



Strategic Housing and Employment Land Availability Assessment (SHELAA) Autumn 2025

Part 5 of 9
Viability Study

November 2025

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1. Introduction

- 1.1. The NPPF requires that policy-making authorities have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. Chelmsford City Council have therefore developed a Strategic Housing and Employment Land Availability Assessment (SHELAA).
- 1.2. The SHELAA is a desktop assessment that gauges the suitability, availability, and achievability of promoted sites through assessment against robustly developed criteria.
- 1.3. The outputs of the SHELAA are considered alongside additional evidence base material to aid selection of sites to come forward for allocation within Chelmsford's Local Plan.
- 1.4. When assessing the achievability aspect of a site, Planning Practice Guidance advises that:

*"A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site."*¹

2. Background

- 1.1. HDH Planning and Development Ltd were commissioned by Chelmsford City Council to produce the Local Plan Viability Study Including CIL Viability Review January 2018 and re-commissioned to produce subsequent studies to support the Review of the Local Plan – the Local Plan Viability Update (August 2023) and the Regulation 19 Viability Note (November 2024).
- 1.2. These studies establish and financially appraise a range of residential and non-residential typologies to determine the likeliness of development viability. The results of the Local Plan Viability Assessments allow officers to assess the deliverability of sites coming forward for development in the Local Plan period.
- 1.3. Chelmsford City Council have used the results from the latest Local Plan Viability Assessments to determine the economic viability aspect of the SHELAA.
- 1.4. Where any assumptions or recommendations are not specifically mentioned in this report, it is advisable to refer to the Local Plan Viability Assessments for an explanation as to how these have been determined.

¹ Housing and economic land availability assessment, Paragraph: 020 Reference ID: 3-020-20190722

3. Residential Market Results

3.1. The Local Plan Viability appraisals use the residual valuation approach, they assess the value of a site after considering the costs of development, the likely income from sales and/ or rents and a developers' return. The Residual Value represents the maximum bid for a site where the payment is made in a single tranche on the acquisition of a site. For the proposed development to be viable, it is necessary for the Residual Value to exceed the Existing Use Value (EUV) by a satisfactory margin, being the Benchmark Land Value (BLV).

3.2. The economic viability aspect of the SHELAA applies the outputs from the latest Local Plan viability assessments to the assigned typology in the SHELAA. Where the typology number differs from the Local Plan Viability Assessments, the typology reference in the Local Plan Viability Assessments is shown in brackets in the below tables.

3.3. A traffic light system has been applied to visually distinguish the outcomes of the appraisals:

- **Green** – indicated that the Residual Value per hectare exceeds the Benchmark Land Value per hectare and therefore suggests that the typology is likely viable for development.
- **Amber** – indicates that the Residual Value per hectare falls below the Benchmark Land Value but above the Existing Use Value per hectare and therefore suggests that viability of the typology is marginal.
- **Red** – indicates that the Residual Value per hectare falls below the Existing Use Value per hectare and therefore that the typology is likely unviable for development.

3.4. A summary of the outputs for residential sites located in the Chelmsford/wider Chelmsford area are shown below in Table 1:

Table 1: Regulation 19 Viability Note Outputs (November 2024) – Chelmsford

Typology	Site Description	Location	EUV	BLV	RV
Site 1	Large GF - 300 Urban Edge	Wider Chelmsford	25,000	525,000	1,269,210
Site 2	Large GF - 100 Urban Edge	Wider Chelmsford	25,000	525,000	1,189,455
Site 3	Medium GF – 40 Urban Edge	Wider Chelmsford	25,000	525,000	1,675,040
Site 4	Medium GF – 20 units, urban edge	Wider Chelmsford	25,000	525,000	1,442,063
Site 5	Medium GF – 12 units, urban edge	Wider Chelmsford	25,000	525,000	1,967,408
Site 6	Large BF – 125 units, urban area	Wider Chelmsford	1,100,000	1,320,000	1,845,052

Site 7	Large BF – 50 units, urban area	Wider Chelmsford	1,100,000	1,320,000	2,285,088
Site 8	Medium BF – 25 units, urban area	Wider Chelmsford	1,100,000	1,320,000	1,769,744
Site 9	Medium BF – 12 units, urban area	Wider Chelmsford	1,100,000	1,320,000	3,501,002
Site 10	Urban flats BF – 250	Wider Chelmsford	1,100,000	1,320,000	1,624,583
Site 11	Urban flats BF – 250 HD	Wider Chelmsford	1,100,000	1,320,000	-546,874
Site 12	Urban flats BF – 155	Wider Chelmsford	1,100,000	1,320,000	2,373,541
Site 13	Urban flats BF – 155 HD	Wider Chelmsford	1,100,000	1,320,000	-583,863
Site 14	Urban flats BF – 75 units, urban area	Wider Chelmsford	1,100,000	1,320,000	2,125,952
Site 15	Urban Flats BF – 35	Wider Chelmsford	1,100,000	1,320,000	1,296,933
Site 16	Flats BF – 12	Wider Chelmsford	1,100,000	1,320,000	1,556,357
Site 17	Small GF – 9 units, settlement edge	Wider Chelmsford	25,000	525,000	4,063,682
Site 18	Small GF – 4 units, settlement edge	Wider Chelmsford	25,000	525,000	4,221,273
Site 19	Green plot, settlement edge	Wider Chelmsford	25,000	525,000	4,901,063
Site 20	Small BF – 9 units, urban area	Wider Chelmsford	1,100,000	1,320,000	3,188,133
Site 21	Small BF – 6 units, rural area	Wider Chelmsford	1,100,000	1,320,000	3,400,231
Site 22	Brown plot, urban area	Wider Chelmsford	1,100,000	1,320,000	3,579,701
Site 23 (24)	Strategic Greenfield 1 – 6,250	Wider Chelmsford	25,000	250,000	309,904
Site 24 (25)	Strategic Greenfield 2 – 4,500	Wider Chelmsford	25,000	250,000	450,990
Site 26 (27)	Large Greenfield 4 – 900	Wider Chelmsford	25,000	250,000	1,009,405
Site 27 (28)	Large Greenfield 5 - 750	Wider Chelmsford	25,000	250,000	1,100,252
Site 28 (29)	Large Greenfield 6 - 500	Chelmsford	25,000	250,000	855,399

Site 29 (30)	Strategic Brownfield 7 - 760	Chelmsford	1,100,000	1,320,000	3,384,904
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3.5. A summary of the outputs for residential sites located in South Woodham Ferrers are shown below in Table 2:

Table 2: Regulation 19 Viability Note Outputs (November 2024) – South Woodham Ferrers

Typology	Site Description	Location	EUV	BLV	RV
Site 1	Large GF - 300 Urban Edge	SWF	25,000	525,000	1,098,183
Site 2	Large GF - 100 Urban Edge	SWF	25,000	525,000	1,003,364
Site 3	Medium GF – 40 Urban Edge	SWF	25,000	525,000	1,166,551
Site 4	Medium GF – 20 units, urban edge	SWF	25,000	525,000	1,012,957
Site 5	Medium GF – 12 units, urban edge	SWF	25,000	525,000	1,420,141
Site 6	Large BF – 125 units, urban area	SWF	1,100,000	1,320,000	1,509,232
Site 7	Large BF – 50 units, urban area	SWF	1,100,000	1,320,000	1,878,990
Site 8	Medium BF – 25 units, urban area	SWF	1,100,000	1,320,000	1,458,162
Site 9	Medium BF – 12 units, urban area	SWF	1,100,000	1,320,000	2,937,704
Site 10	Urban flats BF – 250	SWF	1,100,000	1,320,000	325,946
Site 12	Urban flats BF – 155	SWF	1,100,000	1,320,000	674,433
Site 14	Urban flats BF – 75 units, urban area	SWF	1,100,000	1,320,000	609,603
Site 15	Urban Flats BF – 35	SWF	1,100,000	1,320,000	753,238
Site 16	Flats BF – 12	SWF	1,100,000	1,320,000	724,670
Site 17	Small GF – 9 units, settlement edge	SWF	25,000	525,000	4,629,136
Site 18	Small GF – 4 units, settlement edge	SWF	25,000	525,000	4,821,331
Site 19	Green plot, settlement edge	SWF	25,000	525,000	5,653,828
Site 20	Small BF – 9 units, urban area	SWF	1,100,000	1,320,000	2,817,551
Site 21	Small BF – 6 units, rural area	SWF	1,100,000	1,320,000	3,046,880
Site 22	Brown plot, urban area	SWF	1,100,000	1,320,000	3,080,763

Site 25 (26)	Strategic Greenfield 3 – 1,200	SWF	25,000	250,000	626,178
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3.6. As well as mainstream housing, the Sheltered and Extracare sectors were tested separately in the Local Plan Viability assessments. The economic viability of two of the most common forms of older persons housing in Chelmsford have been applied in the SHELAA. The typologies are set out in Table 3 below and the economic outputs in Table 4:

Table 3: Older Person's Housing Typologies					
No.	Typology	Units per ha	Min area needed (ha)	Gross to net ratio	Form and scale
30	Sheltered housing	120	0.5	80%	50% 1 bed, 50% 2 bed
31	Extracare	120	0.5	70%	60% 1 bed, 40% 2 bed

3.7. A summary of the outputs for the Sheltered and Extracare sectors are shown below in Table 4:

Table 4: Older persons outputs - Local Plan Viability Update (August 2023)

Typology	Site Description	EUV	BLV	RV
30 (Site 8)	Sheltered housing	1,100,000	1,320,000	4,360,964
31 (Site 11)	Extracare	1,100,000	1,320,000	4,878,642

4. Non-residential Market

4.1. The Local Plan Viability Assessments include a range of employment and retail uses reflective of the economic make up of Chelmsford. The non-residential typologies are listed below in Table 5:

Table 5: Non-Residential Typologies				
No.	Typology	Min area needed (ha)	Gross to net ratio	Form and scale
32	Offices (Central)	0.06	70%	5 storeys, GIA 2,000m ²
33	Offices (Business Park)	0.27	25%	3 storeys, GIA 2,000m ²
34	Industrial	1	40%	1 storey, GIA 4,000m ²
35	Industrial small	0.1	40%	1 storey, GIA 400m ²
36	Distribution	1.14	35%	1 storey, GIA 4,000m ²
37	Retail (Prime)	0.025	80%	200 m ² No provision for parking / loading space
38	Retail (Elsewhere)	0.19	80%	Unspecified
39	Supermarket	0.67	30%	GIA 2,000m ²
40	Retail Warehouse	0.8	50%	GIA 4,000m ²

4.2. For non-residential or mixed development, the economic viability aspect of the SHELAA applies a typology from Table 3 above and the relevant output from the Local Plan Viability Update (August 2023) for a greenfield or brownfield site as per

the proposed uses set out in Tables 6 – 9 below, using the same traffic light system for ease of reference:

Table 6: Employment appraisal results – Greenfield

GREENFIELD						
	0.00%	Offices - Central	Offices - Park	Industrial	Industrial - Small	Distribution
CIL	£/m2		£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site		559,478	3,040,336	-124,368	10,371,032
Existing Use Value	£/ha		50,000	25,000	50,000	25,000
Viability Threshold	£/ha		550,000	525,000	550,000	530,000
Residual Value	BREEAM Excellent		2,098,041	3,040,336	-1,243,680	9,074,653

Table 7: Employment appraisal results – Brownfield

BROWNFIELD						
		Offices - Central	Offices - Park	Industrial	Industrial - Small	Distribution
CIL	£/m2	£0.00	£0.00	£0.00	£0.00	£0.00
RESIDUAL VALUE	Site	892,989	122,048	2,622,655	-185,031	10,067,371
Existing Use Value	£/ha	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Viability Threshold	£/ha	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
Residual Value	BREEAM Excellent	15,627,304	457,680	2,622,655	-1,850,309	8,808,949

Table 8: Retail appraisal results – Greenfield

GREENFIELD					
	0.00%	Prime Retail Central	Secondary Retail	Supermarket	Retail Warehouse
CIL	£/m2		£129.77	£223.74	£129.77
RESIDUAL VALUE	Site		58,559	2,760,530	6,050,178
Existing Use Value	£/ha		50,000	25,000	25,000
Viability Threshold	£/ha		550,000	525,000	525,000
Residual Value	BREEAM Excellent		2,342,355	4,600,423	7,562,723

Table 9: Retail appraisal results - Brownfield

BROWNFIELD					
		Prime Retail Central	Secondary Retail	Supermarket	Retail Warehouse
CIL	£/m2	£129.77	£129.77	£223.74	£129.77
RESIDUAL VALUE	Site	230,053	26,008	2,321,088	5,612,418
Existing Use Value	£/ha	1,100,000	1,100,000	1,100,000	1,100,000
Viability Threshold	£/ha	1,320,000	1,320,000	1,320,000	1,320,000
Residual Value	BREEAM Excellent	9,202,128	1,040,338	3,868,094	7,015,523

5. Conclusion

- 5.1. The green, amber and red results detailed above are fed directly into the SHELAA assessment database. Each site that is assessed is assigned one or more typologies based upon the site's characteristics, and the associated viability likelihood is applied to determine a viability score. More detail on scoring can be found in the Criteria Note.