



Further Strategic Site Testing of UE1 North of Merley and UE2 North of Bearwood

Final Report
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On Behalf of



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1 Introduction

The Study Scope

- 1.1 The Poole Borough Council Local Plan and Viability Study Update Report (PBA 2017 report) was completed on behalf of the Council by Peter Brett Associates (PBA). This study, referred to as VIA3, was submitted as evidence to the most recent Poole Local Plan (2017) Examination in Public (EiP). It is a strategic viability assessment that provided viability analysis and informed planning policies set out in Poole's emerging Local Plan (2017).
- 1.2 The study provided the following outputs:
 - The recommended level of affordable housing in policy;
 - The cumulative viability implications of these and other policy costs; and
 - The maximum level of development contributions, including potential for a Community Infrastructure Levy (CIL).
- 1.3 The 2017 PBA report tested two typologies (34 and 35) that were broadly representative of two strategic sites:
 - Site UE1: 500 residential units at North of Merley.
 - Site UE2: 800 residential units at North of Bearwood.
- 1.4 '*Table 6.3: Headroom for setting new residential CIL rates*' of the PBA 2017 report shows that the headroom for these sites ranged from a minimum of £750 per sqm up to £780 per sqm. The assessments included costs for these greenbelt sites to meet policies of the emerging Local Plan including affordable housing at 40%, opening costs of £18,000 per unit, £2,000 for S106 obligations, meeting lifetime home standards and local climate change standards¹. This equates to a headroom of circa £56,250 per unit up to £58,500 per unit, if the typical residential unit were 75 sqm. The PBA study recommended a CIL charge of £250 per sqm.
- 1.5 Since the PBA Study 2017 was completed, the local authority consulted on Poole's Draft Charging Schedule 2017 between July and September 2017. This recommended a CIL Charge of £200 per sqm for residential uses (C3 Use excluding retirement housing) of £200 in Lilliput/ Branksome, Sandbanks, Canford Cliffs and North Poole, which includes these greenbelt sites.
- 1.6 Since the PBA 2017 report was published, the Council has obtained more information about costings of infrastructure and Section 106 planning obligations that might be required from the development in meeting with the planning policy requirements of the emerging Poole Local Plan. Therefore, using this additional information, and the same value and costs assumptions that informed the PBA 2017 report, Porter Planning Economics Ltd (Porter PE) have been appointed as independent consultants to undertake an economic viability assessment of these two strategic sites: UE1 and UE2. It

¹ This list is not exhaustive, please see the PBA study for all development costs included in the viability assessment.

is important to note, that the same consultants that worked on the PBA 2017 report, has worked on this update work.

- 1.7 Where new cost information is introduced, this has been explained throughout this report. **All other assumptions, and the methodology for assessing viability, remain identical to the PBA 2017 report. It is therefore important that this report is read in conjunction with the PBA 2017 report.**
- 1.8 The purpose of this report is to consider if, based on the headrooms identified in the PBA 2017 report, the more detailed estimates of Section 106 planning obligations would put at risk the delivery of these two sites.²

² This work is completed for illustrative purposes only. For this reason, assumptions used in these viability appraisals should not be relied upon by the developers of these sites for their individual planning applications or taking in the way that this is the agreed Council approach/ costs (for instance, approach to SANGs, older person accommodation, S106 Planning Obligations, provision of community hub/retail space, provision of business start-up/incubation space and provision of a car park for Canford Magna). In circumstances where developers contest the viability of the site to provide for affordable housing, Section 106 Planning Obligations and other contributions, they will be expected to submit a viability appraisal. This viability assessment then will be considered by the Council and an independent third party, who will ultimately determine how much affordable housing and Section 106 Planning Obligations that each site must contribute.

2 Updated Infrastructure Requirements

Introduction

- 2.1 The section identifies and explains several updated assumptions relating to infrastructure requirements. As highlighted in **paragraph 1.7**, all other assumptions remain identical to the PBA 2017 report.

Strategic infrastructure/Section 106 costs

- 2.2 The Council has conducted their own costings of the off-site transport infrastructure and education facilities required to bring the two strategic site UE1 and UE2 forward for development. Based on these costing, the Council has provided the following sums to sensitivity test, with some being on the more conservative side, the likely impacts for off-site infrastructure:
- £10,000 per unit
 - £20,000 per unit
 - £30,000 per unit
- 2.3 The Council is of the opinion that any Section 106 obligations required for this scheme, based on best available information at this point in time, would be in the region of up to £20k per unit. However, this could change and decrease further if some specific infrastructure requirements were included on the Reg 123 list and secured through CIL. Therefore, the Section 106 contributions of £30k per unit should be considered the worst-case scenario.
- 2.4 It is likely that these key infrastructure costs will replace all or most of the £18,000 per unit opening cost that was tested for sites with over 500 residential units in the PBA 2017 report. However, to reflect the worst-case position, further sensitivity testing of the range of potential Section 106 Planning Obligations, as set out in **paragraph 2.2** above, with an additional £10,000 per unit on top of these costs to cover any other remaining strategic infrastructure that may not be included in externalities or contingency has been tested.
- 2.5 Rather simplistically, by subtracting the range of Section 106 Planning Obligations from the headrooms identified in the PBA 2017 report, as clarified in **paragraph 1.4** above, these schemes are both viable. But to provide reassurance to the Inspector for the CIL examination, this update tests all the policy requirements that these sites must deliver, including older person housing, community or employment space and a public car park.
- 2.6 Paragraph 5.4.2 of the PBA 2017 report sets out a cost for Section 106 Planning Obligations of £2,000 per unit. In testing sites UE1 and UE2, the Section 106 Planning Obligations are subsumed into the range of Section 106 Obligations being tested, as detailed in **paragraph 2.2** above. Hence, the PBA 2017 report assumption of £2,000 per unit Section 106 Obligation is technically included in the new assumption for Section 106 Obligations.

SANGS & SAMM

- 2.7 The Section 106 Planning Obligation in the PBA 2017 report included a cost provided by the Council for SAMM³ at £355 per house (£242 per flat) for SAMM Heathland Mitigation and an additional £100 per unit for SAMM recreation and Leisure. In addition, the Council provided costs for SANGS⁴ as “up to £1,200 per unit”, which is deducted from these sites CIL payments.
- 2.8 While it is expected that UE1 and UE2 will need to contribute to the existing SAMM in the same way that other development sites will do, the Local Plan policy also requires developments at UE1 and UE2 to provide their own SANG.
- 2.9 The Council has informed us that the land area for SANG⁵ identified at UE1 is 19.03 hectares (ha), while the area identified for SANG at UE2 totals 89ha. However, the Council have also informed us that not all this land at UE2 will be required as SANG to mitigate against this specific development and the landowner has expressed an interest to sell any outstanding SANG provision relating to this planning application. However, any additional revenue that could arise from selling any surplus SANG to other developers has not been included in these assessments to represent the worst-case scenario. Therefore, the UE2 required SANG area is assumed to be 30.4 ha based on the same ratio of housing units to SANG land area at UE1.
- 2.10 The cost of the SANG on-site is yet to be costed in terms of what this may cover. However, it is known that the land area for SANG would be additional to any open space already proposed (and allowed for in the Benchmark Land Value). Since this site needs to provide a SANG for the development to come forward, this cost should typically be accounted for in the Benchmark Land Value. However, to present the worst-case scenario in this illustrative appraisal, we have included the need to purchase additional land as a development cost on top of Benchmark Land Value. It is assumed that the purchase cost of the additional land for SANG is £30k per hectare based on the land being greenfield with a low existing use value equivalent to amenity or, at best, agricultural value⁶ plus a small premium to prompt the purchase from a landowner.
- 2.11 There will be some additional facilities costs for items like fencing and pathways if they are not already there, and potentially some car parking. Also, on-going maintenance of the new SANG may be secured to cover a cycle of capital expenditure, which, for instance, may be achieved through an endowment to a local management company to take responsibility for maintaining the SANGS in future years.⁷

³ The SAMM is for wardening, education and monitoring of SANGs. This is non-infrastructure and can be secured through Section 106 Planning Obligations.

⁴ The main purpose of a SANG is to provide public open space for walking as an alternative to using Upton Heath SSI and other important protected heathland sites where increased use can have an impact on the fragile local habitat and species that live there.

⁵ Please note, that these are based on proposals that have been put forward by the applicants. Natural England and the local authority will need to agree if this proposed provision of SANGs for both sites is sufficient. Thus, more or less space for SANG could be required but will only be known when planning applications are submitted. We have included these figures for illustrative purposes only.

⁶ An agricultural value of £21k per ha was identified in the Poole Borough Local Plan and CIL Update Study (2017).

⁷ This is maintenance for the new SANG habitat, which is additional to the SAMM which is for maintenance of existing habitats.

- 2.12 While facilities, management and maintenance costs will differ by scheme and the type of land being used, we have been able to draw confidential information from another residential development site with on-site SANG provision. This example site identified a cost of c.£1,400 per unit to cover the lifetime of the development, excluding the land value. But, it is worth highlighting, that this scheme is much larger than schemes UE1 and UE2 and the developers decided to put considerable investment towards establishing the SANG site and aftercare costs. Therefore, slightly lower on-site facilities, management and maintenance costs is more likely to apply at UE1 and UE2.
- 2.13 In summary, the costs for SAMM and SANG within the UE1 and UE2 appraisals that have been tested are:
- SAMMS Heathland Mitigation = £355 per house (£242 per flat)
 - SAMM recreation and Leisure = £100 per unit
 - Onsite SANGS land purchase costs = £1,142 per unit
 - Onsite SANGS facilities, management and maintenance = £1,200 per unit.

Provision of business start-up / incubation space

- 2.14 The Council has provided Porter PE with specific policy requirements for sites UE1 and UE2. These requirements include the provision of 500 sqm of business start-up / incubation space⁸. Based on typical site coverage of 80%, the development appraisals allow a site area as 625 sqm for this space.
- 2.15 The findings in Chapter 7 of the PBA 2017 report for office space typologies identified that in the current market, a Town centre office (tested at 250sqm) and a Business Park office space (tested at 3,000 sqm), would be unviable. This is because the open market value of the completed development would be below the cost of delivering it, at a development cost of approximately £5.7m per net hectare.
- 2.16 Hence, the assumed cost of providing 500sqm of business start-up / incubation space provides an overall assumed cost of £356,000 to the developments of UE1 and UE2.

Provision of a 60-bed care home

- 2.17 A second policy requirement is for a 60-bed care home to be provided in addition to the 500 and 800 residential schemes. Like the approach to the business start-up / incubator space provision, we have used the PBA 2017 report viability findings for a 60-bed care home. The results generated a positive Residual Land Value of £800,000 per net hectare or a total cost of £343,000. These have been included in the appraisal of sites UE1 and UE2.

Provision of a public car park at Canford Magna

- 2.18 The final policy requirement that is likely to impact on the viability of UE1 is the provision of 30 surface level public car parking space at the proposed Canford Magna SANG. For assessing this impact in the development appraisals, we have identified the

⁸ 500 sqm for business start-up/ incubation space has been used for illustrative purposes only to show the possible impacts of this policy requirement. To note, this does not preclude the developer by providing more space or less space should they feel it is warranted.

cost for a landscaped surface carparking from SPONS (2017), including professional fees (10%) and contingency (5%), to cost £83,000.

Provision of Community Hub/Retail space

- 2.19 The Council's policy requirements for site UE2 include a potential 1,000 sqm of community facilities⁹. This requirement may include a provision for retail, such as a small supermarket.
- 2.20 To allow for this policy in the UE2 site appraisal, the build cost of a 1,000 sqm community/retail supermarket facility has been included at build costs of at £1,540 sqm¹⁰. The total assumed cost of providing 1,000 sqm of Community hub/Retail space is £1,540,000. In addition to this, the same non-residential externals, professional fees, contingency and finance costs in the PBA 2017 report have been assumed on top of these build costs. To account for the worst-case scenario, no revenue has been assumed for the community hub/ retail space element of the scheme as it really depends on how the developer wishes to deliver this aspect of the scheme, for instance, allow peppercorn rent, transfer it to the local authority through Section 106 planning obligation or lease/ sell it on the open market. Therefore, this assumption has been assumed conservatively for appraisal of Site UE2.

Other policies tested within the PBA 2017 report

- 2.21 The PBA 2017 report demonstrated that 40% affordable housing and a CIL rate of £200 per CIL liable square metre could be viable at UE1 and UE2, based on the findings for typologies 34 and 35. Although, as stated earlier in paragraph 1.5, when the Council consulted upon its Draft CIL Charging Schedule, it recommended a CIL Charge of £200 per sqm of residential uses in the Lilliput/ Branksome, Sandbanks, Canford Cliffs and North Poole. Therefore, the PBA 2017 report recommended affordable housing target and CIL of £200 per sqm have been included within the appraisal.
- 2.22 Additionally, the appraisal of UE1 and UE2 have included an allowance of the costs relating to policy PCS 32 renewable energy and CAT 2/Cat 3 which are consistent with the PBA 2017 report.

⁹ 1,000 sqm for a community hub/ retail space has been used for illustrative purposes only to show the possible impacts of this policy requirement. To note, this does not preclude the developer by providing more space or less space should they feel it is warranted.

¹⁰ Equal to 500 sqm community hub @ £1,688 sqm + 500 sqm Smaller supermarket @£1,390; 2016 Q2 values.

3 Development Appraisal Results

Introduction

- 3.1 This chapter sets out the viability results for sites UE1 and UE2. While there are significant benefits in undertaking the viability work, it is important to recognise its limitations since it is not an exact science. A viability assessment must therefore be seen only as a tool in assisting in the preparation of a robust planning scheme for seeking a planning application. It is not intended to be a formal 'Red Book' valuation and should not be relied upon as such.

Findings

- 3.2 Based on the tested assumptions discussed in **Chapter 2** of this report, Site: UE1 North of Merley and Site: UE2 North of Bearwood are shown to be viable, as summarized in **Table 3.1**. The development appraisals of sites UE1 and UE2 with £30,000 per unit s106 plus £10,000 per unit for other strategic infrastructure costs are also provided in **Appendix 1**.

Table 3.1 Viability results and headroom's at alternative infrastructure cost

Site	S106 costs	Viable/potential headroom per sqm	With £10k per unit additional SI costs
UE1. 500 at North of Merley	£10,000 per unit	£677	£499
	£20,000 per unit	£499	£321
	£30,000 per unit	£321	£143
UE2. 800 at North of Bearwood	£10,000 per unit	£620	£442
	£20,000 per unit	£442	£264
	£30,000 per unit	£264	£86

- 3.4 **Table 3.1** confirms that the policy requirements of the emerging Local Plan, the recommendations for affordable housing of 40% and a CIL rate of £200 per sqm as found in the PBA 2017 report, and which have been tested in Table 3.1, remain appropriate for the two strategic Site UE1: North of Merley and Site: UE2 North of Bearwood.

Appendix 1

Example appraisals with £30k S106 plus £10k strategic infrastructure costs

NOTE: The following appraisal has been prepared for the Council. The appraisal has been prepared in line with the RICS valuation guidance. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2014) valuation and should not be relied upon as such.

UE1 North of Mer Strategic site										500 Units			TIMING		
ITEM	Residual Value				Technical Checks:			TIMING							
Net area (ha)	12.50	Greenfield	Strategic site	Greenfield	£1,701,972 per net ha		Sqm/ha	3,271	Start	Finish	Months (nr)				
Stamp Duty	Commercial land						Dwgs/ha	40							
	Private	Affordable	Starter Homes	Social rent		Affordable rer	Intermediate	Units/ha	68						
Nr of units	300.00	200.00	0.00	0.00	140.00	60.00	GDV>Total costs								
1.0 Development Value															
1.1 Private units	No. of units	Size sq.m	Total sq.m	Epsm	Total Value										
1.1.1 Flats (N/A)	18.00	55	986	£4,000	£3,942,000			Jul-17	Mar-23	68.00					
1.1.2 2 bed house	133.20	75	9,923	£4,000	£39,693,600			Jul-17	Mar-23	68.00					
1.1.3 3 bed house	113.70	93	10,574	£4,000	£42,296,400			Jul-17	Mar-23	68.00					
1.1.4 4+ bed house	35.10	117	4,111	£4,000	£16,442,400			Jul-17	Mar-23	68.00					
	300.0		25,594												
1.5 Starter Homes	No. of units	Size sq.m	Total sq.m	Epsm	Total Value										
1.5.1 Flats (N/A)	0.00	55	0	£3,200	£0			Jul-17	Mar-23	68.00					
1.5.2 2 bed house	0.00	75	0	£3,200	£0			Jul-17	Mar-23	68.00					
1.5.3 3 bed house	0.00	93	0	£3,200	£0			Jul-17	Mar-23	68.00					
1.5.4 4+ bed house	0.00	117	0	£3,200	£0			Jul-17	Mar-23	68.00					
1.2 Social rent	No. of units	Size sq.m	Total sq.m	Epsm	Total Value										
1.2.1 Flats (N/A)	0.00	55	0	£1,600	£0			Jul-17	Mar-23	68.00					
1.2.2 2 bed house	0.00	75	0	£1,600	£0			Jul-17	Mar-23	68.00					
1.2.3 3 bed house	0.00	93	0	£1,600	£0			Jul-17	Mar-23	68.00					
1.2.4 4+ bed house	0.00	117	0	£1,600	£0			Jul-17	Mar-23	68.00					
1.3 Affordable rent	No. of units	Size sq.m	Total sq.m	Epsm	Total Value										
1.3.1 Flats (N/A)	22.40	55	1,226	£2,200	£2,698,080			Jul-17	Mar-23	68.00					
1.3.2 2 bed house	84.14	75	6,268	£2,200	£13,780,546			Jul-17	Mar-23	68.00					
1.3.3 3 bed house	29.26	93	2,721	£2,200	£5,986,596			Jul-17	Mar-23	68.00					
1.3.4 4+ bed house	4.20	117	492	£2,200	£1,082,107			Jul-17	Mar-23	68.00					
	140.0		10,708												
1.4 Intermediate	No. of units	Size sq.m	Total sq.m	Epsm	Total Value										
1.4.1 Flats (N/A)	9.60	55	526	£2,600	£1,366,560			Jul-17	Mar-23	68.00					
1.4.2 2 bed house	36.06	75	2,686	£2,600	£6,984,822			Jul-17	Mar-23	68.00					
1.4.3 3 bed house	12.54	93	1,166	£2,600	£3,032,172			Jul-17	Mar-23	68.00					
1.4.4 4+ bed house	1.80	117	211	£2,600	£46,080			Jul-17	Mar-23	68.00					
	60.0		4,589												
Gross Development value					£137,863,363										
2.0 Developer's Profit															
2.1 Private units	20.0% on OM GDV				£20,474,680			Mar-23			Apr-23	1.00			
2.1 Starter Home	10.0% on Starter Home value				£0			Mar-23			Apr-23	1.00			
2.2 Affordable units	6% on AH transfer values				£2,129,338			Mar-23			Apr-23	1.00			
Total Developer's Profit					£22,604,218										
3.0 Development Costs															
3.1 Sale cost															
3.1.1 Private units only	3.00% on OM GDV				£3,071,232			Jul-17			Mar-23	68.00			
Total sale cost					£3,071,232										
3.2 Build Costs															
3.2.1 Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs										
3.2.1.1 Flats (GIA)	18.00	64.6	1,163	£1,232	£1,432,601			Jan-17	Sep-22	68.00					
3.2.1.2 2 bed house	133.20	76.1	10,137	£1,036	£10,591,435			Jan-17	Sep-22	68.00					
3.2.1.3 3 bed house	113.70	95.4	10,847	£1,036	£11,237,471			Jan-17	Sep-22	68.00					
3.2.1.4 4+ bed house	35.10	119.6	4,199	£1,036	£4,349,856			Jan-17	Sep-22	68.00					
	300		26,345												
3.2.2 Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs										
3.2.2.1 Flats (GIA)	32.00	64.6	2,067	£1,232	£2,546,847			Jan-17	Sep-22	68.00					
3.2.2.2 2 bed house	120.20	76.1	9,147	£1,036	£9,476,520			Jan-17	Sep-22	68.00					
3.2.2.3 3 bed house	41.80	95.4	3,989	£1,036	£4,131,276			Jan-17	Sep-22	68.00					
3.2.2.4 4+ bed house	6.00	119.6	718	£1,036	£743,572			Jan-17	Sep-22	68.00					
	200		15,920												
Total build costs					£44,419,618										
3.3 Extra over construction costs															
3.3.1 Externals	10% extra-over on build cost				£4,441,961.82			Jan-17			Sep-22	68.00			
3.3.2 Site abnormalities (remediation/demolition)	£0 per net ha				£0			Jan-17			Nov-19	34.00			
3.3.3 Site opening up costs	£10,000 per unit				£5,000,000			Jan-17			Nov-19	34.00			
Total extra over construction costs					£9,441,962										
3.4 Professional Fees															
3.4.1 on build costs (incl: externals)	10%				£4,886,158			Jan-17			Sep-22	68.00			
Total professional fees					£4,886,158										
3.5 Contingency															
3.5.1 on build costs (incl: externals)	5%				£2,443,079			Jan-17			Sep-22	68.00			
Total contingency					£2,443,079										
3.6 Developer contributions															
3.6.1 Flood Mitigation	£0 per unit				£0			Jan-17			Sep-22	68.00			
3.6.2 PCS 32 renewable energy	20.0% multiplied by 15k per unit				£1,500,000			Jan-17			Sep-22	68.00			
3.6.3 CIL	£200 per sqm				£5,269,013			Jan-17			Nov-19	34.00			
3.6.4 S106/S278/AH contribution	£30,000 per unit				£15,000,000			Jan-17			Nov-19	34.00			
3.6.5 Cat 2	£924 per unit				£9,240			Jan-17			Sep-22	68.00			
3.6.6 Cat 2	£521 per house				£46,890			Jan-17			Sep-22	68.00			
3.6.5 Requirement for incubator space					£356,000			Jan-17			Sep-22	68.00			
3.6.6 Requirement for 60 bed care home					£343,000			Jan-17			Sep-22	68.00			
3.6.5 Requirement for carparking					£83,000			Jan-17			Sep-22	68.00			
3.6.6 SANGS					£1,171,000			Jan-17			Feb-17	1.00			
3.6.5 SAMMS					£221,850			Jan-17			Feb-17	1.00			
Total developer contributions					£23,313,993										
TOTAL DEVELOPMENT COSTS					£87,576,842										
4.0 Site Acquisition															
4.1 Net site value (residual land value)					£21,274,620			Jan-17			Nov-19	34.00			
4.2 Stamp Duty					£0			Jan-17			Nov-19	34.00			
4.3 Purchaser costs	1.75% on land costs				£372,306			Jan-17			Nov-19	34.00			
Total site costs					£22,700,157										
TOTAL PROJECT COSTS (EXCLUDING INTEREST)					£132,880,417										
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)					£4,982,846										
5.0 Finance Costs															
5.1 Finance	APR 6.50% on net costs				PCM 0.526% -£4,982,846			Opening Balance							
TOTAL PROJECT COSTS (INCLUDING INTEREST)					£137,863,363			Interest							
								Net Cashflow in month							
								Closing Balance							

This appraisal has been prepared for the Council. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the Council about the impact of planning policy on viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation – Professional Standards January 2014) valuation and should not be relied upon as such.

UE2 North of Bea Strategic site										800 Units		
ITEM	Residual Value				Technical Checks:			TIMING				
Net area (ha)	20.00	Greenfield	Strategic site Greenfield	£1,581,808 per net ha		Sqm/ha	3,271					
Stamp Duty	Commercial land					Dwgs/ha	40					
	Private	Affordable	Starter Homes	Social rent	Affordable rer	Intermediate	Umillage	108				
Nr of units	480.00	320.00	0.00	0.00	224.00	96.00	GDV=Total costs			Start	Finish	Months (nr)
1.0 Development Value												
1.1 Private units	No. of units	Size sq.m	Total sq.m	Epsm	Total Value							
1.1.1 Flats (NIA)	28.80	55	1,577	£4,000	£5,307,200			Jul-17	Dec-24	89.00		
1.1.2 2 bed house	213.12	75	15,877	£4,000	£53,559,760			Jul-17	Dec-24	89.00		
1.1.3 3 bed house	181.92	93	16,919	£4,000	£57,674,240			Jul-17	Dec-24	89.00		
1.1.4 4+ bed house	56.16	117	6,577	£4,000	£26,307,840			Jul-17	Dec-24	89.00		
	480.0		40,950									
1.5 Starter Homes	No. of units	Size sq.m	Total sq.m	Epsm	Total Value							
1.5.1 Flats (NIA)	0.00	55	0	£3,200	£0			Jul-17	Dec-24	89.00		
1.5.2 2 bed house	0.00	75	0	£3,200	£0			Jul-17	Dec-24	89.00		
1.5.3 3 bed house	0.00	93	0	£3,200	£0			Jul-17	Dec-24	89.00		
1.5.4 4+ bed house	0.00	117	0	£3,200	£0			Jul-17	Dec-24	89.00		
1.2 Social rent	No. of units	Size sq.m	Total sq.m	Epsm	Total Value							
1.2.1 Flats (NIA)	0.00	55	0	£1,600	£0			Jul-17	Dec-24	89.00		
1.2.2 2 bed house	0.00	75	0	£1,600	£0			Jul-17	Dec-24	89.00		
1.2.3 3 bed house	0.00	93	0	£1,600	£0			Jul-17	Dec-24	89.00		
1.2.4 4+ bed house	0.00	117	0	£1,600	£0			Jul-17	Dec-24	89.00		
1.3 Affordable rent	No. of units	Size sq.m	Total sq.m	Epsm	Total Value							
1.3.1 Flats (NIA)	35.84	55	1,962	£2,200	£4,316,928			Jul-17	Dec-24	89.00		
1.3.2 2 bed house	134.62	75	10,029	£2,200	£22,064,874			Jul-17	Dec-24	89.00		
1.3.3 3 bed house	46.82	93	4,354	£2,200	£9,578,554			Jul-17	Dec-24	89.00		
1.3.4 4+ bed house	6.72	117	797	£2,200	£1,731,371			Jul-17	Dec-24	89.00		
	224.0		17,133									
1.4 Intermediate	No. of units	Size sq.m	Total sq.m	Epsm	Total Value							
1.4.1 Flats (NIA)	15.36	55	841	£2,600	£2,186,496			Jul-17	Dec-24	89.00		
1.4.2 2 bed house	57.70	75	4,298	£2,600	£11,175,715			Jul-17	Dec-24	89.00		
1.4.3 3 bed house	20.06	93	1,866	£2,600	£4,851,475			Jul-17	Dec-24	89.00		
1.4.4 4+ bed house	2.88	117	337	£2,600	£676,928			Jul-17	Dec-24	89.00		
	96.0		7,343									
			-									
Gross Development value					£220,581,380							
2.0 Developer's Profit												
2.1 Private units	20.0%				on OM GDV	£32,759,808		Dec-24	Jan-25	1.00		
2.1 Starter Home	10.0%				on Starter Home value	£0		Dec-24	Jan-25	1.00		
2.2 Affordable units	6%				on AH transfer values	£3,406,940		Dec-24	Jan-25	1.00		
Total Developer's Profit					£36,166,748							
3.0 Development Costs												
3.1 Sale cost												
3.1.1 Private units only	3.00%				on OM GDV	£4,913,971		Jul-17	Dec-24	89.00		
					£4,913,971							
3.2 Build Costs												
3.2.1 Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs							
3.2.1.1 Flats (GIA)	28.80	64.6	1,861	£1,232	£2,292,162			Jan-17	Jun-24	89.00		
3.2.1.2 2 bed house	213.12	76.1	16,218	£1,036	£16,802,296			Jan-17	Jun-24	89.00		
3.2.1.3 3 bed house	181.92	95.4	17,355	£1,036	£17,979,954			Jan-17	Jun-24	89.00		
3.2.1.4 4+ bed house	56.16	119.6	6,718	£1,036	£6,959,931			Jan-17	Jun-24	89.00		
	480		42,152									
3.2.2 Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs							
3.2.2.1 Flats (GIA)	51.20	64.6	3,308	£1,232	£4,074,955			Jan-17	Jun-24	89.00		
3.2.2.2 2 bed house	192.32	76.1	14,636	£1,036	£15,162,432			Jan-17	Jun-24	89.00		
3.2.2.3 3 bed house	66.88	95.4	6,390	£1,036	£6,610,045			Jan-17	Jun-24	89.00		
3.2.2.4 4+ bed house	9.60	119.6	1,148	£1,036	£1,189,715			Jan-17	Jun-24	89.00		
3.2.3 Community Hub & Retail unit	320	1000.0	25,472	£1,540	£1,539,500			Jan-17	Jun-24	89.00		
	1.00		1,000									
Total build costs					800 £72,610,889							
3.3 Extra over construction costs												
3.3.1 External	10%				extra-over on build cost	£7,261,088.91		Jan-17	Jun-24	89.00		
3.3.2 Site abnormalities (remediation/demolition)	£0				per net ha	£0		Jan-17	Sep-20	44.00		
3.3.3 Site opening up costs	£10,000				per unit	£8,000,000		Jan-17	Sep-20	44.00		
Total extra over construction costs					£15,261,089							
3.4 Professional Fees												
3.4.1 on build costs (incl: external)	10%					£7,987,198		Jan-17	Jun-24	89.00		
Total professional fees					£7,987,198							
3.5 Contingency												
3.5.1 on build costs (incl: external)	5%					£3,993,599		Jan-17	Jun-24	89.00		
Total contingency					£3,993,599							
3.6 Developer contributions												
3.6.1 Flood Mitigation	£0				per unit	£0		Jan-17	Jun-24	89.00		
3.6.2 PCS 32 renewable energy	20.0%				multiplied by £15k per unit	£2,400,000		Jan-17	Jun-24	89.00		
3.6.3 CIL	£200				per sqm	£8,430,421		Jan-17	Sep-20	44.00		
3.6.4 S106/S278/AH contribution	£30,000				per unit	£24,000,000		Jan-17	Sep-20	44.00		
3.6.5 Cat 2	£924				per unit	£14,784		Jan-17	Jun-24	89.00		
3.6.6 Cat 2	£521				per house	£75,024		Jan-17	Jun-24	89.00		
3.6.5 Requirement for incubator space						£356,000		Jan-17	Jun-24	89.00		
3.6.6 Requirement for 60 bed care home						£343,000		Jan-17	Jun-24	89.00		
3.6.5 Requirement for carparking						£0		Jan-17	Jun-24	89.00		
3.6.6 SANGS						£1,873,600		Jan-17	Feb-17	1.00		
3.6.5 SAMMS						£354,960		Jan-17	Feb-17	1.00		
Total developer contributions					£37,161,789							
TOTAL DEVELOPMENT COSTS					£141,928,535							
4.0 Site Acquisition												
4.1 Net site value (residual land value)						£31,636,133		Jan-17	Sep-20	44.00		
4.2 Stamp Duty						£0		Jan-17	Sep-20	44.00		
4.3 Purchaser costs	1.75%				on land costs	£553,632		Jan-17	Sep-20	44.00		
Total site costs					£33,761,072							
TOTAL PROJECT COSTS (EXCLUDING INTEREST)					£211,856,356							
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)					£8,725,024							
5.0 Finance Costs												
5.1 Finance	APR 6.50%				on net costs	PCM 0.526%		-		£8,725,024		Opening Balance
										Interest		
										Net Cashflow in month		
										Closing Balance		
TOTAL PROJECT COSTS (INCLUDING INTEREST)					£220,581,380							

This appraisal has been prepared for the Council. The appraisal has been prepared in line with the RICS valuation guidance. The purpose of the appraisal is to inform the Council about the impact of planning policy has on viability at a strategic level. This appraisal is not a formal 'Red Book' (RICS Valuation - Professional Standards January 2014) valuation and should not be relied upon as such.

