



Borough of Poole CIL Viability

Addendum - Clarification on matters arising from the representations on ED08

On behalf of:



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Introduction

- 1 Borough of Poole Council consulted on its Statement of Modification for its proposed CIL work. Responses have been received and Porter Planning Economics Ltd (PorterPE) have been commissioned by the Council to review the new evidence presented in the representations regarding ED08 made by Savills on behalf of Richborough Estates Ltd CIL (019) and WH White Ltd (020). After considering these representations, PorterPE and the Council met with Savills and the site promoters for North of Merley (UE1) and North of Bearwood (UE2) to discuss their response. Based on these discussions, and the new evidence submitted through the consultation, further sensitivity testing on some of the assumptions informing ED08 have been undertaken to identify if any adjustments to the proposed CIL rates should be recommended. This is set out in the rest of this document.
- 2 Before considering the sensitivity testing, it is important to note that this document refers to, and should be read alongside, two other important documents, the 'Poole Borough Council Local Plan and Viability Study Update Report' (ED07 in the CIL Examination library) and 'Further Strategic Site Testing of UE1 North of Merley and UE2 North of Bearwood' (ED08).

Summary of Findings from ED07 and ED08

- 3 Based on assumptions set out in ED07 (some of which had been revisited within ED08), the ED08 report identified viability headrooms at the two sites with full policy requirements of the local plan, different levels of potential infrastructure costs and the proposed CIL rate of £200 per CIL Liable sqm in this location. The results are shown in **Table 1** (copied from ED08 Table 3.1).

Table 1 Viability results with headrooms at different levels of infrastructure cost

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

- 5 Owing to these positive headrooms offering a substantial buffer to the proposed CIL rate, even with the highest level of strategic infrastructure cost, the ED08 report concluded that the proposed CIL rates that are being examined, which had been

derived from the findings in ED07, are appropriate for two strategic sites: North of Merley (UE1) and North of Bearwood (UE2).

Issues and Responses

6 PorterPE's responses to the comments made by Savills regarding ED08 have been grouped using the following sub-sections in the rest of this note:

- Benchmark Land Value
- Sales Values
- SANGS
- S106 and Strategic Infrastructure

7 The final section provides further evidence of sensitivity viability testing of UE1 and UE2 to reflect any changes in assumptions following the feedback from the consultation on ED08.

Benchmark Land Value (BLV)

8 Regarding the evidence for benchmark land values used in testing strategic sites UE1 and UE2, Savills have asked for clarification about how the headroom at UE1 was estimated. This request was made to the Council prior to the end of the recent consultation, and PorterPE provided (through the Council email to Savills dated 25th September 2018) the following explanation in referring to the appraisal rows in ED08 Appendix 1, as follows:

"The way the headroom should be calculated for UE1 from the summary appraisal sheet in Appendix 1 is as follows:

*Row 4.1 Net site value (residual land value) £21,274,620 minus (£1.4m x 12.5 net ha)
£17,500,000 benchmark land value
Divide by
Rows 3.2.1 26,345sqm CIL liable floorspace
Equals
£143 per sqm headroom."*

9 Savills note in their response (018 and 019) paragraph 2.2.2 bullet 2 and paragraph 2.2.17 that they would also like sight of a worked example for UE2. In response we note that the same approach, as shown above under point 7, can be used for the UE2 appraisal shown in ED08 Appendix 1, and for clarity we show it here:

*UE2 appraisal sheet Row 4.1 Net site value (residual land value) £31,636,133 minus (£1.4m x 20 net ha) £28,000,000 benchmark land value
Divide by
Rows 3.2.1 42,125sqm CIL liable floorspace
Equals
£86 per sqm headroom.*

10 As shown, the assumed benchmark land value used for testing UE1 and UE2 is £1.4m per ha. Therefore, Savills's response (018 and 019) paragraph 2.2.2 bullet 3

reference to the use of a £420,000 per ha BLV for UE1 and UE2 is wrong. We prefer to use the net area for the BLV since most developers assess and pay for sites based on what they can build, i.e. the value of the net developable area. However, Savills refer to BLVs in gross area terms, citing examples of option and promotion agreements in their paragraph 2.2.6 and Table 2.2, which is useful evidence. While we are happy to accept this currency of evidence, we would assume that the land value estimated for the sites within Savills's Table 2.2 will have been based on a developer setting a fixed price for the net area development potential, as is standard in practice, and then splitting this fixed value across the gross site area.

11 As noted earlier, £1.4m per net ha BLV was used for testing sites UE1 and UE2, which translates into the following values per gross area:

- UE1 site BLV = (£1.4m x 12.5 net ha = £17,500,000) / 20.55 gross ha = £851,582 per gross ha
- UE2 site BLV = (£1.4m x 20 net ha = £28,000,000) / 34.14 gross ha = £820,152 per gross ha

12 Savills, in their paragraph 2.2.10, identifies that an appropriate average gross area BLV based on option and promotion agreements is £644,931 per gross ha for larger sites between 120 and 630 dwellings. There is also reference to how this translates into a net value area in their Table 2.4, however we are not convinced that the calculations shown are correct. This is because to derive a net area BLV using their figures for gross area, then the gross area BLV would need to be divided by the net to gross ratio (as shown above). For example: Table 2.4 Option A of £617,750 per gross ha with a net to gross area of 65% should result in a net ha value of £950,385 and not the reported £1,765,000.

13 Based on the Savills's evidence from option agreements, averaging £644,931, then the assumption ED08 for BLV, which is £851,582 per gross ha for UE1 and £820,152 per gross ha for UE2 may be over inflated. We consider this later in this report when we sensitivity test the viability of UE1 and UE2 to afford CIL to reflect the suggestion made by Savills in their paragraph 2.2.23 bullet one that the benchmark land value should be £644,931 per gross area.

14 The clarifications above should address all of Savills's concerns about ED08 as set out in their response (018 and 019) paragraphs 2.2.2, 2.2.5, 2.2.9, 2.2.12 to 2.2.14, 2.2.17 to 2.2.23.

Sales Values

15 As Savills highlight in their response (018 and 019) paragraph 2.3.1, the ED08 assessments of UE1 and UE2 were informed by sales values derived from the value area where the sites are located, which is 'North Poole', as identified in ED07 (Chapter 4). This averaged around £4,000 per sqm across all unit types.

16 Savills in paragraphs 2.3.4 to 2.3.8 suggest that the values should be informed by two recent developments, a completed scheme at Water's Edge and an ongoing development at Holmwood Park in neighbouring districts near Wimborne. We would agree that these two sites may be comparable to UE1 and UE2 but there are some important differences.

- 17 Savills have provided evidence to support their values at Water's Edge, which is stated in their response (018 and 019) paragraph 2.3.5 to average £3,229 per sqm for transactions between 2014 and 2015. This average value is less than the £4,000 per sqm value used for testing sites UE1 and UE2, but there are several factors that may explain this. Firstly, the Water's Edge sales values period finishes slightly earlier (end of 2015) than the transaction dates informing the North Poole values in EDO7, which cover January 2014 to December 2016. Secondly, the site includes good quality dwellings but, unlike UE1 and UE2, it was a brownfield site and is next to an industrial estate with a recycling centre and a lower value housing estate.
- 18 Savills provide sales values for the Holmwood Park, but we have not seen the evidence for these. We understand the development at Holmwood Park is still under construction and therefore have obtained marketing brochures for the units for sale to derive a sales value per square metre by 'type' of home. The marketing brochure for each unit provides the minimum asking price and gives room dimensions for the liveable spaces. An additional 15% is added to the stated floorspace to allow for bathrooms and circulation spaces.
- 19 Based on this evidence, **Table 2** below shows that the current asking sales value per square metre range between around £3,600 and £4,800 per sqm by unit type, and average £4,100 sqm across all property types. This average value is close to the £4,000 per sqm value used for testing sites UE1 and UE2.
- 20 Although Holmwood Park is a more useful comparator than Water's Edge owing to its greenfield location, albeit slightly isolated from amenities, there are a few factors to consider. Firstly, the prices may reflect a later period than the sales values tested in the PBA 2017 report. Secondly, the prices reflect asking prices, and there may be incentives assuming a possible discount of around 5% to 10% on these prices. Also, marketing brochures list the prices at which these types of units start to sell from (i.e. the minimum prices), inferring that some asking prices of the same type would in fact be higher owing to location within the site and phasing within the development, with early sales and final sales often being sold at the lower end of values.

Table 2 Holmwood Park sales values per square metre

	Beds	Type	Price (£)	Brochure property size	Property size with 15% circulation space	Estimated £ per sqm	Source
The Darwin at Holmwood Park	5	Detached	£699,995	170.5	196	£3,569	https://www.rightmove.co.uk/new-homes-for-sale/property-63408419.html
The Crawford at Holmwood Park	4	Detached	£579,995	124	142.6	£4,067	https://www.rightmove.co.uk/new-homes-for-sale/property-63407924.html
The Dunwich at Holmwood Park	5	Detached	£565,995	125	143.8	£3,937	https://www.rightmove.co.uk/new-homes-for-sale/property-65783129.html
The Callison at Holmwood Park	4	Detached	£547,995	99	113.9	£4,813	https://www.rightmove.co.uk/new-homes-for-sale/property-65783381.html
The Chester at Holmwood Park	4	Detached	£449,995	94	108.1	£4,163	https://www.rightmove.co.uk/new-homes-for-sale/property-70695668.html
The Caldwell at Holmwood Park	4	Detached	£449,995	83	95.5	£4,715	https://www.rightmove.co.uk/new-homes-for-sale/property-65782811.html
The Beaufort at Holmwood Park	3	Terraced	£384,995	85	97.8	£3,939	https://www.rightmove.co.uk/new-homes-for-sale/property-70695257.html

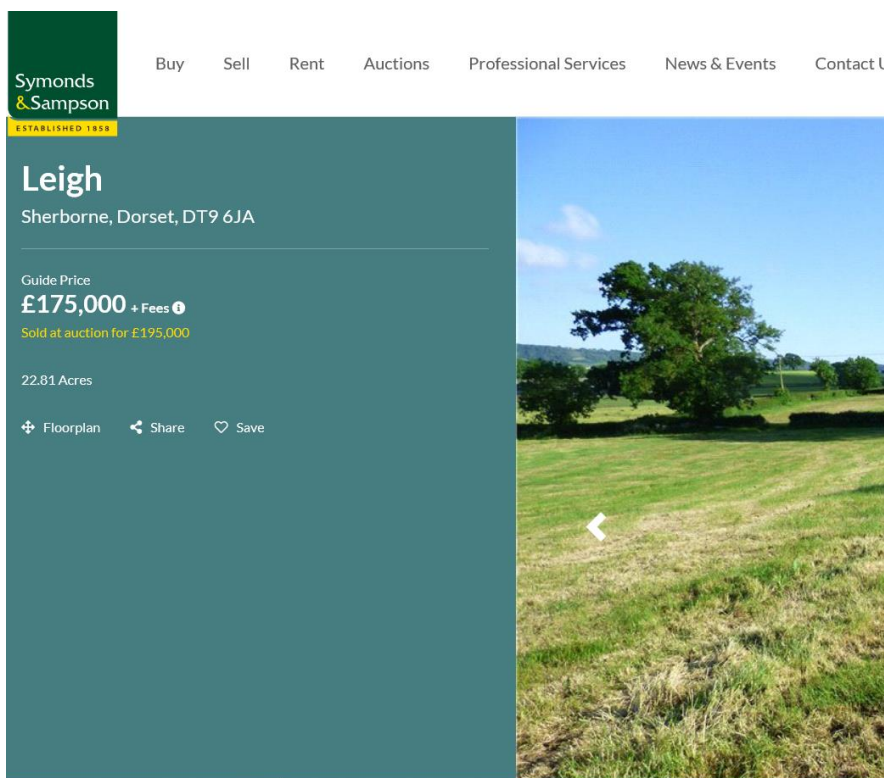
Source: Rightmove

- 21 From reviewing the sales value from the Water's Edge and Holmwood Park sites near to UE1 and UE2, it is agreed that the sales values tested within ED08 may have been towards the top end of what could be expected for these two greenfield urban extensions UE1 and UE2. By blending the different value per sqm rates in North Poole that were reported in ED07 at £4,000, the Holmwood Park development average of £4,100 and the Water's Edge development reported average of £3,229, a figure of around £3,750 per sqm may be more appropriate for testing UE1 and UE2.
- 22 Therefore, further sensitivity testing with sales value at £3,750 per sqm is considered later in this addendum.

Open Space and SANG

- 23 Savills, in their response (018 and 019) paragraph 2.4.1 and 2.4.2 suggest that the ED08 report fails to allow for any open space. We disagree. As stated earlier, the benchmark land value attributed to UE1 and UE2 reflects the net site area, and as such there will be additional land identified as being necessary on larger sites for enabling the development to occur. Since it is typical for developers to value large sites based on the number of homes they can build within a developable area, which is their net developable area, then in effect the value attributed to this net developable area allows for the additional open space that is required to secure planning.
- 24 Savills in paragraph 2.4.3 also state the value for the SANGS land should be more than the tested £30,000 per ha in ED08. They quote in their paragraph 2.4.6 that *“...the purchase of SANG is necessary to release the remainder of each site for residential development and as such it could be argued the value of SANG should be an equalised”*. We would disagree again. As already commented, the value of the whole development, allowing for open space and land for SANGs would normally form part of the land value attributed to the number of units that can be secured on the net developable area of the site. Therefore, the benchmark land value used in testing UE1 and UE2 at £1.4m per ha would have allowed for this. But because the SANG land is provided within UE1 and UE2, then this might not be typical of other large development that have informed the BLV for UE1 and UE2, and therefore had tested an additional cost for this in ED08 to err on the side of caution.
- 25 While Savills suggest that the land used for SANG at £30,000 per ha is too low, it should be considered that this land is required to secure planning permission and therefore it would normally be provided as part of the net developable BLV. Nonetheless, ED08 sets an additional cost for this land based on its greenfield value, with a low existing use value equivalent to amenity or, at best, agricultural value. This has been built up from the price of agricultural land, which is quoted in the MHCLG (former CLG) Land value estimates for policy appraisal (2017) at £21,000 per ha for agricultural land in Dorset, and this can be backed by recent evidence including:
- The Council purchasing through an auction a 9.79 ha River Meadows at Briantspuddle for £175k (£17,875 per hectare) in 2017
 - a grant given by the Council to the National Trust to purchase 5.606 hectares of horse paddocks in Arne for £90,000, at (£16,054 per hectare) in 2017
 - Auction sales of pasture land quoted on Symonds and Sampsons¹, who are Dorset experts for rural land trades, in the range of approximately £18,000 to £23,000 per ha, including for example this one (there are many more), which was sold for £21,000 per ha (accessed on 12/10/18):

¹ Accessed online at: <https://www.symondsandsampson.co.uk/auctions/results>



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Leigh

Sherborne, Dorset, DT9 6JA

Guide Price
£175,000 + Fees ⓘ
Sold at auction for £195,000

22.81 Acres

✚ Floorplan ↻ Share ♡ Save

- 26 Also, a Savills (Feb 18) research paper² identifies that a hectare of grazing land across the Country is worth about £13,500 per ha. This is based on Savills GB Farmland Value Survey, with Savills's noting that:

"At the close of 2017, Savills GB Farmland Value Survey shows average prime arable commanded close to £9,000 per acre, with average grade 3 farmland trading at £7,500 per acre. Grazing land was trading at between £4,400 and £5,500 per acre, reflecting the variation in quality and geography across the holdings marketed."

- 27 Further to this, consultation with Dorset County Council, who have an expertise on agricultural land values, suggested that the credible figures for bare land in Dorset would be in the region of £6,000 to £8,000 per acre. Also that the market for farmland has become very patchy and localised in the last 2 years, with local factors determining if land sells or not. There has also been a slight reduction in land values, certainly since 2016.
- 28 The assumed £30,000 per ha for SANG in ED08 includes a premium for the alternative use of such sites for SANG above the assumed £21,000 per ha existing use value, which, unlike housing, has little market value other than being a necessary part of a planning condition.
- 29 Savills, in their paragraphs 2.4.4 to 2.4.8 suggest that land value used in ED08 for SANG is too low, and market value deals for SANG land sold in mostly in Berkshire, but also East Sussex and one nearby in Wimborne albeit undisclosed. From this evidence, Savills note in paragraph 2.4.8 that the value of SANGs land averages £20,000 to £103,000 per acre (c.£50,000 to £250,000 per ha). What is not clear from these purchases are the deals and whether there include existing buildings on site

² Accessed online at: https://www.savills.co.uk/research_articles/229130/228020-0#summary

and/or if the purchase reflects land value across the whole development, and therefore the non SANG developed land used for development is discounted to account for this.

30 However, what is relevant here is that these may be purchased prices but what is clear in in compliance with the PPG Viability guidance, which states (Paragraph: 014 Reference ID: 10-014-20180724): *'Existing use value is not the price paid and should disregard hope value.'*

31 Therefore, based on this evidence, we do not consider it necessary to revise the value used for the SANG land in ED08.

S106 and Strategic infrastructure

32 When considering if the £200 per sqm CIL was affordable at UE1 and UE2, the ED08 assessments of UE1 and UE2 were tested with an assumed s106 and infrastructure cost of up to £40,000 per dwelling for s106 and strategic infrastructure costs. In line with this, Savills state in their paragraph 2.5.2 that *"...a combined average of £36,500 per dwelling is appropriate for site abnormalities and Section 106 costs for similar sized sites in the wider South East"*. We assume that the site abnormalities referred to by Savills reflects strategic infrastructure costs.

33 Further to this, Savills, in their paragraph 2.5.3, suggest that an appropriate strategic infrastructure cost should follow the Harman recommendation and allowing for indexation, resulting in a range between £23,165 and £30,013 per dwelling. Our understanding is that the Harman estimate is for strategic infrastructure and utility costs on large sites where costs are likely to increase per dwelling the larger the site, including potential 'big ticket' infrastructure items. Therefore, it is unlikely that a site of 500 or 800 units would require substantial infrastructure requirements to open them for development, and no big ticket items have been identified by the site promoters. For this reason, ED08 tested strategic infrastructure costs at £10,000 per dwelling, in addition to s106 costs which include infrastructure items like education and the allowances for externals.

34 To provide suitable comfort that there are sufficient strategic infrastructure costs, we ran a further sensitivity test using the Harman suggested figure £17,000 per dwelling, reflecting the size of these sites not be significantly large, and index this using the build cost tender price indices from January 2012 (just before the Harman Guide was published in June 2012) to Q2 2016 (which is date for the build costs which were tested in ED07 Table 5.8). This gives a strategic infrastructure cost figure of £22,300 per dwelling, which is close to the indexed Harman figures quoted by Savills.

35 Savills in paragraph 2.5.4 also note that no breakdown for the tested s106 amounts in ED08 have been provided. This is because it was too early at that stage to fully understand what these costs may have been, and therefore different ranges between £10,000 to £30,000 per unit was tested. However, to improve clarity, the Council have provided their latest estimate of likely s106 items and costs that have not been included elsewhere in the testing of UE1 and UE2 (i.e. affordable housing, SAMM, SANG, business start-up/incubation space, a 60-bed care home, contribution to the public car park at Canford Magna at UE1 and the provision of a community

hub/retail space at UE2 are already separately costed within the testing of UE1 and UE2 in ED08). These itemised additional s106 costs are provided in **Appendix A**. It is important to note that these costs provide only an indication of the scale of costs and that more details and revisions may occur through the application stage for these sites.

- 36 Based on the information in **Appendix A**, the further sensitivity testing of UE1 and UE2 is undertaken based on an additional s106 cost of £17,880 per dwelling at UE1 and an additional s106 cost of £14,143 per dwelling at UE.
- 37 In summary, based on the evidence provided by Savills and the Council, it would seem appropriate that the strategic infrastructure costs and additional s106 cost should be revised to £22,300 plus £17,880/£14,143 per dwelling respectively. This totals £40,180 per dwelling at UE1 and £36,443 per dwelling at UE2, which are similar or slightly higher than the costs stated by Savills in their paragraph 2.5.2 to be appropriate for such sites. These infrastructure and s106 cost items and provisions have been applied in the further sensitivity testing later in this addendum.

Sensitivity Testing UE1 and UE2

- 38 This section replicates the assumptions in testing UE1 and UE2 within ED08 but with the changes to allow for sensitivity testing the responses to the representation made by Savills. The purpose is to assess whether the proposed CIL rate of £200 per sqm remains appropriate, and if not, what CIL rate should be proposed, that does not put at risk the delivery of sites UE1 and UE2.
- 39 When deciding what the appropriate CIL rate should be, we would expect a buffer of at least 30% of the total financial headroom that is use for setting a CIL charge, in line with the approach in ED07 (see ED07, paragraph 6.3.7).
- 40 The changes in assumptions in the further sensitivity testing include the following:
- A benchmark land value of £1,060,000 per net ha at UE1 and £1,101,000 per net ha based on Savills's evidence from option and promotion agreements that these sites typically sell for £644,931 per gross ha.
 - Revised sales values to £3,750 per sqm, reflecting typical sales values for urban extensions and North Poole.
 - Strategic infrastructure of £22,300 per dwelling, in line with the Harman Guide.
 - Indicative s106 cost of £16,000 per dwelling in addition to the previous assumed costs for affordable housing, SAMM, SANG, business start-up/incubation space, a 60-bed care homes, contribution to the public car park at Canford Magna at UE1 and the provision of a community hub/retail space at UE2, which were separately costed within the testing of UE1 and UE2 in ED08.
- 41 The re-testing results in **Table 3** shows that with the changes in assumptions then a £200 per sqm CIL rate remains affordable. But the buffer at site UE1 is 27% (i.e. £73 buffer / (£200 CIL + £73 buffer)) and at UE2 is 25% (i.e. £67 buffer / (£200+£67 buffer)). Therefore, to increase the buffer beyond a minimum of 30%, then the CIL

rate of £175 per sqm would provide this, giving a comfortable buffer of 36% at UE1 and 34% at UE2, as shown in **Table 3**.

Table 3 Viability headrooms at different CIL rates

	UE1: North of Merley	UE2: North of Bearwood
With CIL at £200 per sqm	£73	£67
with CIL at £175 per sqm	£96	£90

- 42 The full viability appraisals including a £175 per sqm CIL is included for UE1 and UE2 in **Appendix B**.

Recommended Changes to CIL at UE1 and UE2

- 43 Based on the headroom results shown in **Table 3** and at least a minimum 30% buffer in the headroom above the recommended CIL rate, we recommend that the CIL rate for UE1 and UE2 should be reduced from £200 per sqm to £175 per sqm.

Draft Planning Obligations at UE1 and UE2



Site UE1: North of Merley – Possible Planning Obligations

DRAFT 17 October 2018 (v1)

The Poole Local Plan sets out a number of requirements for the site as set out in the table below. The allocation is for a minimum of 500 homes. These are estimates for the purpose of testing CIL and may differ for the planning application.

No	Policy Ref	S106	S106 estimate	Notes
1	PP10 (a) 40% affordable housing	✓	n/a	200 affordable homes with 70% rent and 30% intermediate. On site delivery.
2	PP10 (b) mix of housing units	✓	n/a	Plots set aside for self /custom build. On site delivery.
3	PP10 (d) Heathland SAMM	✓	n/a	£375 per house, £255 per flat plus £1,000 admin
4	PP10 (d) Harbour Recreation SAMM	✓	n/a	Not yet known. Assumes £125 per house, £75 per flat
5	PP10 (d) Harbour Nitrogen		n/a	n/a - out of catchment of harbour
6	PP10 (e) Heathland SANGs land	✓	n/a	For the purposes of the testing only, we have used the promoter's proposed model of SANG being run by management company and maintenance covered by service charge
7	PP10 (e) Heathland SANGs deposit	✓	n/a	Estimate as per Site U2 at £56,020
8	PP10 (e) Heathland SANGs – carriage driveway resurfacing	✓	n/a	Additional visitor pressure and improving walking /cycling connectivity in Stour Valley. Estimate is for 30mm and 60mm wearing course. £75 - 135,000
9	PP10 (e) Heathland SANGs – works to Council former railway line land	✓	n/a	Part of the SANGs. £45,000
10	PP10 (h) Highways impact		n/a	Works to junctions by Willett Arms, Oakley lane and onto Magna Road covered by Grampian condition (part of opening up costs).
11	PP10 (i) Education – Primary/First/Middle	✓	£2.5 – 5.3M	Based upon a 650 unit scheme and 3 different scenarios. Would be lower for 500 homes.
12	PP10 (i) Education – Secondary	✓	£2.5M	Assumes £6M for any works, split across the 1,300 homes on strategic allocations in North Poole (£5k per dwelling)
13	PP10 (j) Employment units	✓	n/a	S106 if not delivered within scheme. Development cost of £356,000.
14	PP10 (k) Health – doctors surgery	✓	£40,000	Each new clinical room serves 1,800 patients and costs £60k. 500 homes at 2.4 people per dwelling is 1,200 patients equating to 2/3rds of a room
15	PP10 (l) Play equipment		n/a	Assumes run by private management company with maintenance covered by service charge per home.
16	PP10 UE1 bullet 4 – Bus subsidy	✓	£2.5M	Assumes £5k per dwelling. Initial work indicates that this figure will be lower but for CIL testing purposes a higher estimate is being used.

No	Policy Ref	S106	S106 estimate	Notes
17	PP10 UE1 bullet 6 – SANG/community facility car park	✓	n/a	Two SANG car parks proposed that can be used to access nearby community facilities. On site delivery.
18	PP12 (3) Specialist homes	✓	n/a	100 homes built to M4 (2) standard on on basis of 20% requirement. On site delivery.
TOTAL (Mid range)			£8,940,000	£17,880 per home

References:

Row 3: Dorset Heathlands SPD plus indexation

Row 4: Estimate ahead of consultation Poole Harbour Recreation SPD

Row 7: S106 agreement for land south of magna road (APP/17/00008/F)

Row 8: Estimates provided by Environmental Services (Jez Martin) 19 September 2018

Row 9: Estimates provided by Environmental Services (Jez Martin) 2 October 2018

Row 11: Response to EIA Scoping Report, pupil place planning function, October 2018

Row 13: ED08 Further strategic testing of UE1 North of Merley and UE2 North of Bearwood, PorterPE, June 2018

Row 14: Consultation with the Clinical Commissioning Group (Laura Archer) September 2018

Source: Land Registry and EPC records

Site UE2: North of Bearwood - Possible Planning Obligations

DRAFT 17 October 2018 (v1)

The Poole Local Plan sets out a number of requirements for the site as set out in the table below. The allocation is for a minimum of 800 homes. These are estimates for the purpose of testing CIL and may differ for the planning application.

No	Policy Ref	S106	S106 estimate	Notes
1	PP10 (a) 40% affordable housing	✓	n/a	320 affordable homes with 70% rent and 30% intermediate. On site delivery.
2	PP10 (b) mix of housing units	✓	n/a	Plots set aside for self /custom build
3	PP10 (d) Heathland SAMM	✓	n/a	£375 per house, £255 per flat plus £1,000 admin
4	PP10 (d) Harbour Recreation SAMM	✓	n/a	Not yet known. Assumes £125 per house, £75 per flat
5	PP10 (d) Harbour Nitrogen		n/a	Within the catchment of harbour but covered by CIL
6	PP10 (e) Heathland SANGs land	✓	n/a	For the purposes of the testing only, we have used the promoter's proposed model of SANG being run by management company and maintenance covered by service charge
7	PP10 (e) Heathland SANGs deposit	✓	n/a	Estimate £56,020.
8	PP10 (h) Highways impact		n/a	Works to be covered by Grampian condition (part of opening up costs).
9	PP10 (i) Education – Primary/First/Middle	✓	£4 – 8.5M	Based upon a 800 unit scheme and 3 different scenarios.
10	PP10 (i) Education – Secondary	✓	£2.5M	Assumes £6M for any works, split across the 1,300 homes on strategic allocations in North Poole (£5k per dwelling)
11	PP10 (j) Employment units	✓	n/a	To be delivered on site. Development cost of £356,000.
12	PP10 (k) Health – doctors surgery	✓	£64,000	Each new clinical room serves 1,800 patients and costs £60k. 800 homes at 2.4 people per dwelling is 1,920 patients equating to 1.07 rooms
13	PP10 (l) Play equipment	✓	n/a	Assumes run by private management company with maintenance covered by service charge per home.
14	PP10 UE2 bullet 2 – Community facilities	✓	n/a	To be delivered on site. Development cost of £1,540,000
15	PP10 UE2 bullet 3 – Bus subsidy	✓	£2.5M	Assumes £5k per dwelling. Initial work indicates that this figure will be lower but for CIL testing purposes a higher estimate is being used.
16	PP12 (3) Specialist homes	✓	n/a	160 homes built to M4 (2) standard on basis of 20% requirement. On site delivery.
TOTAL (Mid range)			£11,314,000	£14,143 per home

References:

Row 3: Dorset Heathlands SPD plus indexation

Row 4: Estimate ahead of consultation Poole Harbour Recreation SPD

Row 7: S106 agreement for land south of magna road (APP/17/00008/F)

Row 9: Response to EIA Scoping Report, pupil place planning function, October 2018

Rows 11 and 14: ED08 Further strategic testing of UE1 North of Merley and UE2 North of Bearwood, PorterPE, June 2018

Row 12: Consultation with the Clinical Commissioning Group (Laura Archer) September 2018

Development Appraisals of UE1 and UE2

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

Policy Compliant UE1 Scheme with £175 per sqm CIL

UE1 North of		Strategic site		500 Units					
ITEM								TIMING	
Net area (ha)	12.50	Greenfield	Strategic site UE1	Residual Value		Technical Checks:			
Stamp Duty	Commercial land			£1,263,268 per net ha		Sqm/ha	3,271		
Nr of units	Private	Affordable	Starter Homes	Social rent	Affordable ren	Intermediate	Dwgs/ha	40	
	300	200	0	0	140	60	Units/pa	88	
							GDV=Total costs	(19)	
								Start	Finish
1.0 Development Value									
1.1 Private units				No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.1.1	Flats (NIA)			18.00	55	986	£3,750	£3,695,625	Jul-17 Mar-23
1.1.2	2 bed house			133.20	75	9,923	£3,750	£37,212,750	Jul-17 Mar-23
1.1.3	3 bed house			113.70	93	10,574	£3,750	£39,652,875	Jul-17 Mar-23
1.1.4	4+ bed house			35.10	117	4,111	£3,750	£15,414,750	Jul-17 Mar-23
				300.0		25,594			
1.2 Social rent				No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.2.1	Flats (NIA)			0.00	55	0	£1,500	£0	Jul-17 Mar-23
1.2.2	2 bed house			0.00	75	0	£1,500	£0	Jul-17 Mar-23
1.2.3	3 bed house			0.00	93	0	£1,500	£0	Jul-17 Mar-23
1.2.4	4+ bed house			0.00	117	0	£1,500	£0	Jul-17 Mar-23
				-		-			
1.3 Affordable rent				No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.3.1	Flats (NIA)			22.40	55	1,226	£2,063	£2,529,450	Jul-17 Mar-23
1.3.2	2 bed house			84.14	75	6,268	£2,063	£12,928,637	Jul-17 Mar-23
1.3.3	3 bed house			29.26	93	2,721	£2,063	£5,612,434	Jul-17 Mar-23
1.3.4	4+ bed house			4.20	117	492	£2,063	£1,014,475	Jul-17 Mar-23
				140.0		10,708			
1.4 Intermediate				No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.4.1	Flats (NIA)			9.60	55	526	£2,438	£1,281,150	Jul-17 Mar-23
1.4.2	2 bed house			36.06	75	2,686	£2,438	£6,548,271	Jul-17 Mar-23
1.4.3	3 bed house			12.54	93	1,166	£2,438	£2,842,661	Jul-17 Mar-23
1.4.4	4+ bed house			1.80	117	211	£2,438	£513,825	Jul-17 Mar-23
				60.0		4,589			
				-		-			
Gross Development value								£129,246,903	
2.0 Developer's Profit									
2.1	Private units			20.0%	on OM GDV			£19,195,200	Mar-23 Apr-23
2.2	Affordable units			6%	transfer values			£1,996,254	Mar-23 Apr-23
Total Developer's Profit								£21,191,454	
3.0 Development Costs									
3.1 Sale cost									
3.1.1	Private units only			3.00%	on OM GDV			£2,879,280	Jul-17 Mar-23
								£2,879,280	
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
3.2.1.2	2 bed house			133.20	76.1	10,137	£1,036	£10,501,435	Jan-17 Sep-22
3.2.1.3	3 bed house			113.70	95.4	10,847	£1,036	£11,237,471	Jan-17 Sep-22
3.2.1.4	4+ bed house			35.10	119.6	4,199	£1,036	£4,349,895	Jan-17 Sep-22
				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
3.2.2.2	2 bed house			120.20	76.1	9,147	£1,036	£9,476,520	Jan-17 Sep-22
3.2.2.3	3 bed house			41.80	95.4	3,988	£1,036	£4,131,278	Jan-17 Sep-22
3.2.2.4	4+ bed house			6.00	119.6	718	£1,036	£743,572	Jan-17 Sep-22
				200		15,920			
3.2.3									Jan-17 Sep-22
Total build costs								£44,419,618	

Cont'd

3.3	Extra over construction costs					
3.3.1	Externals	10%	on build cost	£4,441,961.82	Jan-17	Sep-22
3.3.2	Site abnormalities (remediation/demolition)	£0	per net ha	£0	Jan-17	Nov-19
3.3.3	Site opening up costs	£22,300	per unit	£11,150,000	Jan-17	Nov-19
	Total extra over construction costs			£15,591,962		
3.4	Professional Fees					
3.4.1	on build costs (incl: externals)	10%		£4,886,158	Jan-17	Sep-22
	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
	Total contingency			£2,443,079		
3.6	Developer contributions					
3.6.1	Flood Mitigation	£0	per unit	£0	Jan-17	Sep-22
3.6.2	PP36 (was PCS32) renewable energy	20.0%	multiplied by £15k per unit	£1,500,000	Jan-17	Sep-22
3.6.3	CIL	£175	per liable sqm	£4,610,387	Jan-17	Nov-19
3.6.4	S106/S278/AH contribution	£17,880	per unit	£8,940,000	Jan-17	Nov-19
3.6.5	Cat 2	£924	per flat	£9,240	Jan-17	Sep-22
3.6.6	Cat 2	£521	per house	£46,890	Jan-17	Sep-22
3.6.7	Requirement for incubator space			£356,000	Jan-17	Sep-22
3.6.8	Requirement for 60 bed care home			-£343,000	Jan-17	Sep-22
3.6.9	Requirement for carparking			£83,000	Jan-17	Sep-22
3.6.10	SANGS			£1,171,000	Jan-17	Feb-17
3.6.11	SAMMS			£221,850	Jan-17	Feb-17
	Total developer contributions			£16,595,367		
	TOTAL DEVELOPMENT COSTS			£86,815,464		
4.0	Site Acquisition					
4.1	Net site value (residual land value)			£15,790,822	Jan-17	Nov-19
4.2	Stamp Duty			£0	Jan-17	Nov-19
				£779,041	Jan-17	Nov-19
4.3	Purchaser costs	1.75%	on land costs	£276,339	Jan-17	Nov-19
	Total site costs			£16,846,203		
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£124,853,120		
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£4,393,782		
5.0	Finance Costs					
5.1	Finance	APR 6.50%	on net costs	PCM 0.526%		-£4,393,801
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£129,246,922		
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End

Proposed Complaint UE2 Scheme with £175 per sqm CIL

UE2 North of Strategic site		800 Units							
ITEM								TIMING	
Net area (ha)	20.00	Greenfield	Strategic site UE2	Residual Value		Technical Checks:			
	Commercial land			£1,291,218	per net ha	Sqm/ha	3,271		
Stamp Duty						Dwgs/ha	40		
Nr of units	Private	Affordable	Starter Homes	Social rent	Affordable ren	Intermediate	Units/pa	108	
	480	320	0	0	224	96	GDV=Total costs	-	
								Start	Finish
1.0 Development Value									
1.1	Private units			No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.1.1	Flats (NIA)			28.80	55	1,577	£3,750	£5,913,000	Jul-17 Dec-24
1.1.2	2 bed house			213.12	75	15,877	£3,750	£59,540,400	Jul-17 Dec-24
1.1.3	3 bed house			181.92	93	16,919	£3,750	£63,444,600	Jul-17 Dec-24
1.1.4	4+ bed house			56.16	117	6,577	£3,750	£24,663,600	Jul-17 Dec-24
				480.0		40,950			
1.2	Social rent			No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.2.1	Flats (NIA)			0.00	55	0	£1,500	£0	Jul-17 Dec-24
1.2.2	2 bed house			0.00	75	0	£1,500	£0	Jul-17 Dec-24
1.2.3	3 bed house			0.00	93	0	£1,500	£0	Jul-17 Dec-24
1.2.4	4+ bed house			0.00	117	0	£1,500	£0	Jul-17 Dec-24
				-		-			
1.3	Affordable rent			No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.3.1	Flats (NIA)			35.84	55	1,962	£2,063	£4,047,120	Jul-17 Dec-24
1.3.2	2 bed house			134.62	75	10,029	£2,063	£20,685,819	Jul-17 Dec-24
1.3.3	3 bed house			46.82	93	4,354	£2,063	£8,979,894	Jul-17 Dec-24
1.3.4	4+ bed house			6.72	117	787	£2,063	£1,623,160	Jul-17 Dec-24
				224.0		17,133			
1.4	Intermediate			No. of units	Size sq.m	Total sq.m	£psm	Total Value	
1.4.1	Flats (NIA)			15.36	55	841	£2,438	£2,049,840	Jul-17 Dec-24
1.4.2	2 bed house			57.70	75	4,298	£2,438	£10,477,233	Jul-17 Dec-24
1.4.3	3 bed house			20.06	93	1,866	£2,438	£4,548,258	Jul-17 Dec-24
1.4.4	4+ bed house			2.88	117	337	£2,438	£822,120	Jul-17 Dec-24
				96.0		7,343			
				-		-			
Gross Development value								£206,795,044	
2.0 Developer's Profit									
2.1	Private units			20.0%	on OM GDV			£30,712,320	Dec-24 Jan-25
2.2	Affordable units			6%	transfer values			£3,194,007	Dec-24 Jan-25
Total Developer's Profit								£33,906,327	
3.0 Development Costs									
3.1 Sale cost									
3.1.1	Private units only			3.00%	on OM GDV			£4,606,848	Jul-17 Dec-24
								£4,606,848	
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
3.2.1.2	2 bed house			213.12	76.1	16,218	£1,036	£16,802,296	Jan-17 Jun-24
3.2.1.3	3 bed house			181.92	95.4	17,355	£1,036	£17,979,954	Jan-17 Jun-24
3.2.1.4	4+ bed house			56.16	119.6	6,718	£1,036	£6,959,831	Jan-17 Jun-24
				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
3.2.2.2	2 bed house			192.32	76.1	14,636	£1,036	£15,162,432	Jan-17 Jun-24
3.2.2.3	3 bed house			66.88	95.4	6,380	£1,036	£6,610,045	Jan-17 Jun-24
3.2.2.4	4+ bed house			9.60	119.6	1,148	£1,036	£1,189,715	Jan-17 Jun-24
				320		25,472			
3.2.3	Community Hub & Retail unit			1.00	1000.0	1,000	£1,540	£1,539,500	Jan-17 Jun-24
Total build costs								£72,610,889	

Cont'd

3.3	Extra over construction costs					
3.3.1	Externals	<input type="text" value="10%"/>	pr on build cost	<input type="text" value="£7,261,088.91"/>	Jan-17	Jun-24
3.3.2	Site abnormalities (remediation/demolition)	<input type="text" value="£0"/>	per net ha	<input type="text" value="£0"/>	Jan-17	Sep-20
3.3.3	Site opening up costs	<input type="text" value="£22,300"/>	per unit	<input type="text" value="£17,840,000"/>	Jan-17	Sep-20
	Total extra over construction costs			£25,101,089		
3.4	Professional Fees					
3.4.1	on build costs (incl: externals)	<input type="text" value="10%"/>		<input type="text" value="£7,987,198"/>	Jan-17	Jun-24
	Total professional fees			£7,987,198		
3.5	Contingency					
3.5.1	on build costs (incl: externals)	<input type="text" value="5%"/>		<input type="text" value="£3,993,599"/>	Jan-17	Jun-24
	Total contingency			£3,993,599		
3.6	Developer contributions					
3.6.1	Flood Mitigation	<input type="text" value="£0"/>	per unit	<input type="text" value="£0"/>	Jan-17	Jun-24
3.6.2	PP36 (was PCS32) renewable energy	<input type="text" value="20.0%"/>	multiplied by £15k per unit	<input type="text" value="£2,400,000"/>	Jan-17	Jun-24
3.6.3	CIL	<input type="text" value="£175"/>	per liable sqm	<input type="text" value="£7,376,618"/>	Jan-17	Sep-20
3.6.4	S106/S278/AH contribution	<input type="text" value="£14,143"/>	per unit	<input type="text" value="£11,314,400"/>	Jan-17	Sep-20
3.6.5	Cat 2	<input type="text" value="£924"/>	per flat	<input type="text" value="£14,784"/>	Jan-17	Jun-24
3.6.6	Cat 2	<input type="text" value="£521"/>	per house	<input type="text" value="£75,024"/>	Jan-17	Jun-24
3.6.7	Requirement for incubator space	<input type="text"/>		<input type="text" value="£356,000"/>	Jan-17	Jun-24
3.6.8	Requirement for 60 bed care home	<input type="text"/>		<input type="text" value="-£343,000"/>	Jan-17	Jun-24
3.6.9	Requirement for carparking	<input type="text"/>		<input type="text" value="£0"/>	Jan-17	Jun-24
3.6.10	SANGS	<input type="text"/>		<input type="text" value="£1,873,600"/>	Jan-17	Feb-17
3.6.11	SAMMS	<input type="text"/>		<input type="text" value="£354,960"/>	Jan-17	Feb-17
	Total developer contributions			£23,422,386		
	TOTAL DEVELOPMENT COSTS			£137,722,009		
4.0	Site Acquisition					
4.1	Net site value (residual land value)			<input type="text" value="£25,824,327"/>	Jan-17	Sep-20
4.2	Stamp Duty			<input type="text" value="£0"/> <input type="text" value="£1,280,716"/>	Jan-17 Jan-17	Sep-20 Sep-20
4.3	Purchaser costs	<input type="text" value="1.75%"/>	on land costs	<input type="text" value="£451,926"/>	Jan-17	Sep-20
	Total site costs			£27,556,969		
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£199,185,305		
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£7,609,739		
5.0	Finance Costs					
5.1	Finance	APR <input type="text" value="6.50%"/>	on net costs	PCM <input type="text" value="0.526%"/> <input type="text" value="-£7,609,739"/>		
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£206,795,044		
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End

