

2019

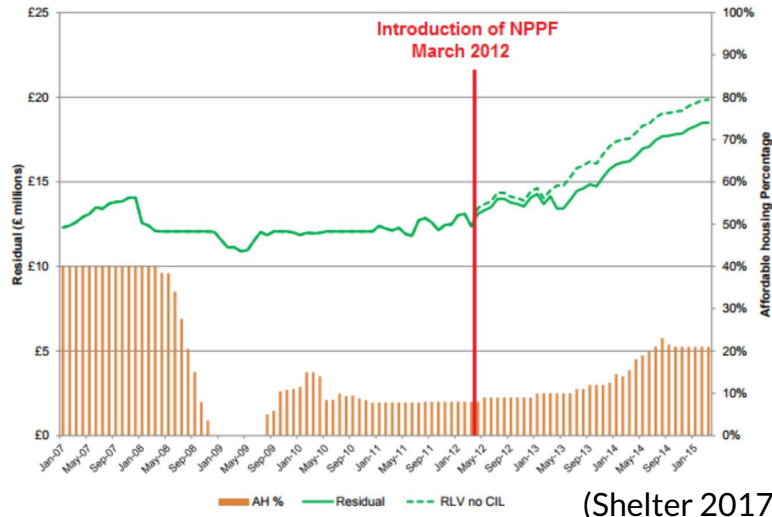
**VIABILITY:
AN
ACCESSIBLE
GUIDE**

PREPARED BY

**TOBY LOFTIN, SILVIA
MATISOVÁ & BLANCA
YÁÑEZ SERRANO**

WITH SUPPORT FROM MICHAEL EDWARDS

Modelled residual Land Values since 2007²¹



A BRIEF HISTORY OF VIABILITY

Whether a new residential scheme would be financially viable has always been an important consideration for developers and planning authorities during discussions surrounding new developments. Of course, the profitability of particular schemes is an integral concern for developers and local authorities; developers wish to generate profit for their shareholders and local authorities wish to gain as much non-profit planning obligations from increasing land values. The significant difference – is that before the creation of the National Planning Policy Framework (2012) if developments failed to meet planning policies, then policies were not challenged or altered based upon issues of financial viability (Colenutt et al. 2015).

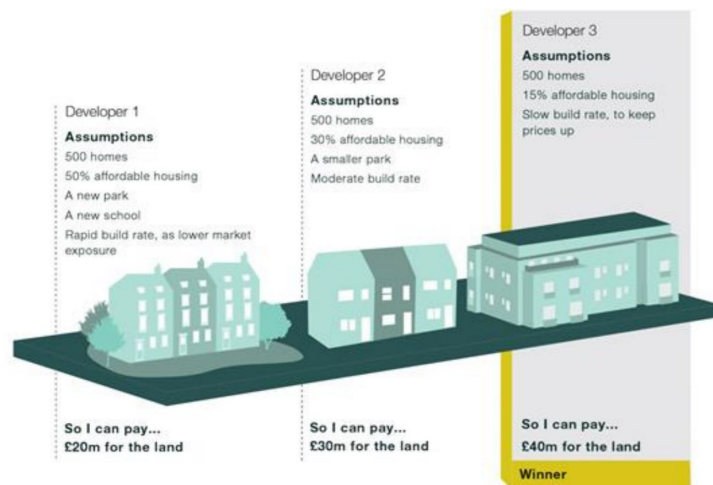
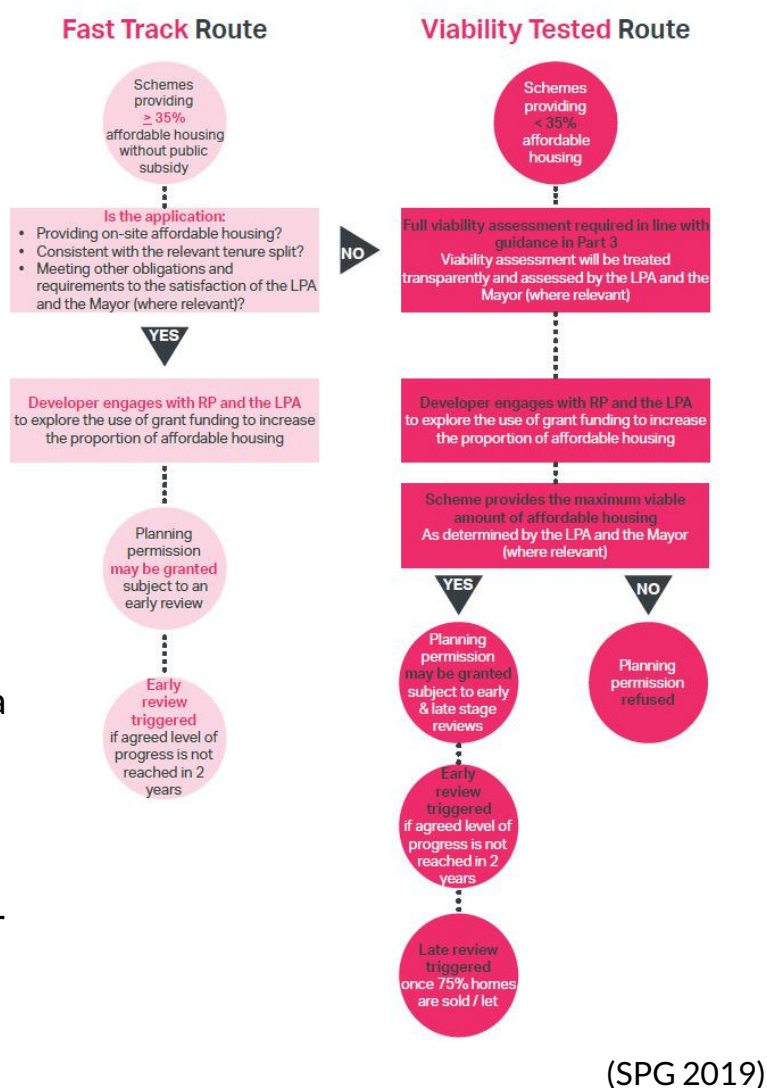
Viability assessments were made a material consideration in the NPPF (2012). This framework emerged in the context of the 2008 financial crisis, had a greater pro-development focus and is recognised as enshrining the marketisation of planning policy. Paragraph 173 'Ensuring viability and deliverability' states:

“the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”

As a result, financial viability has taken precedence over other key sustainable planning considerations. From this point on, a whole industry emerged of consultants, valuers and surveyors who conducted and assessed financial viability appraisals on behalf of developers and local authorities. The key issue, as Sayce et al. (2017) uncovered, is that viability assessments were/are being increasingly used, successfully, to negotiate down planning obligations such as affordable housing. There are a plethora of issues associated with the introduction of this method and we aim to explore some of the key problems.

HOW VIABILITY WORKS

Calculating the financial viability of a scheme is based upon basic principles; if the value of the completed development is greater than the cost of its development including planning obligations, with a large enough return for the developer (usually 15-20% profit) then the scheme can go ahead (Henneberry, 2016). What is leftover is known as the Residual Land Value (RLV) which is then set against the Threshold or Benchmark Land Value (TLV) and if it is higher than the RLV by a significant enough margin for all parties to be satisfied. then planning obligations and/or Community Infrastructure Levy (CIL) can be met (McAllister et al. 2013).



(Shelter 2017)

Residual Land Value



ISSUES WITH VIABILITY

(Shelter 2017)

Uncertainty in calculations/developers profit

The key issues with viability assessments, as outlined by Henneberry (2015) and others (Colenutt et al. 2015; Sayce et al. 2017), is that there is a significant amount of uncertainty surrounding input data when calculating the RLV and BLV/TLV. As Colenutt et al. (2015) argue, one of the core problems that emerged out of the NPPF (2012) was its highlighting of 'competitive returns' for developers, without suggesting what an appropriate rate would be. As a result, a 20% developers' profit is frequently inputted into the calculation of the RLV as a cost to the scheme, subsequently reducing its value and then the possibility for planning obligations to be met (Colenutt et al. 2015).

Another issue is the 'circular logic' in establishing the TLVs, as the impact of planning obligations have already been factored into the price paid for land (Henneberry, 2016: 120). These issues all lead to higher land prices and lower land values and as a result local authorities are unable to defend their plans and secure planning contributions (Sayce et al. 2017). The use of market data which is incomplete is worrying; many consultants used achieved pricing data for market sale units from adjacent or neighbouring schemes as a basis for their calculations. This comes from Land Registry Price Paid data which is often incomplete and out of date for certain areas, for example achieved pricing data for new homes in Lewisham hasn't been updated since 2016.



(Shelter 2017)

Loss of Affordable Housing

Essentially, viability assessments allow developers to argue that their schemes won't be profitable with a policy compliant level of affordable housing, and as such, policies or requirements set by the local authority can be ignored (Sayce et al. 2017). But how and why are affordable housing obligations not being met?

Comparing pre-2008 economic downturn and pre-NPPF (2012) provision of affordable housing, the differences can be stark. Take for example the Barking Riverside development outline proposal permitted in 2007 – it proposed 10,707 units with 2,260 being social rent. However, following the NPPF 2012, pro-development mayor Boris Johnson, changes under the coalition government and the enshrining of the viability assessment, affordable housing provision as evidenced in the 2016 outline permission in terms of social rent were eliminated; out of 10,800 new homes 3,780 are “affordable”, a mix of shared ownership and London affordable rent. To date only c.700 social rented units have been delivered at the Barking Riverside development.

Why are 81 of the 481 new homes being delivered as 'affordable', when Hackney's planning policy is that 50% of new builds should be 'affordable'?

Fifty percent affordable is the default target on a development that is just housing. However, where a development includes other major elements of social infrastructure - in this instance a new leisure centre and school - the contribution to these is taken in to account in the planning application. As is often the case, it is a balancing act of trying to get the most public benefit with the money available.

(Hackney Council 2019)

Patricia Canelas (2018) argues that LPAs have become increasingly concerned with seeking contributions from the private sector to provide amenities that were previously provided by the public sector. LPAs are reliant on affordable housing being provided within private-led developments. However, for developers, affordable housing and other planning conditions, secured through a Section 106 agreement are widely regarded as an informal tax on development. For landowners, any decrease of market housing is a reduction in price for their land, and counterintuitively for LPAs a decrease in land value through the provision of affordable housing means the securing of other obligations such as infrastructure can't be met (Colenutt et al. 2015). It is important to recognise how Viability Assessments are not only tools used by developers to maximise profit; Robinson and Attuyer (forthcoming) have shown through their research on the Old Oak and Park Royal Development Corporation (OPDC) that LPAs use viability discussions to achieve design objectives, catalyse regeneration schemes or deliver infrastructures.

The case of the Britannia Leisure Centre development in Hackney exemplifies how LPAs seek to provide public infrastructure rather than affordable housing through the creation of high-density, market-led developments (Henneberry, 2015). The development is led by LB Hackney, on public land and comprises 48 social rented units out of a total of 481 as well as the provision of a new leisure centre and school. In order for the infrastructure to come forward and the scheme to be deemed 'viable' in planning terms, market housing is being intensified and the affordable housing provision is minimised. The Viability Assessment conducted by Savills on behalf of LB Hackney assumes the land value to be zero and as such the deficit of the scheme overall means that 19.4% 'is the maximum reasonable amount of affordable housing that can be provided as part of the scheme...the reason for this shortfall is that the development is conceived as an enabling development with the private residential cross subsidising the provision of other social infrastructure' (Planning-Sub Committee Report, 2018).

FOI Exemption Section 41 & 43 (2) Private and Confidential

1.2 Report structure

This report is structured as follows:

Section 2 provides a description of the proposed Development;

Section 3 describes our methodology and approach to determining the RLV generated by the proposed Development;

Section 4 sets out our assumptions and variables used to complete the appraisal;

Section 5 assesses the outputs of the appraisal and makes recommendations on an economically viable level of affordable housing provision; and

Section 6 sets out our conclusions.

1.3 Disclaimer

In accordance with PS 1.6 of the RICS Valuation – Professional Standards (January 2014 Edition) (the 'Red Book'), the provisions of VPS 1 to VPS 4 are not of mandatory application and accordingly this report should not be relied upon as a Red Book valuation.

1.4 Confidentiality

This report is provided to the Royal Borough of Greenwich ("the Council") on a confidential basis. We request that the full detailed report not be disclosed to any third parties under the Freedom of Information Act (Sections 41 and 43 (2)).

The Applicant has agreed to provide the following abridged version of the report which they confirm can be published by the Council on their online planning portal.

BNP Paribas Real Estate, Financial Viability Report,
Greenwich Peninsula Masterplan (2015)

Transparency/Confidentiality

The full Financial Viability Assessment for the Britannia Centre redevelopment was initially unreleased due to its 'commercial sensitivity' and it was only after significant local pressure from the Save Britannia Leisure Centre (SBLC) group that the full details were made publicly available. Oftentimes, such as in the case of the Greenwich Peninsula redevelopment, Viability Assessments are either completely withheld or when they are published, any detailed financial information is redacted (Bureau of Investigative Journalism, 2015). Other than a small number of LPAs in London, this information is almost always unavailable. Colenutt et al. (2015) suggest that this lack of transparency not only builds further distrust with developers, but crucially it means that communities most affected are unable to properly interrogate these proposed developments.

POSITIVE CHANGE? THE NPPF (2019)

July 2018
Ministry of Housing, Communities and Local Government

(NPPF 2019)

In the most recent update of the National Planning Policy Framework and the accompanying planning practice guidance (PPG, 2018), changes and amendments have been made that have aimed to address the imbalances imposed by Viability Assessments. These alterations echo the draft new London Plan and the Affordable Housing and Viability SPG and to a certain extent have been regarded as a positive step by charities and interest groups (Shelter, 2018). Coupled with the removal of the infamous paragraph 173 (NPPF, 2012), which stressed the need for ‘competitive returns’ is paragraph 18, stating that ‘under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan’ (PPG, 2018). This is an important departure from how viability assessments functioned previously and the introduction of viability assessments being made at ‘plan making stage’ rather than at ‘application stage’ has to an extent redressed the balance, placing a greater onus on developers to prove that assessments made by LPAs are unrealistic rather than the other way around. However, the PPG (2018) still suggests that profit levels for developers at the plan-making stage will be factored in at 15-20% which suggests that new changes still fall short.

Similar to the Mayor’s Affordable housing SPG, the PPG (2018) states developers must Existing Use Value Plus a premium for the landowner for establishing the benchmark value. Although this has been proven with the Parkhurst Road case to lead to a greater uplift in “affordable” housing (Parkhurst Road Limited v SSCLG and London Borough of Islington, 2018), what defines a premium is still very much open to interpretation. The PPG (2018, paragraph 21) on viability states ‘Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances’ which is a significant attempt to challenge the murkiness of viability. However, it still allows developers to withhold information if they can prove it to be ‘commercially sensitive’ which is similarly used to prevent public access to pre-application discussions (PPG, 2018). Although the modifications of the NPPF (2019) and PPG (2018) in relation to viability assessments have acknowledged the uncertainty and attempted to challenge its malleability, it still allows developers to challenge local plan policies in ‘exceptional circumstances’.

WHAT DOES THE LONDON PLAN SAY ABOUT VIABILITY?

Chapter 4

Housing



(London Plan, GLA 2017)

In chapter 4 (Housing) of the 2017 draft London Plan, viability assessments are regarded mostly in relation to the **Policy H6 Threshold approach** to applications. This section refers to the condition whereby in the case that development applications follow the Fast Track Route for the threshold approach they do not need to carry out a viability assessment. The **Fast Track Route** can be followed when development applications (1) meet the threshold level of affordable housing (a minimum of 35% the private sector and 50% in public sector land and Strategic Industrial Locations), (2) are consistent with relevant tenure split, (3) meet other relevant policy requirements, and (4) demonstrate that they have considered the strategic 50% target for delivering affordable housing.

Where the Fast Track Route is not followed or does not meet the requirements, the development proposal must undergo the **Viability Tested Route**. This route entails the requirement for detailed viability evidence of affordable housing, in accordance to the methodology set out in the London Plan and the Affordable Housing and Viability SPG. The methodology carried includes (1) an Early Stage Viability Review if the agreed progress is not achieved two years after permission was granted, (2) a Late Stage Viability Review after 75% of the units have been sold or let, and (3) Mid Term Reviews before different phases for large-phase developments. It is important to highlight that the Plan distinctively mentions the need for viability assessments to be **transparent** and compliant with the Affordable Housing and Viability SPG. If after the viability assessment it is found that the development can contribute more than the threshold level of affordable housing it will be required to do so. Finally, it is stated that any amendments altering the level of affordable housing in either route must be previously consulted with the Mayor. This procedure has already seen itself activated, such as with the refusal Tesco car park development in Lewisham for providing only 24% affordable housing.

There are, as the Plan depicts, specificities to consider in the methodology when taking the Viability Tested Route. For instance, the percentage of affordable housing needs to be measured in terms of **habitable rooms**, as opposed to housing units, to ensure that there is a range in types of affordable housing, including family-size units. Furthermore, the Plan explains that the Threshold approach is intended to become a consistent requirement of London's land values, and subject to modifications when it is **reviewed in 2021** if it is judged insufficient. In certain conditions, grants or public subsidies are available to increase the proportion of affordable housing, in which case they should be utilised. Funding for such grants or subsidies will be available on a tariff basis, according to the **Mayor's Homes for Londoners: Affordable Homes Programme 2016-21**. The guidance delivered on the Affordable Housing and Viability SPG is encouraged by the Mayor to be followed by all applicants, given that the Viability Review should be applied to all applications that undergo the Viability Tested Route. Lastly, there are certain schemes that are only eligible to follow the Viability Tested Route, such as **off-site or cash in lieu contributions, demolition of existing dwellings, or vacant building credit**.

Policy H6 Threshold approach to applications

- A The threshold approach applies to development proposals which are capable of delivering more than ten units or which have a combined floor space greater than 1,000 sqm (see paragraph 4.6.14 for exclusions to the threshold approach and 4.6.15 for scheme types with bespoke approaches).
- B The threshold level of affordable housing is initially set at:
- 1) a minimum of 35 per cent
 - 2) 50 per cent for public sector land
 - 3) 50 per cent for Strategic Industrial Locations, Locally Significant Industrial Sites and other industrial sites deemed appropriate to release for other uses (see [Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function](#)).
- The 35 per cent threshold will be reviewed in 2021 and if appropriate increased through Supplementary Planning Guidance.
- C To follow the Fast Track Route of the threshold approach, applications must meet all the following criteria:
- 1) meet or exceed the relevant threshold level of affordable housing on site without public subsidy
 - 2) be consistent with the relevant tenure split ([Policy H7 Affordable housing tenure](#))
 - 3) meet other relevant policy requirements and obligations to the satisfaction of the borough and the Mayor where relevant
 - 4) demonstrate that they have taken account of the strategic 50 per cent target in [Policy H5 Delivering affordable housing](#) and have sought grant where required to increase the level of affordable housing beyond 35 per cent.
- D Fast tracked applications are not required to provide a viability assessment at application stage. To ensure an applicant fully intends to build out the permission, the requirement for an Early Stage Viability Review will be triggered if an agreed level of progress on implementation is not made within two years of the permission being granted (or a period agreed by the borough).
- E Where an application does not meet the requirements set out in part C it must follow the **Viability Tested Route**. This requires detailed supporting viability evidence to be submitted in a standardised and accessible format as part of the application:
- 1) the borough, and where relevant the Mayor, should scrutinise the viability information to ascertain the maximum level of affordable housing using the methodology and assumptions set out in this Plan and the Affordable Housing and Viability SPG

(London Plan, GLA 2017)

WHAT ARE JUST SPACE'S COMMENTS ON VIABILITY IN THE LONDON PLAN?

(Just Space 2017)

Just Space has commented that they are in **support** of the affordable housing threshold. They believe it will be an incentive on developers to increase the number of 'affordable' units. However, Just Spaces believes that the **threshold should go up to 50%** (as opposed to 35%) **for all types of developments**, including on privately owned land. Moreover, they suggest that **75% of those 50% 'affordable' houses must be low cost rental**, because the category of 'affordable' housing does not guarantee that the houses are affordable for everyone. If the percentage of affordable houses is not raised to 50% at this stage, Just Space suggests that the Mayor should fix a definitive date for it to happen. 2020 was the year suggested, alongside a further increase thereafter, with the overall objective of dampening land speculation and encourage developers to implement these changes in the most time-efficient way..

Towards a Community- Led Plan for London Policy directions and proposals



2019

WHAT WAS DISCUSSED AT THE EIP HEARINGS REGARDING VIABILITY?



Viability was a topic of discussion during the London Plan Examination in Public Hearings. **Matter 24** (Affordable housing), **Matters 29-33** (Particular types of housing), and **Matters 36-38** (Housing quality and standards, accessible housing and accessible bedrooms in visitor accommodation) were the sections of the London Plan's Housing chapter that engaged in a discussion about viability. Viability, was thus examined when these matters opened for discussion, however, one of the complaints during the examinations was that viability was continuously being superficially mentioned throughout different matters, but **no specific session** had been scheduled to examine it thoroughly.

Nonetheless, when discussed as part of Matters 24-38, the new Viability Threshold Approach was supported by most participants and was further encouraged by the Greater London Authority (GLA), who suggested that it will prompt developers to build more affordable housing and speed up the viability process.

Some participants, including Just Space, The London School of Economics (LSE), the London Assembly Planning Committee (LAPC), CPRE London, the London Tenants Federation (LTF), the NHS Property Services (NHSPS), and London Forum approved the new measure but with certain reservations, arguing that it is **not as challenging as it could be in its demands**. They argued that the **threshold should be at least 50% for all types of developments**, and some of them proposed that the change in threshold should take place during the 2021 review. On the contrary, London First argued for **more leeway** within the Threshold Approach in order to encourage developments in opportunity areas and Strategic Industrial Sites. The **GLA justified the 35% threshold** for private developers by claiming that if it was raised to 50% all developments would want to go through the Viability Route instead of the Fast Track Route.

Another challenge to the Viability Threshold Approach was followed by the Panel alongside Highbury Group and CPRE London, who criticised the **lack of a London-wide policy** that would ensure cohesion between boroughs. Furthermore, Just Space, London Forum, and LTF highlighted the **need for a review of what 'affordable' housing entails**, suggesting that with the Threshold Approach not enough social-rented houses will be built. For example, they opposed the inclusion of shared ownership as a type of affordable housing, especially because it does not comply with the 2010 Equality Act. London Forum even pointed out that this new approach is **perpetuating the over-delivering of market priced homes and the lack of actual affordable homes**.



LEARNING FROM CAMPAIGNERS

We decided to look at two campaigners who can serve as an example of how to fight the unfairness of the viability system, firstly the 35% campaign led by Elephant Amenity Network and secondly, the work of George Turner.

HEYGATE ESTATE

HOMES DESTROYED: 1,034

HOMES BUILT: 2,704

AT SOCIAL RENT: 82

'REGENERATION'

BROUGHT TO YOU BY  Southwark
Council

(35percent.org 2019)

35% CAMPAIGN & HEYGATE ESTATE



Heygate Estate from Strata tower (Bradley 2010)

The 35% campaign was set up by Elephant Amenity Network, a group of local residents from Elephant & Castle, in the London Borough of Southwark. In 2015, the campaigners succeeded in obtaining the Heygate viability assessment, with subsequent media pressure leading to similar proceedings in other London Boroughs. They have been monitoring Southwark's Council regeneration schemes since 2012, publishing a guide for other community groups on obtaining viability assessments: *Viability for Dummies* (Elephant Amenity Network, 2014).

The Heygate was a Council estate built in the 1970's immediately next to Elephant & Castle intersection, housing more than 3000 people in 1194 social-rented flats. The Council started buying flats in 2002 with the intention of regenerating the estate, and by March 2010, only 20 of the 1200 flats were occupied (The Independent, 2010). The Council signed a deal with the developer Lendlease Corporation selling the estate to the developer for only £50m, even though it spent £44m on buying the flats from the owners (Elephant Amenity Network, 2019). The developer planned to build Elephant Park Development with 2535 new homes, however just 79 of them being social housing, 500 total of affordable housing (Minton, 2013) which directly contradicts Southwark's policy of 35% affordable housing with a minimum of 24,5% social rent. Since the Council was a partner in the scheme the decision to grant planning approval was even more controversial.

35% CAMPAIGN & HEYGATE ESTATE

In May 2012, shortly after Lendlease applied for planning permission, Heygate resident Adrian Glasspool lodged a Freedom of Information Request to get the viability assessment which Southwark appealed against, and this led to a three-year legal battle which culminated in a 6 day hearing in February 2014. The campaigners succeeded in getting Southwark to release the viability assessment, with some of the financial modelling figures. After Savills released the assessment, campaigners found questionable points such as unreasonably high 25% profit for the developer and too conservative future value projections. George Turner (28 September 2016) also points out that the assessment wrongly assumed the price of relocation of residents which was almost completed by the point when the assessment was created. Even though the real values that were paid to the leaseholders were known, the assessment used 'assumed' values which were approximately 60% higher. The 35% campaign also obtained a District Valuer Service report on the assessment and found out the District Valuer did point out these points, however it did not stop Southwark Council from granting planning permission (Elephant Amenity Network, 25 June 2015). The Heygate case had a London-wide effect, triggering similar viability disclosures for Earl's Court Regeneration and Greenwich Peninsula. (Elephant Amenity Network, 25 June 2015). According to Bob Colenutt, publishing viability assessments is a step in right direction, but it is not challenging the basis of the viability itself, as viability is not purely an issue of transparency (Wainwright, 2015).

Subsequently, 35% campaign released Viability for Dummies, which details the steps for communities to get the Council to publish viability assessments via FOI/EIR requests (Elephant amenity network, 2014). The campaigners' work is valuable also in uncovering the revolving doors between Southwark Council and the developer Lendlease, which they published on their website, with almost 20% of Southwark's councillors working as lobbyists (Minton, 2013). Minton (2013) notes there is no 'cooling period' between this change from public to private sector. The 35% campaign also maps the Council's policies borough-wide, stating that 7639 council and 4424 social rented homes were lost as a direct result of Southwark's regeneration policies (Elephant Amenity Network, 2019). They also monitor the selling of land and Council properties to private hands and questioned the Council about conducting no routine monitoring of the tenure mix delivered via S106 agreements (Elephant Amenity Network, 2019). Currently, the 35% campaign is working on campaigning along with other local groups against developer Delancey over the Elephant Shopping Centre, over lack of social rented housing and not enough replacement space for the traders from the Centre set for demolition (Elephant Amenity Network, 5 March 2019).

While the Heygate campaign did increase the number of social rented flats in the new development it brought light to how developers corrupted the viability assessment system and set a precedent for publishing viability assessments. Overall, the 35% campaign has been successful in comprehensively analysing the practices of regeneration in Southwark and can serve as an example for community groups in other London Boroughs.

GEORGE TURNER & THE SHELL CENTRE

Shell Centre as seen
from the London
Eye (Lokal Profil
2009)



George Turner is an investigative journalist uncovering developers' practices in skewing viability assessments within London's property development industry. In 2015, he campaigned against the Shell Centre redevelopment, later renamed The Southbank Place, and this led him to look further into the practices of surveyors and their role in producing viability assessments.

The Southbank Place is a £1.3 billion mixed-use development comprising of seven new buildings and the Shell Centre, on a 5.25 acre site on the South Bank, in the Borough of Lambeth. In July 2011, a joint venture with Braeburn was created to develop a scheme with 779 luxury flats with 21% of affordable homes: 98 onsite affordable homes and 70 off site social rent units (Mathiason, 2015). Community group Riverside Communities, led by Marina Thaine, asked Mr Turner to help challenge this decision for reasons such as questioning the development's viability assessment, the disruption of the built environment, and the low quality of proposed public open space (Turner, 7 Dec 2015). A public inquiry was held, led by Planning Inspector Mr John Braithwaite, where, according to Mr. Turner (7 Dec 2015) the Planning Inspector was openly hostile toward campaigners, not allowing them enough time to present the evidence. The decision to grant planning permission was made and the development was given green light by the Secretary of State for Communities and Local Government, Eric Pickles (Green, 2014). Mr Turner decided to challenge the, in his view, unlawful process, despite having no legal representation and a court hearing took place on 15 December 2014.. The judge in this instance, Mr Justice Collins, concluded that while the Inspector's conduct was reproachable, he found his decision to be justifiable and the hearing to be fair. Following that, in April 2015, Mr Turner, represented by Mr Jonathan Derby, made an appeal against the decision and faced six barristers on the developer's side. The three judges of the Court of Appeal, again, found no bias within the case and recommended the scheme for planning approval, the objector having had to pay a legal bill of £5,000.

GEORGE TURNER & THE SHELL CENTRE

During the proceedings, Turner revealed that the surveyors, Knight Frank and Savills, created two different viability assessments at the same time, one for the Local Authority and one for the developer. This led him to further study the practices of surveyors. The flats in the viability assessment submitted to Lambeth Council were on average £1275 per square foot, and Lambeth Council's valuer BNP Paribas raised them by 10% to £1330 per square foot. At the same time, the same valuers told the prospective investors that the development would achieve values of £1641 per square foot (Turner, 22 April 2016). Setting these speculative future values is a common practice in the developers calculations. However, in 2019, the developer's speculative prices were much closer to the actual selling prices (The Southbank Place, 2019) than the prices estimated by the Council's surveyor BNP Paribas.

Another issue Turner identified were the 'revolving doors', where consultants employed by the Council to check the viability assessment were paid by the developer, potentially being the same consultants who made the assessment on behalf of the developer (Turner, 13 February 2017). This points to a flaw in the system, where viability assessments could be influenced by vested interests, since the entire system is based on estimates made by surveyors. The Royal Institute of Chartered Surveyors (RICS) is a public body responsible for guarding the professionalism of surveyors and the public interest. Turner addressed RICS about these issues. First he found it, "hard to get anyone within the organization to take the issue seriously," (Turner, 6 April 2017) and after finally succeeding, the reply was that RICS encourages deflating profits during viability negotiations and does not see the issue with surveyors working for both the Council and the developer, however, they are looking into publishing more guidance. While surveyors are undoubtedly professionals and Turner does not accuse them of purposely manipulating the viability assessments, his work in uncovering this systematic flaw is a helpful guidance for community groups to take further action on this issue.

As possible solutions, Turner suggests that developers should disclose to the local authority that they made more valuations (6 April 2017). Furthermore, he proposes a solution that the viability system should be turned on its head: "instead of a developer proving that their development proposal would be unprofitable with affordable housing included, they should be obliged to prove that any development proposal would be unprofitable with affordable housing included," (Turner, 5 March 2017). While his court appeal in the Shell Centre case was not successful, it is an important example of to what extent committed community activists can challenge the developer and the decisions made by planning authorities.

BIBLIOGRAPHY

35% campaign (2019) About us - Heygate estate, image. [online] Available at: <http://35percent.org/aboutme/> (Accessed 20 April 2019)

BNP Paribas Real Estate (2015) Financial Viability Report: Greenwich Peninsula 2015 Masterplan, London.

Bradley, 23 February 2010, Heygate Estate from Strata tower, photograph, accessed April 2019, <https://en.wikipedia.org/wiki/Heygate_Estate#/media/File:Heygate_Estate_from_Strata_SE1_tower.jpg>. CC BY 2.0

Canelas, P. (2018) 'Challenges and emerging practices in development value capture', in J.Ferm and J.Tomaney (eds) Planning Practice: Critical Perspectives from the UK, London: Routledge, 94-108.

Crosby, N., McAllister, P., & Wyatt, P. (2013) 'Fit for planning? An evaluation of the application of development viability appraisal models in the UK planning system', Environment and Planning B: Planning and Design, 40,1, 3-22.

Colenutt, R. et al. (2015) 'The rise and rise of viability assessment', Town and Country Planning, 84, 10, 453-458.

Department for Communities and Local Government (2012) National Planning Policy Framework. London: HMSO.

Department for Communities and Local Government (2018) Planning Practice Guidance, 24 July [online]. Available at: <https://www.gov.uk/guidance/viability> (Accessed 14 April 2019)

Department for Communities and Local Government (2019) National Planning Policy Framework, London: HMSO.

Elephant Amenity Network (2014) 'Heygate tribunal hearing extended', 35% campaign, February 11 [online]. Available at: <http://35percent.org/2014-02-11-heygate-tribunal-hearing-extended/> (Accessed 18 April 2019)

Elephant Amenity Network (2014) Viability for Dummies, 35% campaign [online]. Available at: <http://35percent.org/images/viabilityfordummies.pdf> (Accessed 17 April 2019)

Elephant Amenity Network (2015) 'Heygate viability assessment finally revealed', 35% campaign, June 25 [online]. Available at: <http://35percent.org/2015-06-25-heygate-viability-assessment-finally-revealed/> (Accessed 18 April 2019)

BIBLIOGRAPHY

Elephant Amenity Network (2019) 'The Southwark Clearances', 35% campaign [online]. Available at: <http://35percent.org/the-southwark-clearances/> (Accessed 16 April 2019)

Elephant Amenity Network (2019) 'Redefining social rent', 35% campaign [online]. Available at: <http://35percent.org/redefining-social-rent/> (Accessed 20 April 2019)

Green, Ch. (2014) 'Shell Centre development approved by Eric Pickles faces legal challenge', The Independent, 9 June [online]. Available at: <https://www.independent.co.uk/news/uk/home-news/shell-centre-development-approved-by-eric-pickles-faces-legal-challenge-9517376.html> (Accessed: 16 April 2019)

Hackney Council (2019) Britannia site - questions and answers, section 6, image [online]. Available at: <https://hackney.gov.uk/britannia-site> (Accessed 18 April 2019)

Henneberry, J. (2015) 'Development viability' In T. Crook, J. Henneberry and C. Whitehead (eds) Planning gain: providing infrastructure and affordable housing, Chichester: Wiley-Blackwell, 115–139.

Just Space (2016) Towards a Community-Led Plan: Policy Directions & Proposals, London [online]. Available at: <https://justspacelondon.files.wordpress.com/2013/09/just-space-a4-community-led-london-plan.pdf> (Accessed April 18, 2019)

Just Space (2019) Hearings / EIP / 2019. Just Space [online]. Available at: <https://justspace.org.uk/hearings-eip-2019/> (Accessed April 19, 2019)

Lokal_Profil, 18 December 2009, Shell Centre as seen from the London Eye, photograph, accessed April 2019, <https://commons.wikimedia.org/wiki/File:Shell_Centre,_London.jpg>. CC BY 2.0

London Borough of Hackney (2018) Planning Sub-Committee Report, Wednesday 7 November 2018, Available at: <http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=125&MId=4445> (Accessed 20 March 2019)

Mathiason, N. (2015) 'Legal challenge to thwart london's 1.2bn Shell Centre Development fails', The Bureau of Investigative Journalism, 27 February [online]. Available at: <https://www.thebureauinvestigates.com/stories/2015-02-27/legal-challenge-to-thwart-londons-1-2bn-shell-centre-development-fails> (Accessed: 16 April 2019)

BIBLIOGRAPHY

Mathiason, N. and Eriksson, E. (2015) 'Dismay doesn't do it justice': How a secret system was used to axe hundreds of affordable homes' Bureau of Investigative Journalism, 26 May [online]. Available at: <https://www.thebureauinvestigates.com/stories/2015-05-26/dismay-doesnt-do-it-justice-how-a-secret-system-was-used-to-axe-hundreds-of-affordable-homes-on-britains-most-iconic-construction-site> (Accessed 20 March 2019)

Mayor of London (2017) The Draft London Plan, London [online]. Available at: https://www.london.gov.uk/sites/default/files/draft_london_plan_chapter_4.pdf. (Accessed April 19, 2019)

Mayor of London (2017) Homes for Londoners: Affordable Housing and Viability Supplementary Planning Guidance. London: City Hall.

Minton, A. (2013) 'New report: Scaring the living daylight out of people', Spinwatch, 27 March [online]. Available at: http://spinwatch.org/images/Reports/Scaring_the_living_daylight_final_27_March_13.pdf (Accessed 19 April 2019)

News Desk, 2017. DEVELOPER RAKES IN 'OVER £70M' PROFITS FROM ELEPHANT & CASTLE TOWER WITH ZERO AFFORDABLE HOUSING. Southwark News [online]. Available at: <https://www.southwarknews.co.uk/news/developer-rakes-70m-profits-elephant-castle-tower-zero-affordable-housing/> (Accessed April 19, 2019)

Parkhurst Road Limited v. Secretary of State for Communities and Local Government and The Council of the London Borough of Islington (2018) High Court of Justice, case 991 . Bailii [Online]. Available at: <http://www.bailii.org/ew/cases/EWHC/Admin/2018/991.html> (Accessed: 17 April 2019)

Philby, Ch. (2010) 'Living in Ghostland: The last Heygate residents', The Independent, 29 March [online] Available at: <https://www.independent.co.uk/news/uk/home-news/living-in-ghostland-the-last-heygate-residents-1930054.html> (Accessed 18 April 2019)

Robinson, J. and Attuyer K. (Forthcoming) 'Extracting value, London style: Developers and states in urban development'

Sayce, S., Crosby, N., Garside, P., Harris, R., and Parsa, A. (2017). Viability and the planning system: The relationship between economic viability testing, land values and affordable housing in London Cirencester: Royal Agricultural University.

The Southbank Place (2019) Find your apartment [online]. Available at: <http://www.southbank-place.com/availability> (Accessed 19 April 2019)

BIBLIOGRAPHY

- Turner, G. (2015) 'The Shell Centre and The Battle for Waterloo', Ourcity.London, 7 December [online]. Available at: <http://www.ourcity.london/case-studies/south-bank/shell-centre/> (Accessed: 19 April 2019)
- Turner, G. (2016) 'Surveying the Crisis – How surveyors are undermining the planning system', Ourcity.London, 7 February [online]. Available at: http://www.ourcity.london/issues/viability/surveying_the_crisis/ (Accessed 18 April 2019)
- Turner, G. (2016) 'Marking the homework – How developers pay for ‘independent’ checks on their affordable housing deals', Ourcity.London, 13 February [online]. Available at: <http://www.ourcity.london/issues/viability/marking-the-homework-developers-pay-for-independent-checks-on-their-affordable-housing-deals/> (Accessed: 18 April 2019)
- Turner, G. (2016) 'Profits set to soar at ‘unviable’ Shell Centre', Ourcity.London, 22 April [online]. Available at: <http://www.ourcity.london/case-studies/south-bank/profits-set-soar-unviable-shell-centre/> (Accessed: 19 April 2019)
- Turner, G. (2016) 'Assuming the worst – How surveyors helped to drop affordable housing the Heygate', Ourcity.London, 28 September [online]. Available at: <http://www.ourcity.london/issues/viability/assuming-the-worst-how-bad-assumptions-led-to-less-affordable-housing-being-built-at-the-heygate/> (Accessed 19 April 2019)
- Turner, G. (2017) 'RICS and regulatory failure', Ourcity.London, 6 April [online]. Available at: <http://www.ourcity.london/facilitators/rics-and-regulatory-failure/> (Accessed: 16 April 2019)
- Wainwright, O. (2015) 'Revealed: how developers exploit flawed planning system to minimise affordable housing', The Guardian, 25 June [online]. Available at: <https://www.theguardian.com/cities/2015/jun/25/london-developers-viability-planning-affordable-social-housing-regeneration-oliver-wainwright> (Accessed 18 April 2019)