inputs assumed by the Applicant were shown to be reasonable. Despite the favourable changes listed above, our updated appraisals also demonstrated the scheme to be unviable without any affordable housing, generating a reduced deficit. This was primarily attributed to the high up-front infrastructure costs, high land value, significant development finance costs and level of planning obligations (i.e. CIL & S106).

Based on the outcome of our revised assessment and the potential savings identified in our sensitivity analysis, we supported the inclusion of review mechanisms within the S106 agreements and advised the formulas should follow those stipulated by the GLA in the Mayor's Affordable Housing and Viability SPG.



## Services Provided

AspinallVerdi provided the following services:

- Property market research and summary report
- Planning policy review
- Construction cost analysis
- Affordable housing valuation
- Development / viability appraisals
- Sensitivity analyses & counterfactual scenarios
- Delivery advice & future considerations
- Attendance at planning committee.

## Outcome

Following the submission of our finalised report in June 2020, AspinallVerdi were invited to attend Planning Committee in October 2020. As professional advisors, we presented a summary of our findings to Council Members and took part in a Q&A session thereafter. Following the presentation of evidence, the scheme received a majority in favour of the proposals.

AspinallVerdi are continuing to advise the Council on the scheme, including how alternative delivery models can improve viability.