

Estimated residential land values Kent Local Authorities As at 1st March 2015

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This bulletin presents estimated land values produced by the Valuation Office Agency (VOA) and published by the Department for Communities and Local Government (DCLG).

Note: The land values provided by the VOA are based on a particular set of assumptions (see page 5) using a truncated valuation model. The VOA recommends they are only used for policy appraisal and generalisations.

Summary - All figures are as at 1st March 2015

The estimated value of a typical residential site (see background notes for detailed definitions) for England (excluding London) was £2,100,000 per hectare. When London is included the average value rises to £6,900,000

Across Kent the average price ranges from £6,865,000 per hectare in Sevenoaks to £1,275,000 in Dover. In general terms values in West Kent (Bordering London) are considerably higher than East Kent.

The VOA estimated values for 326 local authorities in England. Not surprisingly the 32 London Boroughs were ranked in the highest 34 local authorities in England.

In Kent Sevenoaks was ranked 41st out of 326, with other West Kent local authorities Tunbridge Wells (82/326) and Dartford (70/326) also high on the list. In East Kent, Thanet was ranked at 210/326 and Dover 232 out of the 326 English local authorities.

Canterbury district was ranked 114th in January 2014 but had risen to 49th in March 2015.



Figure 1 presents Kent local authority data compared to neighbouring local authorities in Essex, Surrey and Sussex. The Kent districts are generally in the lower ranges of this group. Six Kent local authorities, along with Hastings (Sussex), Colchester (Essex) and Tendring (Essex) are below the England average (excluding London) of £2,100,000 per hectare. However, Swale district was only just below that figure.

Land value estimates for the London Boroughs of Bexley (£8,100,000), Bromley (£13,436,000) and Croydon (£17,249,000) highlight the problems and pressures being placed on the West Kent authorities.

Nationally the lowest valuations were around £370,000 a hectare. Nine local authorities recorded this estimated figure. It included authorities such as South Derbyshire, Bassetlaw, Redcar and Cleveland.

Agricultural land value estimates

The VOA also provide an estimate for the average agricultural land value in England, based on further work by the Valuation Office Agency. This can be used to estimate the existing use value of developments on greenfield sites. Figures exclude any uplift from 'pony paddock' market or hope value, in order to reflect a commercial agricultural user.

Average agricultural land value estimates per hectare

Estimated value of a typical agricultural site:

England average (mean)	£21,000
South East region	£22,000
Eastern region	£24,000
West Midlands region	£24,000
North East	£16,000

Industrial land value estimates

The value estimates for industrial land can be used to proxy alternative use value for developments on brownfield land. These are provided for hypothetical sites in England assuming:

- A typical urban, brownfield location, with nearby uses likely to include later, modern residential developments;
- All services are assumed available to the edge of the site;
- Use is restricted to industrial/warehouse and full planning consent is in place;
- We have assumed that there are no abnormal site constraints or contamination and/or remediation issues;
- Any liability for the Community Infrastructure Levy, even where it was Planning Policy as at 1 January 2014, has been excluded.

Average industrial land value estimates, per hectare

Estimated value of a typical industrial site

England average excluding London £514,000 (mean)

England: Regional Industrial Land Value estimates as at 1st March 2015

Source: DCLG and VOA

	Estimated land value £ per hectare typical site
East Region	675,000
East Midlands Region	450,000
London Region	2,733,000
North East Region	180,000
North West Region	400,000
South East Region	1,100,000
South West Region	430,000
West Midlands Region	500,000
Yorkshire and the Humber Region	375,000
England including London (mean)	514,000
England excluding London (mean)	760,000

Figures as at 1st March 2015

See background notes regarding residential land estimates

Table 1

Kent: Residential Land Value estimates as at 1st March 2015

Source: DCLG and VOA

	Estimated land value £ per hectare	England rank 1 to 326	
		1st March 2015	1st January 2014
England incl London	6,900,000	-	-
Sevenoaks	6,865,000	37	41
Canterbury	5,505,000	49	114
Dartford	4,065,000	70	74
Tunbridge Wells	3,690,000	82	54
Tonbridge & Malling	3,175,000	96	94
Medway	2,365,000	131	157
Gravesham	2,360,000	132	149
England excl London	2,100,000	-	-
Swale	2,000,000	151	179
Ashford	1,940,000	154	195
Maidstone	1,915,000	155	187
Shepway	1,770,000	169	216
Thanet	1,440,000	210	262
Dover	1,275,000	232	260

Figures as at 1st March 2015

See background notes regarding residential land estimates

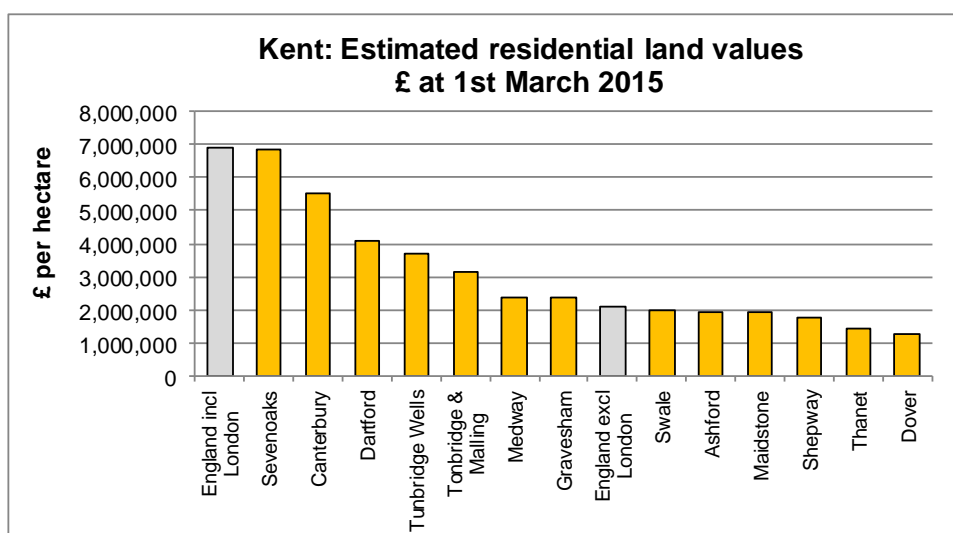
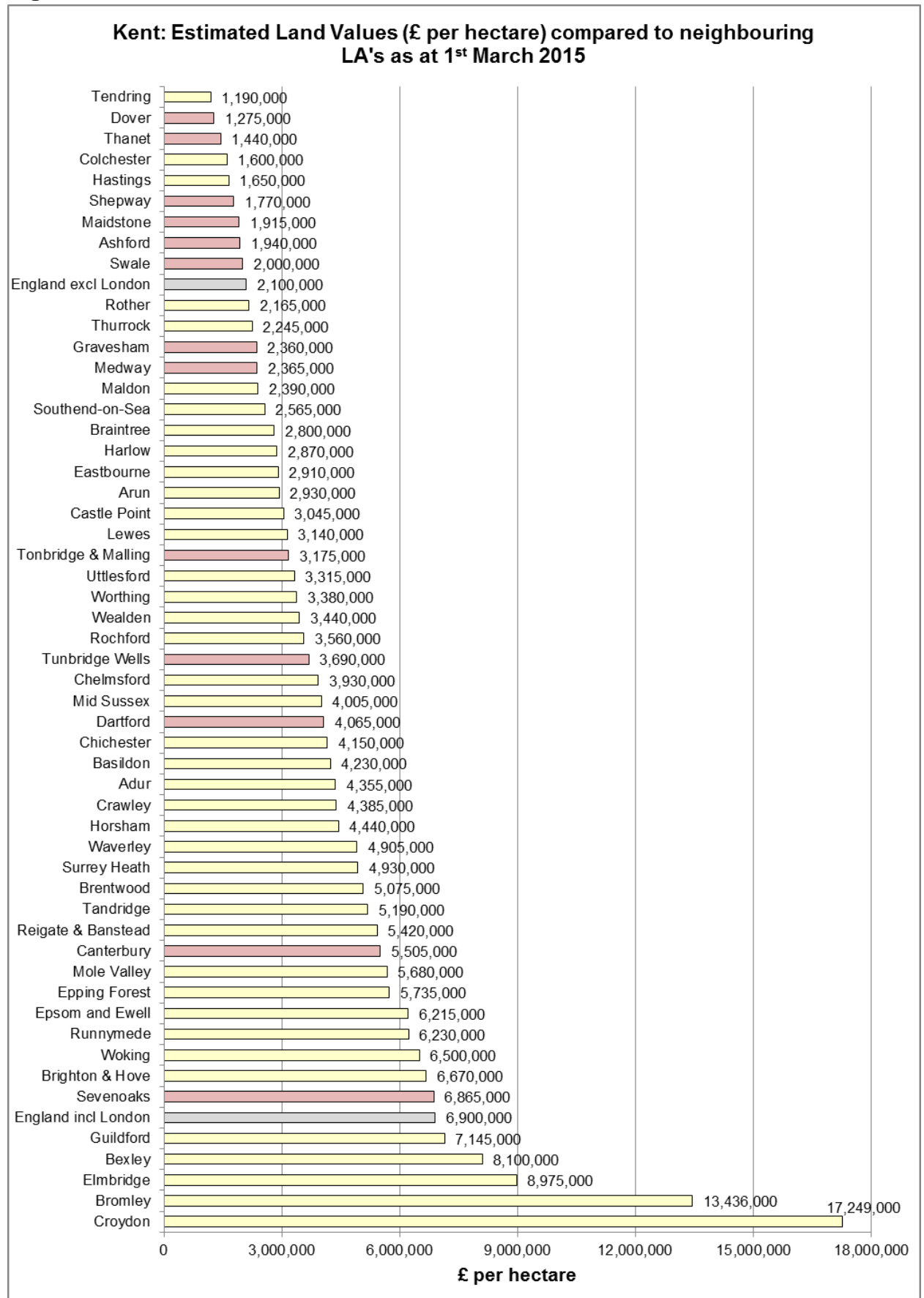


Figure 1



Background notes on the VOA land value estimates

The land values presented here have been provided specifically for the purpose of appraisal and are based on a particular set of assumptions. The VOA strongly recommend that they are not used for any other purpose and emphasise that they have been produced adopting different assumptions from the Property Market Report previously published by the Valuation Office Agency.

Whilst the model adopted by the Valuation Office Agency is designed to provide a consistent approach to valuations across England's local authorities, it should be noted that residual valuations are highly sensitive to small changes in the inputs. As a result the values of a particular site may vary significantly from the 'typical residential site' value for the local authority that is provided in this document; where land values for a specific site under appraisal are known these should therefore be used over the 'typical values' presented in this document.

The DCLG document/publication is available at Land value estimates for policy appraisal - [Publications - GOV.UK](#)

Residential land value estimates

The valuations have been undertaken using a truncated residual valuation model. This involves valuing the proposed development and deducting the development costs, including allowances for base build cost, developer's profit, marketing costs, fees, and finance to leave a "residual" for the site value.

The purpose of these values is to appraise land projects from a social perspective, the values here assume nil Affordable Housing provision, because the additional benefits to society of policy compliance are assumed to offset the associated reduction in market value. This means that they should not be seen as estimates of market values.

England averages are weighted by the department's net additional dwellings statistics by local authority to reflect recent development patterns.

Assumptions applying to all valuations (residential, agricultural and industrial)

1. The valuations have been undertaken desk based without inspections of the locality.
2. All sites are assumed to be freehold with vacant possession.
3. It is assumed that the land and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the proposed construction of the new property will be unlawful or in breach of any covenant.

Assumptions applying to residential land values only

1. Residential land values have been produced both assuming nil affordable housing provision and assuming 100% private housing. These are analysed per hectare.
2. The figures provided assuming nil Affordable Housing provision are hypothetical and in the majority of local authorities. It is likely that such a scheme would not obtain planning consent. The figures on this basis, therefore, may be significantly higher than could reasonably be obtained for land in the actual market.
3. Any liability for the Community Infrastructure Levy, even where it was chargeable as at 1 March 2015, has been excluded.
4. It has been assumed that full planning consent is already in place; that no grants are available and that no major allowances need to be made for other s106/s278 costs.
5. Valuation Office Agency's local valuers have identified sites considered to be 'typical' for the local authority area based on their own knowledge and experience of that area.
6. The figures provided are appropriate to a single, hypothetical site and should not be taken as appropriate for all sites in the locality.
7. In a number of cases schemes that do not produce a positive land value in the model. Based on market knowledge a 'reserve value' (£2,470,000 for London and £370,000 elsewhere) has been adopted to represent a figure at less than which it is unlikely (although possible in some cases) that one hectare of land would be released for residential development. This has been taken on a national basis and clearly there will be instances where the figure in a particular locality will differ based on supply and demand, values in the area, potential alternative uses etc. and other factors in that area.
8. The Valuation Office Agency assumed that each site is 1 hectare in area, of regular shape, with services provided up to the boundary, without contamination or abnormal development costs, not in an underground mining area, with road frontage, without risk of flooding, with planning permission granted and that no grant funding is available; the site will have a net developable area equal to 80% of the gross area.
9. For those local authorities outside London, the hypothetical scheme is for a development of 35 two storey, 2/3/4 bed dwellings with a total floor area of 3,150 square metres.
10. For those local authorities in London, the hypothetical scheme is for a multi storey development of 269 units comprising 1,2,3 & 4 bed flats with a gross building area of 23,202 square metres and a net sales area of 19,722 sq. metres.
11. These densities are taken as reasonable in the context of this exercise and with a view to a consistent national assumption. However, individual schemes in many localities are likely to differ from this and different densities will impact on values produced.
12. Where recent, local data is available, lower quartile build costs are taken from the RICS Building Service (BCIS). Where this is absent, recent cost figures from neighbouring locations are applied.
13. Basic build costs are increased by 15% to cover any external works, service connections, gardens, fencing and roads.
14. Profit is taken at 17% of GDV for market housing (17.5% in London).
15. Fees are taken at 8% of build costs.
16. Market costs are assumed at 3% of sale price.

Use of the Data

This bulletin is one of a series on different topics. The data are used for a variety of purposes; generally as evidence and intelligence to monitor and support the Kent County Council (KCC) business performance. The information is also used to support KCC projects, policies and initiatives such as in the formulation of policy, monitoring resources, answering questions, queries and benchmarking against other authorities.

The various bulletins are used by and distributed to Kent Local Authority planning policy teams, KCC household population forecasting, KCC district profiles dashboard, KCC Education department, KCC Locate in Kent, the Kent Housing Group (KHG) and the Kent Developers Group (KDG).