

A.5 APPENDIX A. LAND PURCHASE AND DEVELOPMENT CRITERIA

As with the acquisition of existing homes the following set criteria will be considered in respect of the acquisition of new land for development or development on existing land owned by the Council.

Any land to be acquired or developed should meet all of the minimum criteria set out and achieve an overall risk/reward score of 20 points based on the assessment below:

Criteria	Key Risk(s) Addressed	Minimum	Target/Scoring	Score	Commentary
There must be a demonstrable need for housing in the location	Lack of demand will lead to extended void periods and rental loss	There must be a minimum of 20 households on the housing register seeking housing of the proposed type in that particular area.	High demand = 5 points Medium demand=3 points Low demand =1 point	3	The 2020 Housing Strategy indicates a total of 134 households as registered in need of social housing in the Mistley/Manningtree/Lawford area. The intended housing type is intended to partly restore the balance of older person provision following the earlier demolition of the sheltered scheme.
The proposed development location and configuration is attractive from a rentable perspective.	Lack of demand will lead to extended void periods and rental loss.	The development must be in a risk-free location e.g not in a flood zone and be built to an attractive standard.	High demand location = 5 points Medium demand location = 3 points Low demand location – 1 point	5	The location is sustainable: 120m from a bus stop, immediately adjoining a store, 260m from a primary care practice, outside of flood risk, The bid submissions show attractive dwellings of a general type already present on the site and historically fully let and desirable.

The projected rental yield should represent a rational balance between revenue returns and security.	Security of capital invested and providing value for money. The potential for selling some of the homes developed to offset the investment costs will be taken into account.	The possible rental yield (based on purchase price and development costs) should fall within a range consistent with the wider social housing sector and that achieved from the existing stock	Low risk investment = 5 points Medium risk investment = 3 points High risk investment = 0 points	5	The proposed scheme amounts to a cost of around £217,000 per dwelling which compares favourably with the market value of comparable dwellings on the market in the area at the time of writing. The proposed housing is designed for older persons and therefore does not carry a risk of loss through right to buy. The Proposed construction is consistent with the idea of funding social housing through disposals.
Tenancy management criteria	Ease of management, risks of ASB or other issues in neighbourhood	The development can be designed to reduce these risks to as low as possible – highest score should be achieved.	Low risk property = 5 points Medium risk property = 3 points High risk property = 1 point	5	The proposed houses will be of modern construction and sustainability principles. The homes will be designed in consultation with the Council to design out potential ASB and that the Council has other rental homes on the site.
Permissibility of development	Likelihood of gaining planning consent	Pre-application advice indicates that granting of consent is likely	5 points available if planning consent likely or already granted. 0 points if unlikely	5	The site is within settlement limits, outside of flood risk or other restricting designations. Its last use was as a sheltered housing scheme for older people.
Ease of development	Particular challenges presented by the development site	Site presents either few challenges or the challenges identified can be readily overcome	No particular challenges = 5 points Some challenges that can be overcome = 3 points Challenges are significant = 0 points	5	The proposed deal includes for the developer to complete all consents and construction.
TOTAL				28	