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Stratford-on-Avon District Council

Community Infrastructure Levy
Economic Viability Study: Draft Charging Schedule

Final Report

On behalf of **Stratford-on-Avon District Council**

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1 Introduction

1.1 The study scope

1.1.1 Peter Brett Associates LLP was commissioned by Stratford-on-Avon District Council to undertake an Economic Viability Assessment to provide evidence and advice to support the introduction of a Community Infrastructure Levy in Stratford-on-Avon District.

1.1.2 Our objective in this study is to help inform the decisions by locally elected members about the risk and balance between the policy aspirations of achieving sustainable development and the realities of economic viability. In making their decision on the balance, members are seeking guidance on the maximum level of CIL, and the recommended level of CIL.

1.1.3 These factors need to be taken into account in order to ensure that development in Stratford-on-Avon District remains deliverable and viable.

1.1.4 These are complex questions, and the only way to make the decision properly is to explicitly understand the trade-offs being made between those choices. We proceed by understanding total available development contributions, and then 'sharing out' the resulting viability pot between competing priorities.

1.1.5 The report and the accompanying appraisals have been prepared in line with RICS valuation guidance. However, it is first and foremost a supporting document to inform the Community Infrastructure Levy Draft Charging Schedule.

1.1.6 As per Professional Standards 1 of the RICS Valuation Standards – Global and UK Edition[1], the advice expressly given in the preparation for, or during the course of negotiations or possible litigation does not form part of a formal "Red Book" valuation and should not be relied upon as such. No responsibility whatsoever is accepted to any third party who may seek to rely on the content of the report for such purposes.

1.2 Relationship with other evidence base

1.2.1 In addition to this report a suite of other documents have been published which also include viability testing. The documents are as follows:

- CIL Economic Viability Study, September 2013 – this document sets the baseline for testing to which the subsequent documents are based in order to be consistent in approach. This document has been used to inform the proposed CIL rate set out in the Preliminary Draft Charging Schedule. This report (Economic Viability Study: Draft Charging Schedule) replaces September 2013 document as it takes into account updated evidence and new regulations and guidance.

- Canal Quarter and Employment Sites Viability and Deliverability Report, April 2014 – this document has been prepared to provide evidence to the council on the potential to deliver housing led regeneration of this specific area in Stratford-upon-Avon. Alternative affordable housing percentages from 20%-35% have been explored which are related back to this report.

[1] RICS (January 2014) Valuation – Professional Standards, PS1 Compliance with standards and practice statements where a written valuation is provided

- Viability and Deliverability Strategic Sites, April 2014 – this report explores the delivery of alternative strategic sites within the district that will provide a substantial contribution to the council's housing supply. Affordable housing has been set at 35% in each strategic site which has been demonstrated as a viable level along with a range of other policy and infrastructure costs.

- Plan Viability and Affordable Housing Study April 2014 – this document informs the Plan's affordable housing policy in the context of the plan viability assessment. It tests the policy requirements in the Plan and informs policy decisions relating to the trade-offs between the policy aspirations of achieving sustainable development and the realities of economic viability.

1.3 Objectives

1.3.1 The objectives of this report are to use the available evidence to assess what level of CIL is appropriate within the Stratford-on-Avon District and that is broadly viable in terms of delivering the plans and policies set out in its strategy. The stages of the study are to:

- Review the policy and legislative context

- Review the types of development likely to come forward during the plan period

- Consider the evidence relating to the costs and values of different residential and non-residential development in Stratford-on-Avon District and establish assumptions to inform both residential and non-residential viability appraisals

- Provide evidence for the council in developing their Community Infrastructure Levy (CIL) Charging Schedule

- In providing this evidence undertake a series of viability tests on the hypothetical development typologies and the Council's proposed strategic site and consider whether there is sufficient value to support policies including those on affordable housing and CIL;

1.4 Defining viability

1.4.1 The 'Viability Testing Local Plans' advice for planning practitioners prepared by the Local Housing Delivery Group and chaired by Sir John Harman June 2012(the Harman Report) defines whole plan viability (on page 14) as follows:

'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs, and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place, and generates a land value sufficient to persuade the land owner to sell the land for the development proposed.'

At a Local Plan level, viability is very closely linked to the concept of deliverability. In the case of housing, a Local Plan can be said to be deliverable if sufficient sites are viable (as defined in the previous paragraph) to deliver the plan's housing requirement over the plan period.

1.4.2 Note the approach to Local Plan level viability assessment (and CIL) does not require all sites in the plan to be viable . The Harman Report says that a site typologies approach to understanding plan viability is sensible. Whole plan viability:

'does not require a detailed viability appraisal of every site anticipated to come forward over the plan period… [we suggest] rather it is to provide high level assurance that the policies with the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan…… more proportionate and practical approach in which local

authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies'.

1.4.3 The Harman Report states that the role of the typologies testing is not required to provide a precise answer as to the viability of every development likely to take place during the plan period.

'No assessment could realistically provide this level of detail…rather, [the role of the typologies testing] is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.'

1.4.4 Indeed the Report also acknowledges that a:

'plan-wide test will only ever provide evidence of policies being 'broadly viable.' The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level.

1.4.5 This is one reason why our advice advocates a 'viability cushion' to manage these risks. The report later suggests that once the typologies testing has been done:

'it may also help to include some tests of case study sites, based on more detailed examples of actual sites likely to come forward for development if this information is available' .

1.4.6 The Harman Report points out the importance of minimising risk to the delivery of the plan. Risks can come from policy requirements that are either too high or too low. So, planning authorities must have regard to the risks of damaging plan delivery through loading on excessive policy costs - but equally, they need to be aware of lowering standards to the point where the sustainable delivery of the plan is not possible. Good planning in this respect is about 'striking a balance' between the competing demands for policy and plan viability.

1.5 Consultation

1.5.1 A developer workshop was held to test the assumptions contained within the Plan Viabilityand Affordable Housing Report published in May. The workshop was well attended with a broad mix of national and local housebuilders, surveyors, architects, agents and land owners and promoters. There were also representatives from Registered Providers and council officers from both the district and county council.

1.5.2 Further consultation was also undertaken with a number of site promoters on a one to one basis.

1.5.3 The workshop was held within the context of CIL and therefore it is considered that the consultation is applicable to this study.

1.6 Approach

1.6.1 The study results are based on a standard residual land valuation, using hypothetical schemes. Residual valuation is applied to different land uses and where relevant to different parts of the district, aiming to show typical values for each.

1.6.2 For each of the hypothetical schemes tested, we use this formula to estimate typical residual land values, which is what the site should be worth once it has full planning permission. The residual value calculation requires a wide range of inputs, or assumptions, including the costs of development and the required developer's return.

1.6.3 The arithmetic of residual appraisal is straightforward (we use a bespoke spreadsheet model for the appraisals). However, the inputs to the calculation are hard to determine for a specific site (as demonstrated by the complexity of many S106 negotiations). The difficulties grow when making calculations that represent a typical or average site - which is what we need to do for estimating appropriate CIL charges. Therefore our viability assessments are necessarily broad approximations, subject to a margin of uncertainty.

1.7 Report structure

1.7.1 The rest of this report is set out as follows:

- Chapter 2 sets out the policy and legal requirements relating to whole plan viability, affordable housing and community infrastructure levy which the study assessment must comply with.
- Chapter 3 outlines the planning and development context and considers the past delivery.
- Chapter 4 sets out the emerging policies and their impact on viability.
- Chapter 5 describes the local market, approach to viability, scenarios to be tested, assumptions and results
- Chapter 6 concludes by setting out the main findings and translates this into recommendations for the whole plan viability and specifically affordable housing

2 National policy context

2.1 National planning policy framework

2.1.1 The National Planning Policy Framework (NPPF) recognises that the ‘developer funding pot’ or residual value is finite and decisions relating on how this funding is distributed between affordable housing, infrastructure, and other policy requirements have to be considered as a whole they cannot be separated out.

2.1.2 The National Planning Policy Framework (NPPF) advises that cumulative effects of policy should not combine to render plans unviable:

‘Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, 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’. [2]

2.1.3 With regard to non-residential development, the NPPF states that local planning authorities *‘should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should… understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.’* [3]

2.1.4 Note the NPPF does not states that all sites must be viable now in order to appear in the plan. Instead, the NPPF is concerned to ensure that the bulk of the development is not rendered unviable by unrealistic policy costs. It is important to recognise that economic viability will be subject to economic and market variations over the Local Plan timescale. In a free market, where development is largely undertaken by the private sector, the planning authority can seek to provide suitable sites to meet the needs of sustainable development. It is not within the local planning authorities control to ensure delivery actually takes place; this will depend on the willingness of a developer to invest and a landowner to release the land. So in considering whether a site is deliverable now or developable in the future, we have taken account of the local context to help shape our viability assumptions.

2.2 National policy on community infrastructure levy

2.2.1 The Community Infrastructure Levy (CIL) is a planning charge based on legislation that came into force on 6 April 2010. The levy allows local authorities in England and Wales to raise contributions from development to help pay for infrastructure that is needed to support planned development. Local authorities who wish to charge the levy must produce a draft charging schedule setting out CIL rates for their areas – which are to be expressed as pounds (£) per square metre, as CIL will be levied on the gross internal floorspace of the net additional liable development. Before it is approved by the Council, the draft schedule has to be tested by an independent examiner.

2.2.2 The requirements which a CIL charging schedule has to meet are set out in:

- The Planning Act 2008 as amended by the Localism Act 2011.

[2] DCLG (2012) National Planning Policy Framework (41, para 173)
[3] Ibid (para 160)

- The CIL Regulations 2010[4], as amended in 2011[5] , 2012[6], 2013[7] and 2014[8].

- The CIL Guidance which was updated and published in February 2014 and since replaced by National Planning Practice Guidance on CIL (NPPG CIL).[9]

2.2.3 The 2014 Regulations have altered key aspects of setting the charge for authorities who publish a Draft Charging Schedule for consultation. The key points from these various documents are summarised below.

2.3 Striking the appropriate balance

2.3.1 The revised Regulation 14 requires that a charging authority '*strike an appropriate balance*' between:

a. The desirability of funding from CIL (in whole or in part) the… cost of infrastructure required to support the development of its area… and

b. The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

2.3.2 By itself, this statement is not easy to interpret. The guidance explains its meaning. A key feature of the 2014 Regulations is to give legal effect to the requirement in this guidance for an authority to 'show and explain…' their approach at examination. This explanation is important and worth quoting at length:

'The levy is expected to have a positive economic effect on development across a local plan area. When deciding the levy rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments.

This balance is at the centre of the charge-setting process. In meeting the regulatory requirements (see Regulation 14(1)), charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

As set out in the National Planning Policy Framework in England (paragraphs 173 – 177), the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. The same principle applies in Wales.' [10]

2.3.3 In other words, the 'appropriate balance' is the level of CIL which maximises the delivery of development in the area. If the CIL charging rate is above this appropriate level, there will be less development than planned, because CIL will make too many potential developments unviable. Conversely, if the charging rates are below the appropriate level, development will also be compromised, because it will be constrained by insufficient infrastructure.

2.3.4 Achieving an appropriate balance is a matter of judgement. It is not surprising, therefore, that charging authorities are allowed some discretion in this matter. This has been reduced by the

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[4] http://www.legislation.gov.uk/ukdsi/2010/9780111492390/pdfs/ukdsi_9780111492390_en.pdf

[5] http://www.legislation.gov.uk/ukdsi/2011/9780111506301/pdfs/ukdsi_9780111506301_en.pdf

[6] http://www.legislation.gov.uk/uksi/2012/2975/pdfs/uksi_20122975_en.pdf

[7] http://www.legislation.gov.uk/uksi/2013/982/pdfs/uksi_20130982_en.pdf

[8] http://www.legislation.gov.uk/uksi/2014/385/pdfs/uksi_20140385_en.pdf

[9] DCLG (February 2014) Community Infrastructure Levy Guidance and DCLG (June 2014) National Planning Practice Guidance: Community Infrastructure Levy (NPPG CIL)

[10] DCLG (June 2014) NPPG CIL (para 009)

2014 Regulations, but remains. For example, Regulation 14 requires that in setting levy rates, the Charging Authority (our underlining highlights the discretion):

'must strike an appropriate balance…' i.e. it is recognised there is no one perfect balance;

'Charging authorities need to demonstrate that their proposed levy rate or rates are informed by 'appropriate available' evidence and consistent with that evidence across their area as a whole.'

'A charging authority's proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence …… There is room for some pragmatism.' [11]

2.3.5 Thus the guidance sets the delivery of development firmly in within the context of implementing the Local Plan. This is linked to the plan viability requirements of the NPPF, particularly paragraphs 173 and 174. This point is given emphasis throughout the guidance. For example, in guiding examiners, the guidance makes it clear that the independent examiner should establish that:

'…..evidence has been provided that shows the proposed rate (or rates) would not threaten delivery of the relevant Plan as a whole…..'[12]

2.3.6 This also makes the point that viability is not simply a site specific issue but one for the plan as a whole.

2.3.7 The focus is on seeking to ensure that the CIL rate does not threaten the ability to develop viably the sites and scale of development identified in the Local Plan. Accordingly, when considering evidence the guidance requires that charging authorities should:

'*use an area based approach, involving a broad test of viability across their area', supplemented by sampling '…an appropriate range of types of sites across its area…' with the focus '...on strategic sites on which the relevant Plan relies and those sites where the impact of the levy on economic viability is likely to be most significant (such as brownfield sites).* [13]

2.3.8 This reinforces the message that charging rates do not need to be so low that CIL does not make any individual development schemes unviable (some schemes will be unviable with or without CIL). The levy may put some schemes at risk, however, in aiming to strike an appropriate balance overall, the charging authority should avoid threatening the ability to develop viably the sites and scale of development identified in the Local Plan.

2.4 Keeping clear of the ceiling

2.4.1 The guidance advises that CIL rates should not be set at the very margin of viability, partly in order that they may remain robust over time as circumstances change:

'…..if the evidence pointed to setting a charge right at the margins of viability………it would be appropriate to ensure that a 'buffer' or margin is included, so that the levy rate is able to support development when economic circumstances adjust.'[14]

2.4.2 We would add two further reasons for a cautious approach to rate-setting, which stops short of the margin of viability:

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[11] DCLG (June 2014) NPPG CIL (para 019)

[12] DCLG (June 2014) NPPG CIL (para 038)

[13] DCLG (June 2014) NPPG CIL (para 019)

[14] DCLG (June 2014) NPPG CIL (para 019)

- Values and costs vary widely between individual sites and over time, in ways that cannot be fully captured by the viability calculations in the CIL evidence base.
- A charge that aims to extract the absolute maximum would be strenuously opposed by landowners and developers, which would make CIL difficult to implement and put the overall development of the area at serious risk.

2.5 Varying the CIL charge

2.5.1 CIL Regulations (Regulation 13) allows the charging authority to introduce charge variations by geographical zone in its area, by use of buildings, by scale of development (GIA of buildings or number of units) or a combination of these three factors. (It is worth noting that the phrase 'use of buildings' indicates something distinct from 'land use').[15] As part of this, some rates may be set at zero. But variations must reflect differences in viability; they cannot be based on policy boundaries. Nor should differential rates be set by reference to the costs of infrastructure.

2.5.2 The guidance also points out that charging authorities should avoid '*undue complexity*' when setting differential rates, and *'….it is likely to be harder to ensure that more complex patterns of differential rates are state aid compliant.'* [16]

2.5.3 Moreover, generally speaking, '*Charging schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development'*; otherwise the CIL may fall foul of state aid rules.[17]

2.5.4 It is worth noting, however, that the guidance gives an example which makes it clear that a strategic site can be regarded as a separate charging zone: *'If the evidence shows that the area includes a zone, which could be a strategic site, which has low, very low or zero viability, the charging authority should consider setting a low or zero levy rate in that area.'* [18]

2.6 Supporting evidence

2.6.1 The legislation requires a charging authority to use '*appropriate available evidence'* to inform their charging schedule[19]. The guidance expands on this, explaining that the available data *'is unlikely to be fully comprehensive'*.[20]

2.6.2 These statements are important, because they indicate that the evidence supporting CIL charging rates should be proportionate, avoiding excessive detail. One implication of this is that we should not waste time and cost analysing types of development that will not have significant impacts, either on total CIL receipts or on the overall development of the area as set out in the Local Plan.

2.7 Chargeable floorspace

2.7.1 CIL will be payable on most buildings that people normally use and will be levied on the net additional new build floorspace created by any given development scheme. The following will not pay CIL:

[15] The Regulations allow differentiation by "uses of development". "Development" is specially defined for CIL to include only 'buildings', it does not have the wider 'land use' meaning from TCPA 1990, except where the reference is to development of the area.

[16] DCLG (June 2014) NPPG CIL (para 021)

[17] DCLG (June 2014) NPPG CIL (para 021)

[18] DCLG (June 2014) NPPG CIL (para 021)

[19] Planning Act 2008 section 211 (7A)

[20] DCLG (June 2014) NPPG CIL (para 019)

- New build that replaces demolished existing floorspace that has been in use for six months in the last three years on the same site, even if the new floorspace belongs to a higher-value use than the old;
- Retained parts of buildings on the site that will not change their use, or have otherwise been in use for six months in the last three years;
- Development of buildings with floorspace less than 100 sq.m (if not a new dwelling), by charities for charitable use, homes by self-builders' and social housing as defined in the regulations.

2.8 CIL, S106, S278 and the regulation 123 infrastructure list

2.8.1 The purpose of CIL is to enable the charging authority to carry out a wide range of infrastructure projects. CIL is not expected to pay for all infrastructure requirements but could make a significant contribution. However, development specific planning obligations (commonly known as S106) to make development acceptable will continue with the introduction of CIL. In order to ensure that planning obligations and CIL operate in a complementary way, CIL Regulations 122 and 123 place limits on the use of planning obligations.

2.8.2 Some developers have expressed concerns about 'double dipping' (i.e. being charged twice for the same infrastructure by requiring the paying of CIL and S106). To overcome this concern, it is imperative that charging authorities are clear about the authorities' infrastructure needs and what developers will be expected to pay for and through which route. The guidance expands this further in explaining how the regulation 123 list should be scripted to account for generic projects and specific named projects).

2.8.3 The guidance states that '*it is good practice for charging authorities to also publish their draft (regulation 123) infrastructure lists and proposed policy for the scaling back of S106 agreements*.' This list now forms part of the 'appropriate available evidence' for consideration at the CIL examination.

2.8.4 The guidance identifies the need to assess past evidence on developer contributions, stating '*as background evidence, the charging authority should also provide information about the amount of funding collected in recent years through section 106 agreements, and information on the extent to which affordable housing and other targets have been met'*.

2.8.5 Similarly, there are restrictions on using section 278 highway agreements to fund infrastructure that is also included in the CIL infrastructure list. This is done by placing a limit on the use of planning conditions and obligations to enter into section 278 agreements to provide items that appear on the charging authority's Regulation 123 infrastructure list. Note these restrictions do not apply to highway agreements drawn up the Highway Agency.

2.9 What the CIL examiner will be looking for

2.9.1 According to the guidance, the independent examiner should check that:

- The charging authority has complied with the requirements set out in legislation.
- The draft charging schedule is supported by background documents containing appropriate available evidence.
- The proposed rate or rates are informed by and consistent with the evidence on economic viability across the charging authority's area.

- Evidence has been provided that shows the proposed rate or rates would not threaten delivery of the relevant Plan as a whole.

2.9.2 The examiner must recommend that the draft charging schedule should be approved, rejected or approved with specific modifications.

2.10 Policy and other requirements

2.10.1 More broadly, the CIL guidance states that '*Charging authorities should consider relevant national planning policy when drafting their charging schedules*'[21]. Where consideration of development viability is concerned, the CIL guidance draws specific attention to paragraphs 173 to 177 of the NPPF and to paragraphs 162 and 177 of the NPPF in relation to infrastructure planning.

2.10.2 The only policy requirements which refer directly to CIL in the NPPF are set out at paragraph 175 of the NPPF, covering, firstly, working up CIL alongside the plan making where practical; and secondly placing control over a meaningful proportion of funds raised with neighbourhoods where development takes place. Since April 2013[22] this policy requirement has been complemented with a legal duty on charging authorities to pass a specified proportion of CIL receipts to local councils, or to spend it on behalf of the neighbourhood if there is no local council for the area where development takes place. Whilst important considerations, these two points are outside the immediate remit of this study.

2.11 Summary

2.11.1 To meet legal requirements and satisfy the independent examiner, a CIL charging schedule published as a Draft for consultation after 24 February 2014, (when the 2014 CIL Regulations Amendments became law) should aim to strike a balance between additional investment to support development and the potential effect on the viability of developments.

2.11.2 This means that the net effect of the levy on total development across the area should be positive. CIL may reduce development by making certain schemes which are not plan priorities unviable. Conversely, it may increase development by funding infrastructure that would not otherwise be provided, which in turn supports development that otherwise would not happen. The law requires that the net outcome of these two impacts should be judged to be positive. This judgement is at the core of the charge-setting and examination process.

2.11.3 Legislation and guidance also set out that:

- Authorities should avoid setting charges up to the margin of viability.
- CIL charging rates may vary across geographical zones, building uses, and by scale of development. But differential charging must be justified by differences in development viability, not by policy or by varying infrastructure costs; it should not introduce undue complexity; and it should have regard to State Aid rules.
- Charging rates should be informed by 'appropriate available evidence', which need not be 'fully comprehensive'.
- Charging authorities should be clear and transparent about the use of different approaches to developers funding infrastructure and avoid 'double dipping'.

[21] DCLG (June 2014) NPPG CIL (para 011)

[22] http://www.legislation.gov.uk/uksi/2013/982/pdfs/uksi_20130982_en.pdf

2.11.4 While charging rates should be consistent with the evidence, they are not required to ‘mirror’ the evidence. In this, and other ways, charging authorities have discretion in setting charging rates.

3 Local development context

3.1 Introduction

3.1.1 This chapter briefly outlines the local development context in Stratford-on-Avon reviewing past development that has taken place, and outlining the planned growth in the emerging Plan. This development context has informed the viability appraisal assumptions.

3.2 Past development patterns

3.2.1 Patterns of past development can normally provide a guide to the likely patterns of future development (though in Stratford-on-Avon's case the new development strategy may alter some of the past patterns of development). Table 3.1 below analyses the amount of net residential completions over the period April 2008 to March 2014 (the last reported date). Completions have generally been around 200 dwelling, however the average annual target for completions in the Core Strategy will be around 540 dwelling per annum which is substantially higher than the past five years. The slow rate of delivery over this period is partly due to moratorium on new housing permissions between 2006/7 and 2010/11, brought into effect due to an oversupply against regional targets. Nonetheless, the Core Strategy does require a significant step change in delivery so the council will need to be mindful in setting its CIL policy so as not to stifle development. Although it is noted that the council is already helping delivery by identifying a wide range of sites to help meet this increased delivery rate including a large new strategic site of around 2,500 dwellings.

Table 3.1 Residential completions 2008-2013 (data provided by the council)

	Completions	Cumulative Completions
Apr - Dec 08 / Jan - Mar 09	179	179
Apr - Dec 09 / Jan - Mar 10	247	426
Apr - Dec 10 / Jan - Mar 11	111	537
Apr - Dec 11 / Jan - Mar 12	146	683
Apr - Dec 12 / Jan - Mar 13	207	890
Apr - Dec 13 / Jan - Mar 14	345	1,235

3.3 Scale and type of past delivery

3.3.1 Table 3.2 shows the scale of applications received over the past five years. This shows that that around 45% of the supply has come from larger sites over 100 dwellings, 25% from small sites (under 15 dwellings) and 35% medium sized schemes (15-100 dwellings). This suggests a dispersed pattern of development across a wide range of site types.

Table 3.2 Gross permission by size of site 2008-2013 (data provided by the council)

Scheme size	Number of schemes	Total number of dwellings
1	543	543
2	64	128
3	19	57
4	27	108

5	14	70
6	12	72
7	4	28
8	8	64
9	5	45
1 - 9	**696**	**1115**
10 - 15	18	206
1 - 15	**714**	**1321**
16 - 25	10	199
26 to 50	23	845
51 - 100	6	488
16 - 100	**39**	**1532**
101 +	12	2482
Total	**774**	**5335**

3.3.2 As well as looking at the size of proposals we have also looked at the breakdown of sites types for completions. As can be seen in Table 3.3 the number of dwellings coming forward on brownfield sites is relatively high, which may be surprising in a largely rural authority, however when coupled with the assessment of site sizes and looking at the application detail many of these are intensification of sites where existing dwellings have been knocked down and replaced with more dwellings or small business such as pubs or garages have been redeveloped for residential uses.

Table 3.3 Development types (completions) (data provided by the council – Housing Sites and Completions 2013/14 as of March 2013)

Range	Completions
Brownfield	522
Greenfield	239
Mixed	5
Residential Garden Land	124

3.4 Affordable housing

3.4.1 The number of affordable housing units completed has also been considered. The headline figure for affordable housing completions as a proportion of total supply is relatively healthy at 31%, especially given the recent economic cycles.

3.4.2 However, this does mask the real picture in terms of market housing funding affordable housing, when the figures are considered in more detail. The number of schemes with affordable housing is relatively small – with only 9% of completed application containing affordable housing. If we drill down a bit further it is noted that of the 29 schemes completed that contained affordable housing just under half were 100% affordable housing and these accounted for 60% of the affordable housing units completed. This indicates that only a small number of schemes have been completed without significant grants or totally funded by either the council or the registered providers. It should be noted that this does not suggest that schemes have not been viable, there could be numerous reasons ranging from type to size of sites that may contribute to limiting supply.

3.4.3 However it is clear that with more limited public funding for affordable housing the council will need to seek more affordable housing from market housing in order to try and meet its affordable housing requirements. However this is subject to viability and the council will need to be mindful of overloading development costs and potentially stymieing development.

3.4.4 The Council have set out their affordable housing requirements in their proposed Submission Core Strategy, June 2014 as follows:

- 35% affordable housing will be sought from sites of 5 or more dwellings (or 0.2 hectares and above)
- Off this 35% the required tenure mix is:
  - 20% Affordable Rent
  - 20% Intermediate
  - 60% Social Rent

3.5 Other S106 contributions

3.5.1 The Council has provided the following information in respect of the level of money received through S106 agreements:

Table 3.3 Funding received from S106 agreements: April 2009 – March 2014

Year	Dwelling Completions	S106 received by SDC*	S106 received by WCC**	Total S106 receipts***
2008/2009	179	144,000	13,092,000	13,236,000
2009/2010	247	79,000	1,669,000	1,748,000
2010/2011	111	889,000	3,295,000	4,184,000
2011/2012	146	705,000	1,696,000	2,401,000
2012/2013	207	298,000	n/a	n/a
2013/2014	345	187,000	n/a	n/a

*capital schemes only, excludes S106 payments as commuted sums for maintenance

**figures exclude payments under S278 of the Highways Act – to be confirmed

***these receipts don't necessarily relate to the developments completed in the same year

3.6 Future development and the core strategy

3.6.1 The overall housing need for Stratford-on-Avon is 10,800 from 2011 to 2031. Taking account of past delivery and current pipeline it is anticipated that around 6,500 new dwellings need to be planned for over the remainer of the plan period.

3.6.2 The first five year housing supply is likely to be made up of a mix of small brownfield sites, windfall sites and some large greenfield sites currently being determined through the planning applications. Beyond this period it is anticipated that much of the supply will be from the large strategic site and other large greenfield and brownfield sites, such as the Canal Quarter.

3.6.3 The Core Strategy will identify a large strategic site for development. The Council in their proposed Submission Core Strategy, June 2014 have identified Gaydon/Lighthorne Heath as their proposed strategic site. The decision on which strategic site is not a matter for this report. The 'Viability and Deliverability of Strategic Sites' reports considers the viability of each of the proposed strategic sites and their ability to meet infrastructure and affordable housing requirements. This report has been prepared in conjunction with the earlier report to ensure the findings are consistent.

3.6.4 Work undertaken for the Council suggests that over the plan period around 35 hectares of employment land (or 140,000 sq. m employment floorspace) is required to meet the District's local employment needs. In addition to this the Council is proposing the release of 19 hectares of employment land (or 76,000 sq. m employment floorspace) specifically to meet the employment needs of the adjoining Borough of Redditch. Finally, the Council is proposing a strategic release of 100 hectares of employment land at Gaydon specifically to facilitate the expansion of Jaguar Land Rover. The rationale behind this proposal relates to supporting the national economic agenda and the specific mix of proposals (and therefore the expected floorspace) is subject to ongoing discussions. The employment floorspace is an estimate based on an identified future requirement in the Draft Core Strategy and a standard assumption for the amount of floorspace per hectare.

3.6.5 The position on retail floorspace over the plan period is that in quantitative terms there is no requirement for additional large-scale convenience goods floorspace in the District as a whole, although it is recognised that a case could be made for a large foodstore to be provided in specific settlements. For comparison goods, there is a quantitative need for approximately 10,000 square metres of non-bulky goods floorspace by 2031, focused on Stratford-upon-Avon. However, the Council's retail consultants advise that a major retail development in Banbury may allay the need to provide this in the early part of the plan period. In respect of bulky goods, there is a quantitative need for about 12,500 square metres of additional floorspace but again the Council's Retail Study concludes that further provision need not be made in the first half of the plan period, ie. before 2021, particularly as it is evident that there are fewer traditional bulky goods retailers than in previous years. The only location where the Council's emerging Core Strategy makes specific provision for additional retail floorspace is in relation to the new settlement proposal at Gaydon/Lighthorne Heath. The specific amount of floorspace that should be provided here, either within Use Class A overall or in terms of foodstore provision specifically, remains to be decided.

3.6.6 Other uses are likely to be required or promoted over the plan period, however in terms of floorspace and impact on infrastructure these are not considered to be as significant as the residential, employment and retail figures identified above.

Summary

3.6.7 The land uses which are likely to account for the largest quantum of development, and hence are critical to the delivery of the Core Strategy, comprise:

- Residential;
- Light industrial and warehousing space;
- Offices;
- Retail;
- Leisure and recreation; and

- Public services and community facilities.

3.6.8 Our viability assessments and the resulting recommendations have focussed on these types of development, aiming to ensure that they remain broadly viable after the CIL charge is levied.

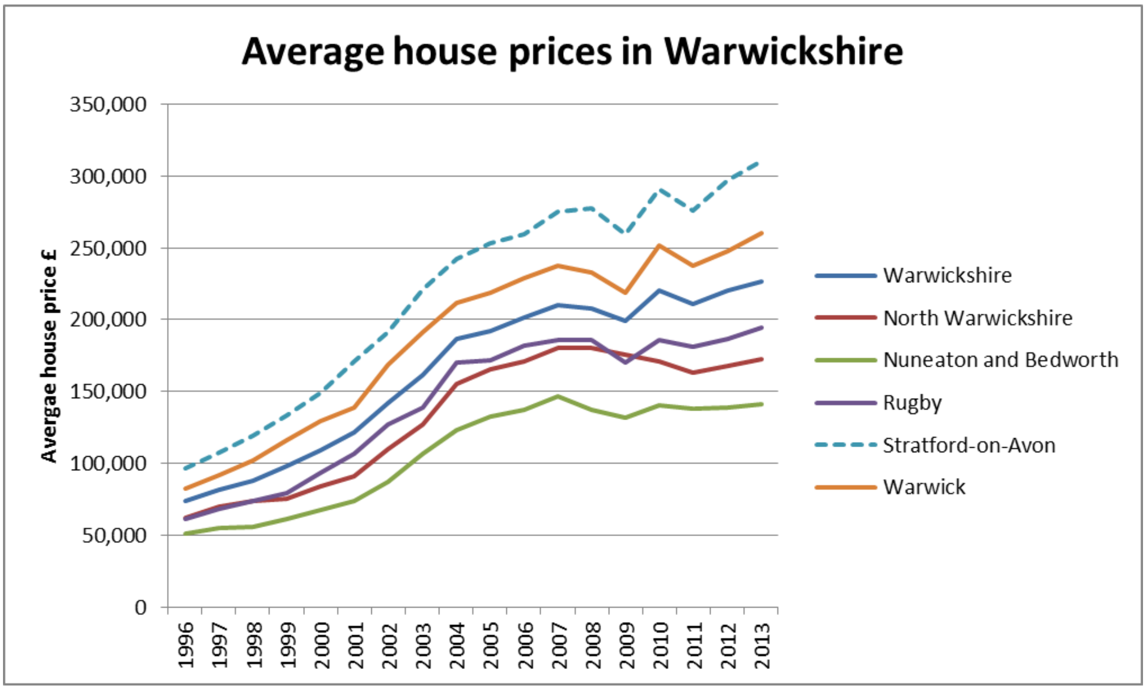
4 Residential market assessment and viability

4.1 Market overview

4.1.1 The housing market in Stratford-on-Avon District continues to outperform its neighbours in Warwickshire, with a widening gap between average house prices as shown in Figure 4.1. This is likely to reflect the typical larger properties associated with this area and its affluent location.

4.1.2 The peak of the last market cycle was in December 2007, when the average residential property price in Stratford-on-Avon was £276,000 and £222,000 across England. The impact of the financial crisis and resultant recession is also clear in Figure 4.1, with average values in Stratford-on-Avon falling to £264,000 by April 2009. Since that time, prices have been on a steady (if somewhat erratic) upwards trajectory, peaking in August 2010 before falling back and then up again. The most recent record suggests that average price in Stratford-on-Avon District was just over £300,000.

Figure 4.1 Average house prices in Warwickshire



4.1.3 Looking forward, the latest projections of house prices prepared by Savills in their Residential Property Focus (Q1 2014), shows a 23.4% increase in values over the next five years, which is slightly below their expectations for the UK which is at 25.2%. However, based on the characteristics of the local market, there may be some reason to suggest that Stratford-on-Avon will over-perform the regional average.

4.1.4 When looking at the markets within Stratford-on-Avon District there are distinctions as highlighted in the CIL Economic Viability Report, September 2013. The table below (4.1) shows average house prices over the last 12 months for 6 settlements in the district.

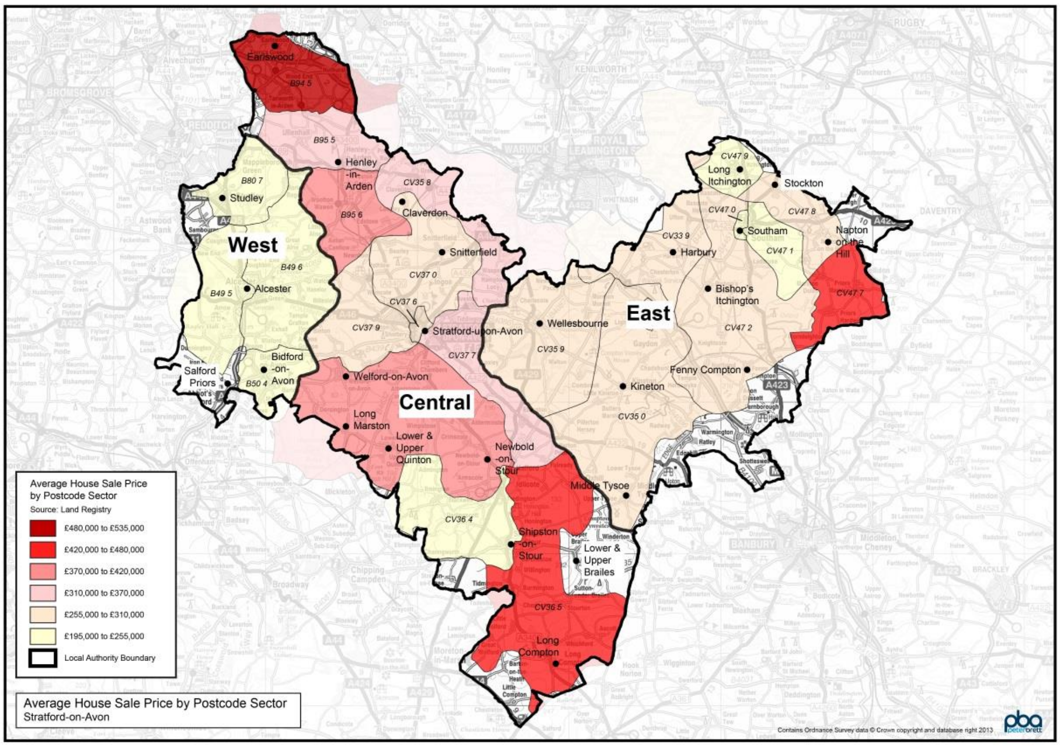
Table 4.1 Average house prices paid (new and secondhand market)

Settlement	Average price
Alcester	£237,000
Henley-in-Arden	£327,000
Shipston-on-Stour	£290,000
Southam	£248,000
Stratford-upon-Avon	£312,000
Studley	£199,000

Zoopla March 2014

4.1.5 In common with the previous work undertaken values to the west in Studley and Alcester are lower than those in the central area around Stratford-upon-Avon, Henley-in-Arden and Shipston-on-Stour. Values to the east, illustrated here with Southam are in between the west and central value areas. The same pattern is shown below in Land Registry data in Figure 4.2, which depicts average house prices for all property types by postcode sector.

Figure 4.2 Value areas



4.1.6 The previous work on the local housing market (CIL Economic Viability Report, September 2013) identified three ranges of values as follows:

- East - £2,800 per square metre
- Central - £3,200 per square metre
- West - £2,600 per square metre

4.1.7 It is considered that the same value areas should apply to this updated work for consistency, however as previously described there has been an improvement in values since the values were established. Therefore having looked at the market data from both Land Registry and property websites it is considered appropriate to add a modest increase of 1.5% to reflect the slight rise in the market. Therefore the value to be used in this assessment will be

- East - £2,850 per square metre
- Central - £3,250 per square metre
- West - £2,650 per square metre

4.2 Approach used for the development viability appraisals

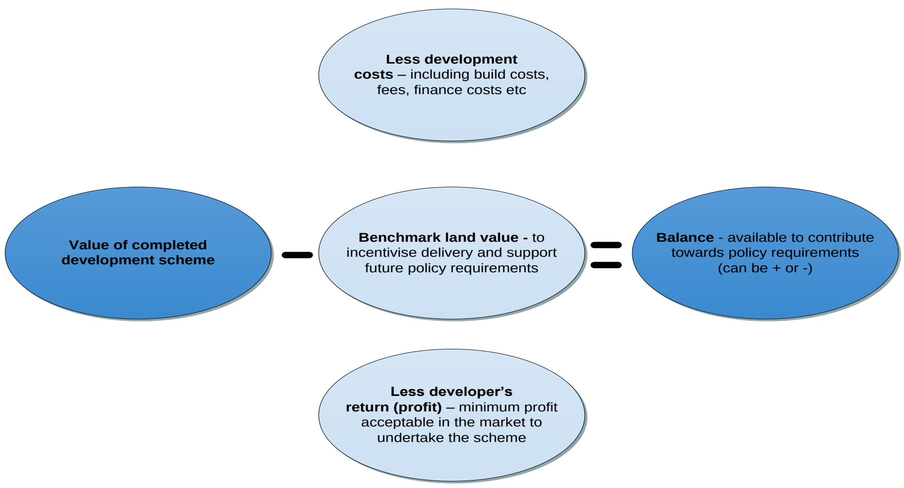
4.2.1 The PBA development viability model uses the residual approach to development viability. The approach takes the difference between the development values and costs and compares the 'residual land value' with a threshold land value to determine the balance that could be available to support policy costs such as affordable housing and infrastructure.

4.2.2 In the case of the strategic sites, the model has been adapted to test for a range of different infrastructure requirements and when they are required. This is then built into the cashflow modelling to assess viability through the lifetime of the development, where costs and returns will be flowing through the development cycle.

4.2.3 Where appropriate assumptions that were used in the CIL Economic Viability Report, September 2013 have been utilised as a baseline for consistency but these have been updated to reflect the latest position on costs and values. It should also be noted that this report should be read in conjunction with the 2014 reports on the Canal Quarter, Strategic Sites Delivery and Plan Viability and Affordable Housing, all published in April 2014, although the reports are consistent in terms of both approach and baseline assumptions. Where any updates have been made these are clearly set out in this report.

4.2.4 The broad method is illustrated in the figure 4.3.

Figure 4.3 Approach to residual land value assessment for whole plan viability



4.2.5 The purpose of the assessment is to identify the balance available to pay for policy costs at which each of the potential strategic sites is financially viable.

4.2.6 Work in the previous stages provides an understanding of each of the sites and the required infrastructure to bring forward sustainable development. When added to a set of locally based assumptions on new-build sales values, threshold land values and developer profits, a set of potential strategic sites development viability assessments are produced.

4.3 Consultation

4.3.1 In our experience, local agents and developers are always happy to explain where the market is at, what is going on, and why. The consultation with the development industry has helped to make our assumptions more robust, and these discussions also help us see where potential concerns may arise, so that the council can be better prepared to address concerns.

4.3.2 The key data discussed includes:

- Typologies
- Estimated market values of completed development;
- Existing use and open market land values;
- Basic build cost;
- External works (% of build cost);
- Professional fees (% of build cost);
- Marketing & sales costs (% of development value);
- Typical S106 costs;
- Finance costs (typical prevailing rates);
- Developer's margin (% of revenue);
- The density and mix of development.

4.3.3 We worked with the council to set up a Stakeholder meeting for the development industry active in the District. This took place in February 2014, and in addition to the consultants, and Council officers, was attended by developers and agents. A copy of the meeting note can be found in the Plan Viability and Affordable Housing Report, April 2014.

4.3.4 We also consulted separately with Registered Providers (RPs) of affordable housing operating in the Stratford-on-Avon area to gather more detailed information about revenue and costs for affordable housing to assist in the analysis. This was supplemented by discussions with the council.

4.4 Typologies

4.4.1 The objective here is to allocate the development sites to an appropriate development category. This allows the study to deal efficiently with the very high level of detail that would otherwise be generated by an attempt to viability test each site. This approach is proposed by the Harman Report, which suggests ‘a more proportionate and practical approach in which local authorities create and test a range of appropriate site typologies reflecting the mix of sites upon which the plan relies'.[23]

4.4.2 The typologies are supported with a selection of case studies reflecting CIL guidance (2014) which suggests that 'a charging authority should directly sample an appropriate range of types of sites across its area, in order to supplement existing data. This will require support from local developers. The exercise should focus on strategic sites on which the relevant Plan relies, and those sites where the impact of the levy on economic viability is likely to be most significant (such as brownfield sites). The sampling *should reflect a selection of the different types of sites included in the relevant Plan*, and should be consistent with viability assessment undertaken as part of plan-making.'[24]

4.4.3 The Harman Report states that the role of the typologies testing is not required to provide a precise answer as to the viability of every development likely to take place during the plan period.

'No assessment could realistically provide this level of detail…rather, [the role of the typologies testing] is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan.'[25]

4.4.4 Indeed the Report also acknowledges that a:

'*plan-wide test will only ever provide evidence of policies being 'broadly viable.' The assumptions that need to be made in order to carry out a test at plan level mean that any specific development site may still present a range of challenges that render it unviable given the policies in the Local Plan, even if those policies have passed the viability test at the plan level. This is one reason why our advice advocates a 'viability cushion' to manage these risks.*[26]

Developing site profile categories

4.4.5 A list of planned residential development sites were originally agreed through the work undertaken for CIL and contained within the CIL Economic Viability Report, September 2013. These sites were allocated to the locally relevant site typology profiles based on typologies that best reflect the type of sites likely to come forward in Stratford-on-Avon based on the SHLAA sites but also on the review of past delivery.

4.4.6 However following a consultation workshop with the development industry it was considered that a wider range of smaller sites should also be tested. Thus the original list was amended to reflect these views – the revised list is summarised in table 4.2 below.

Table 4.2 Residential typologies

Site reference	Typology	Value zone	Land type	Dwellings
1	West Village/town	West	Greenfield	1
2	East Village/town	East	Greenfield	1

[23] Local Housing Delivery Group Chaired by Sir John Harman (2012) *Viability Testing Local Plans* (9)

[24] DCLG CIL Guidance 2014 page 16.

[25] Local Housing Delivery Group (2012), op cit (para 15)

[26] Local Housing Delivery Group (2012), op cit (para 18)

Site reference	Typology	Value zone	Land type	Dwellings
3	Centre Village/town	Central	Greenfield	1
4	West Village/town	West	Greenfield	3
5	East Village/town	East	Brownfield	3
6	Centre Village/town	Central	Brownfield	3
7	Brownfield infill	West	Brownfield	5
8	Small Brownfield	Central	Brownfield	7
9	Greenfield infill	East	Greenfield	7
10	Brownfield infill	East	Brownfield	10
11	Small Greenfield	Central	Greenfield	20
12	Brownfield	East	Brownfield	30
13	Greenfield	East	Greenfield	75
14	Large Brownfield	Central	Brownfield	120
15	Urban extension	East	Greenfield	200
16	Urban extension	Central	Greenfield	500
Please note - the following strategic sites have also been tested – the detailed results of this testing is within two associated reports namely 'Canal Quarter and Employment Sites Viability and Deliverability Report, April 2014' and 'Viability and Deliverability Strategic Sites, April 2014'. However, there have been revisions to the assumptions in respect of infrastructure requirements which are clearly set out in this report.				
SS3	Gaydon/Lighthorne Heath (SS)	Central	Strategic site	2,500
CQ1	SCQ Area 1a: Masons Road	Central	Brownfield	183
CQ2	SCQ Area 1b: Masons Road	Central	Brownfield	143
CQ3	SCQ Area 2: Timothy's Bridge Road	Central	Brownfield	267

4.5 Viability assumptions

4.5.1 It is not always possible to get a perfect fit between a site, the site profile and cost/revenue categories. But a best fit in the spirit of the Harman Report guide has been attempted. For this, the viability testing requires a series of assumptions about the site coverage and floorspace mix to generate an overall sales turnover and value of land, which are discussed here. In addition, there are a number of residential cost assumptions that have been used, which are set out in detail in Appendix A. Residential assessment summary sheets are set out in Appendix B.

Site coverage

4.5.2 The net (developable) area of the site informs the likely land value of a residential site. Typically, residential land values are normally reported on a per net hectare basis, since it is only this area which delivers a saleable return.

4.5.3 The net developable area has been arrived at through discussion with the council and the wider development industry.

Sales area

4.5.4 In addition to density, the type and size of units is important because this informs overall revenue based on saleable floorspace, to generate an overall sales turnover. To derive saleable floorspace, the type of unit and size of these units need to be defined.

4.5.5 The type of unit has been based on assumptions that have been used and approved in other studies in which we have been involved. Details are shown in Appendix A.

4.5.6 Two floor areas are used for flatted schemes: the Gross Internal Area (GIA), including circulation space, is used to calculate build costs and Net Internal Area (NIA) is applied to calculate the sales revenue.

Sales values

4.5.7 Current residential revenues and other viability variables are obtained from a range of sources, including:

- Generic websites, such as the RightMove and the Land Registry
- Direct research with developers and agents operating in the area.

4.5.8 The details for these assumptions have been discussed in the market assessment section of this report.

4.5.9 The appraisal assumes that variable levels of affordable housing, which will command a transfer value to a Registered Provider at the going rates:

- Social rent 45%
- Affordable rent 55%
- Intermediate 65%

4.5.10 The proposed Submission Core Strategy, June 2014 policy requirements of 60% social rent, 20% affordable rent and 20% intermediate (e.g. shared ownership) are assumed for testing purposes.

Threshold land values

4.5.11 To assess viability, the residual value generated by a scheme is compared with a threshold land value, which reflects 'a competitive return for a landowner' (as stated in Harman). The threshold land value is important in our calculations of the residual balance to pay for other policy and infrastructure costs to support a sustainable development. The difference between the threshold land value and the residual land value represents the amount of money available to contribute to affordable housing policy, S106/278 contributions or CIL.

4.5.12 The approach used to arrive at the threshold land value is based on a review of recent viability evidence of sites currently on the market, viability appraisal submissions, published data on land values and discussions with various stakeholders. The approach has been based considering both a top down approach of current market value and bottom up approach of existing use / alternative use values. Account has been taken of current and future policy requirements. This approach is in line with the Harman report and recent CIL examination reports which accept that authorities should work on the basis of future policy and its effects on land values and well as ensuring a reasonable return to a willing landowner and developer.

4.5.13 In collecting evidence on residential land values, a distinction has been made for sites that might reflect extra costs for 'opening up, abnormals and securing planning permission' from those which are clean or 'oven-ready' residential sites.

4.5.14 For the purposes of this report we have used the following:

- Small brownfield £1,200,000 per ha
- Brownfield £950,000 per ha
- Small greenfield £1,100,000 per ha
- Strategic greenfield £600,000 per ha

4.5.15 It is important to appreciate that assumptions on benchmark land values can only be broad approximations, subject to a wide margin of uncertainty. We take account of this uncertainty in drawing conclusions and recommendations from our analysis. We have examined a cross section of residential land comparables. These comparable transactions generally relate to both clean greenfield sites and urban, brownfield sites, which were fully serviced with roads and major utilities to the site boundary.

Build costs

4.5.16 The sources used for typical development costs include BCIS build cost data rebased to the location. Approximations to represent the average over a range of scheme types have been used for costs such as external works, fees, finance and developers' margins and previously tested with the development sector.

4.5.17 Building costs are based on BCIS data for new builds over a 15 year period, which have been rebased to Stratford-on-Avon and first quarter 2014 prices using BCIS defined adjustments. This identified the following unit build costs:

- Flats – £993 sqm
- Houses (small) - £1,257 sqm
- Houses (general estate) - £891sqm

The Council has policy towards improved building standards, these are considered below. Further associated development costs applied to the unit build costs for the potential strategic sites are shown in Table 4.3, and discussed below.

Table 4.3 Cost summary

Cost	Rate	Unit
External costs	10.0%	build cost
Extra over for Lifetime Homes	£500	per unit
Professional fees	12.0%	development costs
Contingency	5.0%	development costs
Sales costs	3.0%	GDV
Developers' profit on OM dwgs	20.0%	OM GDV
Developers' profit on AH dwgs	6.0%	AH GDV
Development costs finance (pa)	7.0%	-ve cashflow gap
Code for Sustainable Homes 4	2.5%	build cost

External Works

4.5.18 This input incorporates all additional costs associated with the site curtilage of the built area, including circulation space in flatted areas and garden space with the housing units, landscaping costs comprises Highway trees and public open space, permeable paving, estate roads, and connections to the strategic infrastructure such as sewers and utilities.

4.5.19 The external works variable has been set at a rate of 10% of build cost in the absence of detailed costings at this time.

Sustainability and building standards

4.5.20 In England, Building Regulations (Part L, 2013 - effective from April 2014) have recently been amended to require emission reductions, to give an overall 6% improvement to 2010 standards. This standard is estimated to add approximately £450 in costs per home above the 2010 Building Regulation standards (this is based on the Government's Regulatory Impact Assessment findings). This increase is taken into account in the viability assessments.

4.5.21 Building Regulations are different to the requirements set out in the Code for Sustainable Homes (CfSH). The Code outlines a staged framework to improve the overall sustainability of new homes. In the past, there has been an intention to incorporate the requirements of the code with the Building Regulations. The government has recently intimated in the Building Standards Review that it wishes to simplify national standards and proposes to move away from the CfSH to a single system of standards.

4.5.22 Whilst the Government is no longer intending to support a range of standards in the future, they have indicated that they will allow local authorities, through planning policy, to seek improved building standards in their locations until revised regulations are place. For authorities wishing to incorporate this into planning policy, such as Stratford-on-Avon, this will have cost implications that will need to be considered. Further details in respect of the regulation change are anticipated in summer 2014.

4.5.23 A review of Government research on cost impacts of changes in building regulations and CfSH suggests that past forecasts of price changes (such as that predicted in the original Cyril Sweet work, 2010) have never affected costs to the extent forecast. In order to incorporate the cost into the model, we have used the latest advice on the additional cost of moving to CfSH 4 from Building Regulations Part L 2013 in an update from autumn 2013, by Davis Langdon to their original 2011 estimates that were published by DCLG. The CfSH sets standards above Part L. The increased requirements for Part L that come into force in April 2014 will still mean that an increase is required in standards to meet CfSH Level 4. The update shows an increase on build costs of 2.5%, which is a substantial reduction on previous estimates.

4.5.24 Similar to the Building Regulations the Government is also reviewing space standards and is currently considering a national voluntary policy on space standards. The details of this have yet to be published. The emerging Core Strategy policy also requires improved space standards and until such a time as a national policy is in place will apply a requirement for new dwelling to be compliant with Lifetime Homes standards. The extra over cost of new buildings meeting Lifetime Homes standards will range widely according to housing type, although typically the average cost is around £300 to £500 per dwelling. Based on a level of uncertainty, the high end value is assumed.

4.5.25 It is recognised that building standards are under constant review both in terms of resource reduction and space. However the guidance is quite clear that unless there is a clear policy framework for future changes, assumptions should be based on current costs and values. Therefore, the assessments take into account Council policy on implementing CfSH 4 and Lifetimes homes but not beyond as there is no certainty in respect of the future regulations at this time.

Professional Fees

4.5.26 For a scheme of this nature, significant professional fees will be required. This input incorporates all professional fees associated with the build, including: architect fees, planner fees, surveyor fees, project manager fees at 12% of build cost.

Contingency

4.5.27 For a scheme of this nature and at this early planning stage, it is normal to build in contingency based on the risk associated with each site and has been calculated based on industry standards. They are applied as a percentage of build costs at 5%.

Marketing Fees

4.5.28 The Gross Development Value needs to reflect additional sales cost assumptions. These costs relate to the costs incurred for disposing the completed residential units, including legal, agents and marketing fees, and are based on the average cost of marketing for a major new build development site. These are based on industry accepted scales established from discussions with developers and agents at the rate of 3% of open market GDV.

Developers' Profit

4.5.29 The developers' profit is the expected and reasonable level of return that a private developer would expect to achieve from a specific development scheme. In relation to these site the open market residential dwellings elements are assumed to achieve a profit of 20%, which is applied to their Gross Development Value (GDV). This also allows for internal overheads. For the Affordable Housing element, because they will have some, albeit lower, risks to the developer a lower 6% profit margin is assumed for the private house builders on a nil grant basis. This is applied to the below market GDV of the AH residential dwelling development.

Finance

4.5.30 A monthly cashflow based on a finance cost of 7% has been used throughout the sites appraisals, as identified in the above costs assumptions. This is used to account for the cost of borrowing and the risk associated with the current economic climate and near term outlook and associated implications for the housing market. This is a typical rate which is being applied by developers to schemes of this nature

Affordable housing

4.5.31 Sites have all been tested according the emerging proposed Submission Core Stategy policy of 35% affordable housing on sites of 5 or more dwellings. Whilst on site provision is preferred the policy does allow for commuted sums for sites of 5 to 10 dwellings, however we have tested as on site for all sites of 5 or more. If commuted sums are allowed then viability is likely to improve for these sites.

4.5.32 The exception to following the policy is the Canal Quarter strategic site. Presently the proposed policy indicates that this site would also have to include 35% affordable housing, however following the work set out in the "Canal Quarter and Employment Sites Viability and Deliverability Report, April 2014", it was recommended that the affordable housing requirement should be reduced to 20%. It is understood that Council will propose an amendment to the Core Strategy, through the Examination process, to make it clear that the policy expectation for the Canal Quarter is 20%. Therefore the testing within this report uses 20% affordable housing for the Canal Quarter.

S106 infrastructure costs, site opening costs and abnormal costs

4.5.33 The infrastructure requirements anticipated for the majority of small sites (under 10 dwellings) are likely to be met through off site delivery of infrastructure such as schools expansions, open space enhancements, or transport improvements. This could be met either through a CIL or the pooling of S106 contributions and will be dependent on capacity and need of each specific scheme. In the past the requirement for such schemes has varied considerably depending on size of scheme and existing capacity of infrastructure. Therefore, for this study, a zero S106 contribution has been assumed for these small sites. Instead, the study seeks to identify the broad residual balance to inform likely future developer contributions.

4.5.34 For sites of over 10 dwellings a range of costs have been applied, dependant on the size and type of the scheme. For example an assumption is in place in respect of the cost of remediation or demolition on brownfield sites. These cost estimations are based on experience and they are considered important to include to reflect the likely costs to develop. Details are set out in Appendix A. Once detailed master-planning is undertaken there will be a better understanding of these various costs (site opening costs, site abnormals, and strategic infrastructure such as schools, highways etc.) to inform site specific assessments.

4.5.35 For the strategic sites, a different approach has been adopted for s106, strategic infrastructure and opening up costs. In consultation with infrastructure providers, the council and the promoters we have estimated the likely site specific s106 or s278 infrastructure requirements necessary for the strategic sites (to allow for onsite infrastructure such as education and transport costs). These S106 costs assumptions have been factored into the viability assessment as a cost input for each site.

4.5.36 Details of this are contained within the respective reports on the Canal Quarter and Strategic Sites. However there have been some changes since these reports have been undertaken and in the spirit of keeping information as up to date as possible we have incorporated these changes in our assessments. For clarity the changes are set out below in Table 4.4.

Table 4.4 Changes to infrastructure provision

Strategic site	Infrastructure item	April 2014 assumption	June 2014 assumption
Canal Quarter Area	One new off-site FE Primary school	£2.25m accounted for in s106 payments.	Funded through CIL
	Secondary School Place contributions	£1.5m accounted for in s106 payments.	Funded through CIL
	Community facilities (inc health, community centre,library)	£0.41m accounted for in s106 payments.	Funded through CIL
Gaydon/Lighthorne Heath	Contribution to Kineton Secondary School	£13m accounted for in s106 payments.	Funded through CIL (the level of funding required has also reduced from £13m to around £7m)

Land Purchase Costs

4.5.37 The land value needs to reflect additional purchase cost assumptions. These are based on surveying costs and legal costs to a developer in the acquisition of land and the development process itself, which have been established from discussions with developers and agents, and are also reflected in the Harman Report (2012) as industry standard rates.

4.5.38 A Stamp Duty Land Tax is payable by a developer when acquiring development land. This factor has been recognised and applied to the residual valuation as percentage cost based on the HM Customs & Revenue variable rates against the residual land value. These inputs are incorporated into the residual valuation land value.

Table 4.5 Land Purchase Costs

Land purchase costs	Rate	Unit
Surveyor's fees	1.00%	land value
Legal fees	0.75%	land value
Stamp Duty Land Tax	HMRC rate	land value
Development finance for land purchase (pa)	7.00%	land value

4.6 Assessment outputs

4.6.1 To assess the viability using these assumptions we set out:

- Site typology description e.g. strategic site, generic site
- The type of land that is being assessed – greenfield or brownfield. This affects the range of costs that are applied to the assessment e.g. abnormal costs and site opening costs.

- Yield – the number of dwellings estimated for the site.
- Net site area in hectares is the land available for saleable floorspace.
- Total developable floor space in sq. meters - this is the total floorspace created by the development.
- CIL chargeable floor space, this is the total floorspace less that deducted for affordable housing as it is not liable for CIL.
- The overage or residual value expressed as £per sq.m. The residual site value is the difference between the value of the completed development and the cost of that development (including the developer's profit, policy costs, site servicing costs, etc).
- The threshold land value is then deducted from the residual land value to arrive at the CIL balance or 'overage' available to contribute towards any infrastructure costs in the form of a possible maximum CIL charge. This CIL balance is an estimate of the CIL 'maximum theoretical CIL' i.e. the maximum CIL that could be charged consistent with the development being financially viable. Given the variations surrounding strategic viability appraisals, this is an approximate indicator, and as such we seek to have a considerable buffer between the overage and any CIL charge. It is not recommended that this theoretical maximum be directly translated into a CIL charge.

4.6.2 Note that the CIL overage is not a direct calculation of deducting the threshold value from the residual land value. As affordable housing is not liable to CIL charge, an allowance for this is included in the analysis. The CIL overage/ or CIL liable figure is calculated from the CIL chargeable floor area (total GIA minus GIA of affordable units). It is also important to state that a scheme may come out as not viable in this assessment but still deliver depending on the what the landowner and developer are willing to accept, so for instance the threshold land value could be reduced or the developer's return could be adjusted, or actual build costs or other assumption variables may differ from those used here.

4.7 Residential development viability analysis

Results

4.7.1 This section sets out the assessment of residential development viability and also summarises the impact on viability of changes in values and costs, and how this might have an impact on the level of potential CIL.

4.7.2 Each generic site has been subjected to a detailed appraisal, complete with cashflow analysis. Table 4.6 summarises each of these generic residential development appraisals.

4.7.3 The theoretical maximum CIL charge per square metre for each development is therefore shown in the far right column of the following summary table. As we explain below, though, we do not recommend that this theoretical maximum be directly translated into a CIL Charge.

Table 4.6 Scenario 1 results

	Site Typology	Value Area	Dwellings	Affordable housing	Residual land value	Benchmark	Headroom	
			No.	%	Per Ha	Per Ha	Per Ha	CIL liable Sqm
1	West (1)	West	1	0%	£1,117,260	£1,100,000	£17,260	£4
2	East (1)	East	1	0%	£1,691,192	£1,100,000	£591,192	£148
3	Centre (1)	Central	1	0%	£2,839,057	£1,100,000	£1,739,057	£435
4	West (3)	West	3	0%	£1,021,389	£1,100,000	-£78,611	-£22
5	East (3)	East	3	0%	£1,341,377	£1,200,000	£141,377	£39
6	Centre (3)	Central	3	0%	£2,351,365	£1,200,000	£1,151,365	£320
7	Brownfield infill (5)	West	5	35%	£459,338	£1,200,000	-£740,662	-£285
8	Small Brownfield (7)	Central	7	35%	£1,628,000	£1,200,000	£428,000	£157
9	Small Greenfield infill (7)	East	7	35%	£1,080,683	£1,100,000	-£19,317	-£7
10	Brownfield infill (10)	East	10	35%	£1,020,584	£1,200,000	-£179,416	-£58
11	Small Greenfield	Central	20	35%	£2,544,849	£1,100,000	£1,444,849	£627
12	Brownfield (30)	East	30	35%	£1,458,996	£950,000	£508,996	£237
13	Greenfield (75)	East	75	35%	£1,464,574	£1,100,000	£364,574	£190
14	Large Brownfield (120)	Central	120	35%	£2,112,935	£950,000	£1,162,935	£546
15	Urban extension (200)	East	200	35%	£1,248,955	£600,000	£648,955	£341
16	Urban extension (500)	Central	500	35%	£1,636,556	£600,000	£1,036,556	£510
	Gaydon/Lighthorne Heath	Central	2,500	35%	£1,000,606	£600,000	£400,606	£209
	Canal Quarter		581	20%	£1,271,493	£950,000	£321,493	£109

4.7.4 Most of the hypothetical and the two strategic sites assessed were shown to be viable. The exception were four small sites in the west and east. This viability allows for the principal policy requirements, such as affordable housing. However, viability does vary across the district, so we need to consider whether the authority should introduce charging zones.

Residential viability zones

4.7.5 As previously stated CIL Regulations (Regulation 13) allow the charging authority to introduce charge variations by geographical zone within its area, by land use, or both. All differences in rates need to be justified by reference to the economic viability of development. Setting up a CIL which levies different amounts on development in different places increases the complexity of evidence required, and may be contested at examination. However, it will be worthwhile if the additional complexity generates significant additional revenues for the delivery of infrastructure and therefore growth.

Principles

4.7.6 Identifying different charging zones for CIL has inherent difficulties. One reason for this is that house prices are an imperfect indicator; we are not necessarily comparing like with like. Even within a given type of dwelling, such as terraced houses, there will be variations in, say, quality or size which will impact on price.

4.7.7 Another problem is that even a split that is correct 'on average' may produce anomalies when applied to individual houses – especially around the zone boundaries. Even between areas with very different average prices, the prices of similar houses in different areas may considerably overlap.

4.7.8 A further problem with setting charging area boundaries is that they depend on how the boundaries are defined, as well as the reality of actual house prices. Boundaries drawn in a different place might alter the average price of an area within the boundary, even with no change in individual house prices.

4.7.9 To avoid these statistical and boundary problems, it is considered that a robust set of differential charging zones should ideally meet two conditions:

i. The zones should be separated by substantial and clear-cut price differences; and

ii. They should also be separated by substantial and clear-cut geographical boundaries – for example with zones defined as individual settlements or groups of settlements, as urban or rural parts of the authority. We certainly should avoid any charging boundaries which might bisect a strategic site or development area.

4.7.10 It will be for the local authority to determine an appropriate zone, however this decision should be based on the viability evidence within this report.

Method

4.7.11 Setting zones requires the marshalling of 'appropriate available evidence' available from a range of sources in order to advise on the best way forward. The following steps were taken:

- First step was to look at home prices. Sales prices of homes are a good proxy for viability. Land Registry data has been used to do this.
- Secondly, consultation with the Council on the distribution of development
- Thirdly, testing of this through formal development appraisals.

House prices

4.7.12 In advising on charging zones, the first step was to look at residential sales prices. In Figure 4.4 below, we looked at the average sales prices of all homes over a two year period. Average prices are shown for each postcode sub sector. Aside from the highest and lowest bands (which are tailored to actual values), average prices are broken in six near equal bands of £55,000 - £60,000 each.

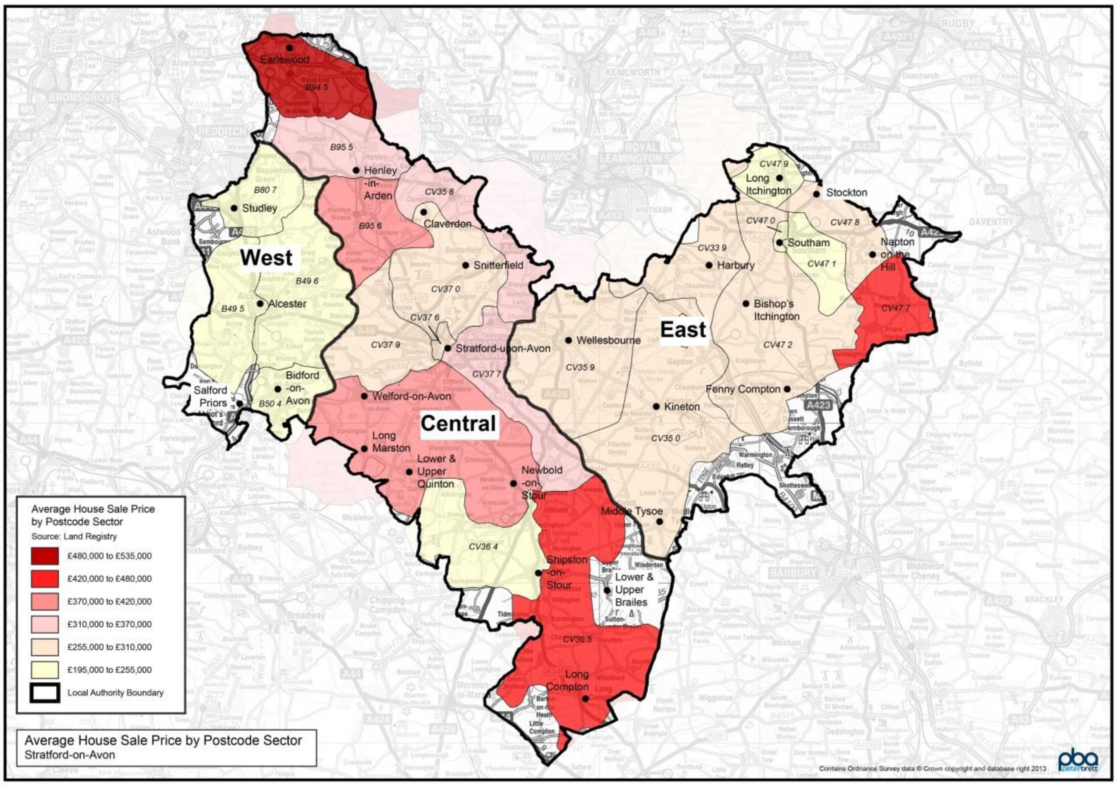
4.7.13 We have presented this data on a map because it allows us to understand the broad contours of residential prices in the Stratford-on-Avon area. Sales prices are a reasonable, though imperfect, proxy for development viability, so the map provides us with a broad idea of which areas would tend to have more viable housing developments, other things being equal.

4.7.14 It is worth noting that new homes are typically more expensive than second hand homes, but the prices mapped include both second hand and new homes. We used data on both new and second hand homes because, firstly, datasets on sales values for new homes only would be very much smaller (and so more unstable), and secondly, because at this stage it is the differentials between areas that we are seeking to identify, not the absolute price levels. There were therefore good reasons to look at both new and second hand data, and no compelling reasons to avoid it.

4.7.15 The map shows that prices do vary across the District, especially between the various settlements. In broad terms it can be seen that there are three broad areas:

- The highest values achieved in the central area which includes the settlements of Stratford upon Avon, Henley-in Arden and Shipston-on-Stour;
- The lowest values to the west, which includes Alcester and Studley; and
- The east area is in the middle in terms of values in comparison the rest of the district and includes the settlements of Kineton and Bishops Itchington.

Figure 4.4 Average sale prices in Stratford-on-Avon District[27]



4.7.16 Figure 4.4 also shows that the average price range in the highest value post code area (£480,000 - £535,000) is around a maximum of 2.7 times more expensive than the lowest price band (£195,000-£255,000). This is a wider spread than in some other areas where we have looked at CIL Charges. However, Stratford-on-Avon District's geographical price differentials are narrower than in some other areas we have tested. Amongst the most polarised was the London Borough of Merton, where average semi-detached house prices near Wimbledon Common were around seven times higher than those in the least wealthy areas of the borough.

4.7.17 On balance, this spread of prices from west to east suggests that it might be worthwhile to create more than one charging band. It should be noted, however that the data is based on postcode boundaries that have little geographic significance relating poorly to individual settlements. Furthermore it is also important to analyse how development is distributed before coming to a decision. If all development was going in a single price area, making geographical distinctions in the charging schedule would not be necessary.

Future supply

4.7.18 Understanding the patterns of development is therefore the next stage in our analysis. If the broad future housing supply is considered in relation to the average price bands the scope for separate charging bands for residential development can be better understood. This is shown in Table 4.7.

4.7.19 As can be seen Stratford-on-Avon's housing supply is dispersed across the district in a range of settlements from villages to the larger towns such as Stratford-upon-Avon. However more

[27] The data is based on average prices within each of the postcode areas within the District. It is for comparative use and whilst there are some small gap areas where the postcode area was substantially within the neighbouring authority, this does not affect the analysis. These gap areas do not have any substantial development identified in the Plan.

detailed analysis shows that of the approximately 6,500 dwellings being planned for (i.e. those without planning permission) the majority are located in towns and villages in the central area of the District (note percentages may not sum due to rounding):

- Central – 33% future supply by number of dwellings;
- East – 20% future supply by number of dwellings;
- West – 9% future supply by number of dwellings; and
- Gaydon/Lighthorne Heath New Settlement – 39% future supply by number of dwellings (the strategic site is located within east area).

4.7.20 Figure 4.4 suggests that the highest values in the District are also achieved in this area (central), which is also borne out by the analysis of new build schemes as set out in previous reports.

Table 4.7 Future supply

Settlement	Future growth (dwellings)	Average price band
Stratford-upon-Avon	900	C – £255,000-£370,000
Alcester	350	W – £195,000-£255,000
Southam	365	E – £195,000-£255,000
Bishops Itchington	76 - 100	E – £255,000-£310,000
Harbury	76 - 100	E – £255,000-£310,000
Long Itchington	76 - 100	E – £195,000-£255,000
Quinton	76 - 100	C – £370,000-£420,000
Tiddington	76 - 100	C – £310,000-£370,000
Brailes	51 - 75	C – £420,000-£480,000
Ettington	51 - 75	C – £310,000-£370,000
Fenny Compton	51 - 75	E – £255,000-£310,000
Salford Priors	51 - 75	W – £195,000-£255,000
Snitterfield	51 - 75	C – £255,000-£310,000
Stockton	51 - 75	E – £255,000-£310,000
Tysoe	51 - 75	E – £255,000-£310,000
Welford-on-Avon	51 - 75	C – £370,000-£420,000
Wilmcote	51 - 75	C – £255,000-£310,000

Wootton Wawen	51 - 75	C – £370,000-£420,000
Other rural areas – Central	c575	C – £195,000-£535,000
Other rural areas – East	c375	E – £255,000-£480,000
Other rural areas – West	c125	W – £195,000-£255,000

4.8 Residential findings

4.8.1 Across the District developments in the Central and East areas generate the greatest headroom. However, it does vary within these areas according to the type and size of the development. The highest values can be found in sites of 7-30 dwellings. The greenfield sites within this range perform better than the brownfield sites. The smaller sites under 10 dwellings do not perform as well.

4.8.2 If the strategic site is omitted from the housing figures then 82% of the remaining dwellings will be in the central and east areas of the district. In discussion with the council and in looking at likely future sites these will be split by around 25% on small sites under 10 dwellings and around 75% on medium to large sites in the main towns and villages. Therefore our response to the key tests (as set out section 4.7) is:

- the majority of sites are over 10 dwellings and situated in towns and villages in the central and east areas of the district
- whilst there are some differences in the values and the subsequent appraisal results between areas, there is insufficient evidence to be able to robustly define separate charging areas – with the exception of the strategic sites – without being unduly complex (e.g. separate charge zone for each village and town)
- the strategic sites do have a significantly different ability to pay a CIL charge as they have higher development costs including essential infrastructure which will be sought through S106 and therefore warrant a separate charge zone

4.8.3 With this in mind the CIL charge should be set on the basis that when analysing the scenarios we need to set a charge where the majority of development i.e. that which is located in the East and Central areas and over 10 dwellings is not put at risk. The majority of sites over 10 dwellings (omitting the strategic sites) in the East and Central areas have a headroom in excess of £190 per sqm. On the basis of not setting a CIL at the ceiling of what is viable it is recommended that a charge of £150 per sq.m is set for all development outside of the strategic site, which allows for over a 20% buffer. The same principle is also applied to the Canal Quarter, for which the recommended rate is £85 per sq.m

4.8.4 In terms of the new settlement at Gaydon/Lighthorne Heath it is accepted that although much work has been undertaken in understanding the likely S106/278 costs on such a large site there is still uncertainty whilst the masterplan is developed and until a formal planning application is submitted. Therefore because of the importance of the site in future housing supply a larger buffer is suggested at 30% and therefore it is recommended that a CIL charge of £145 is set.

5 Non residential market assessment and viability

5.1 Approach

5.1.1 The testing has been conducted on a hypothetical typical or notional hectare site basis. Viability testing on a typical/notional hectare basis has been adopted since it is impossible for this study to consider viability on a site-specific basis at this stage, given that there is currently insufficient data on site-specific costs and values, as site details have yet to be established. Such detail will evolve over the plan period. Site-specific testing would be considering detail on purely speculative/assumed scenarios, producing results that would be of little use for a study for strategic consideration. Non-residential assessment summary sheets are set out in Appendix B.

5.2 Establishing gross development value (GDV)

5.2.1 In establishing the GDV for non-residential uses, a similar approach has been taken to residential, so we do not repeat the process here. However, given the significant variety in development types, this report has also considered historic comparable evidence for new values on both a local, regional and national level.

5.2.2 The following table illustrates the values established for a variety of non-residential uses, expressed in square metres (sq.m) of net rentable floorspace (or GDV).

Table 5.1 Non Residential Uses – Rent and Yields

Use	Rents (p sq.m)	Yields
Retail Superstore 3,500 sq.m	£195	5.00%
Retail Supermarket 1,100 sq.m	£190	5.30%
Retail 10,000 sq.m Warehouse (approx 6 units)	£150	6.70%
Retail 1,000 sq.m Town Centre	£260	7.50%
Retail Small Convenience - Village settlement	£150	5.80%
Retail Small Comparison - Village settlement	£140	7.20%
Urban extension 6,000 sq.m of mixed retail units	£160	6.21%
Office 800sq.m Town Centre	£120	8.70%
Office 200 sq.m Business Park	£120	7.30%
Industrial 1500 sq.m B2 Edge of Town	£55	9.00%
Industrial 5000 sq.m B2 Edge of Town	£55	9.00%
Industrial 5000 sq.m B8 Storage / Distribution Edge of Town	£55	8.70%
Budget Hotel - 2000 sq.m (60 Bedrooms) - Edge of Town	£103	6.60%
Mixed Leisure Scheme 8,000 sq.m - Cinema/bowling	£149	6.60%
Health and Fitness - 4,000 sq.m - Edge of town	£105	7.00%
Residential Care Home - 1,900 sq.m (40 bedrooms) - Edge of Town	£128	6.10%
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Edge of	GDV £3,000 p sq. m	

town	
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Greenfield	GDV £3,000 p sq. m
Assisted Living with affordable housing - 4,500 sq.m (50 units) - Greenfield	GDV £3,000 p sq. m

Source: PBA research

5.3 Costs

5.3.1 Once a GDV has been established, the cost of development (including developer profit) is then deducted. For the purposes of viability testing, the following costs and variables are some of the key inputs used within the assessment:

- Developer profit;
- Build Costs;
- Professional Fees and Overheads;
- Finance;
- Marketing Fees;
- Legal Fees; and
- Land Stamp Duty Tax.
- Site Coverage

5.3.2 As the viability testing in some circumstances is being undertaken on a ‘per hectare’ basis, it is important to consider the density of development proposed. The following table sets out the assumed site coverage ratios for each development type.

Table 5.2 Non Residential Uses – Site Coverage Ratios

Use	Coverage	Floors
Retail Superstore 3,500 sq.m	40%	1
Retail Supermarket 1,100 sq.m	40%	1
Retail 10,000 sq.m Warehouse (approx 6 units)	40%	1
Retail 1,000 sq.m Town Centre	80%	1
Retail Small Convenience - Village settlement	80%	1
Retail Small Comparison - Village settlement	80%	1
Urban extension 6,000 sq.m of mixed retail units	73%	1
Office 800sq.m Town Centre	80%	3
Office 200 sq.m Business Park	40%	2
Industrial 1500 sq.m B2 Edge of Town	40%	1
Industrial 5000 sq.m B2 Edge of Town	40%	1
Industrial 5000 sq.m B8 Storage / Distribution Edge of Town	40%	1

Budget Hotel - 2000 sq.m (60 Bedrooms) - Edge of Town	50%	3
Mixed Leisure Scheme 8,000 sq.m - Cinema/bowling	50%	2
Health and Fitness - 4,000 sq.m - Edge of town	80%	1
Residential Care Home - 1,900 sq.m (40 bedrooms) - Edge of Town	80%	2
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Edge of town	80%	2
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Greenfield	80%	2
Assisted Living with affordable housing - 4,500 sq.m (50 units) - Greenfield	80%	2

Source: PBA research

Developer profit

5.3.3 The developer's profit is the expected and reasonable level of return a private developer can expect to achieve from a development scheme. This figure is based a 20% profit margin of the total Gross Development Value (GDV) of the development.

Build costs

5.3.4 Build cost inputs have been established from the RICS Build Cost Information Service (BCIS) at values set at the time of this study (current build cost values). The build costs are entered at a pound per square metre rate at the following values shown in the following table. The build costs adopted are based on the BCIS mean values, indexed separately to Stratford-on-Avon prices; and then amended following the development industry feedback and subsequent discussion. In addition to the basic build cost set out below there is also an allowance of 10% of build cost for external works.

Table 5.3 Non Residential Uses – Build Costs

Use	Build cost (p. sq. m)
Retail Superstore 3,500 sq.m	£1,225
Retail Supermarket 1,100 sq.m	£1,225
Retail 10,000 sq.m Warehouse (approx 6 units)	£622
Retail 1,000 sq.m Town Centre	£1,200
Retail Small Convenience - Village settlement	£985
Retail Small Comparison - Village settlement	£745
Urban extension 6,000 sq.m of mixed retail units	£1,027
Office 800sq.m Town Centre	£1,200
Office 200 sq.m Business Park	£1,200
Industrial 1500 sq.m B2 Edge of Town	£740
Industrial 5000 sq.m B2 Edge of Town	£560
Industrial 5000 sq.m B8 Storage / Distribution Edge of Town	£580
Budget Hotel - 2000 sq.m (60 Bedrooms) - Edge of Town	£1,080

Mixed Leisure Scheme 8,000 sq.m - Cinema/bowling	£1,400
Health and Fitness - 4,000 sq.m - Edge of town	£1,150
Residential Care Home - 1,900 sq.m (40 bedrooms) - Edge of Town	£1,100
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Edge of town	£1,000
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Greenfield	£1,000
Assisted Living with affordable housing - 4,500 sq.m (50 units) - Greenfield	£1,000
Health and Fitness - 4,000 sq.m - Edge of town	£1,150

Source: Spons Architects' and Builders' Price Book and BCIS

Professional fees, overheads

5.3.5 This input incorporates all professional fees associated with the build, including: architect fees, planner fees, surveyor fees, project manager fees. The professional fees variable is set at a rate of 12% of build cost.

5.3.6 This variable has been applied to the valuation appraisal as a percentage of the total construction cost. This figure is established from discussions with both regional and national developers as well as in house knowledge and experience of industry standards.

Development contributions other than CIL

5.3.7 We have assumed for the purposes of testing that most development will still be expected to make s106 etc contributions to mitigate direct impacts of the development. These will often centre on highways improvements but could also relate to design and access. We have used a combination of looking at past agreements made with the council and utilising our knowledge of undertaking similar studies elsewhere. Clearly as these types of agreement are specific to individual developments we have had to take a pragmatic approach in our generic appraisals. We have basically assumed that higher impact and trip generating uses such as supermarkets will generally be expected to contribute the highest amounts, which is bourne out when analysing past agreements. Smaller amounts have been attributed to the other uses as impact is often less significant and ability to pay i.e. viability often limits the level sought.

Finance

5.3.8 A finance rate has been incorporated into the viability testing to reflect the value of money and the cost of reasonable developer borrowing for the delivery of development. This is applied to the valuation appraisal as a percentage of the build cost at the rate of 7.5% of total development costs (inc build costs, external works, professional fees, sales and marketing)

Marketing fees

5.3.9 This variable is based on the average cost of marketing for a major new build development site, incorporating agent fees, 'on site' sales costs and general marketing/advertising costs. The rate of 4% of GDV is applied to the valuation appraisal as a percentage of the GDV and is established from discussions with developers and agents.

Acquisition fees and land tax

5.3.10 This input represents the legal costs to a developer in the acquisition of land and the development process itself. The input is incorporated into the residual valuation as a percentage of the residual land value at the rate of 10% of RLV.

5.3.11 A Stamp Duty Land Tax is payable by a developer when acquiring development land. This factor has been recognised and applied to the residual valuation as percentage cost against the residual land value at a rate of 4% (highest rate applicable is used for testing purposes).

Land for non-residential uses

5.3.12 After systematically removing the various costs and variables detailed above, the result is the residual land value. In order to ascertain the level of likelihood towards delivery and the level of risk associated with development viability, the resulting residual land values are measured against a benchmark value which reflects a value range that a landowner would reasonably be expected to sell/release their land for development.

5.3.13 Establishing the existing use value (EUV) of land and in setting a benchmark at which a landowner is prepared to sell to enable a consideration of viability can be a complex process. There are a wide range of site specific variables which effect land sales (e.g. position of the landowner - are they requiring a quick sale or is it a long term land investment). However, for a strategic study, where the land values on future individual sites are unknown, a pragmatic approach is required.

5.3.14 From discussions with agents active in the commercial sector, we have concluded that there have been very few sales of commercial or employment land in the district over the past 5 years, largely arising from the moribund state of the commercial market caused by the recession. Land values established before 2007 provide evidence of a range of land values for employment uses between £400k and £750k/ha. There is planning policy resistance to changes of use to residential from employment uses where there is a demonstrable employment demand, and a solid resistance from landowners to sell for lower than the established pre-2007 value. There is no evidence to suggest therefore that a lower value should be attributed to brownfield sites as an EUV in the viability appraisals.

We have therefore concluded that a benchmark figure towards the lower end of the range of £500,000/ha is appropriate as a starting point. The benchmark is then adjusted on the basis of location and different uplifts applied according to use. So for example a town site will be at the upper end of the existing use value as it will already have a comparatively high value and if the potential use is retail then it will also have a higher uplift value as expectation on return will be higher.

5.4 Non residential development viability analysis

Introduction

5.4.1 This section sets out the assessment of non-residential development viability and also summarises the impact on viability of changes in values and costs, and how this might have an impact on the level of developer contribution. The tables below summarise the detailed assessments, and represent the net value per sq.m, the net costs per square metre (including an allowance for land cost and S106 to deal with site specific issues to make development acceptable) and the balance between the two.

5.4.2 It is important to note that the analysis considers development that might be built for subsequent sale or rent to a commercial tenant. However there will also be development that is undertaken for specific commercial operators either as owners or pre-lets.

B-class uses

5.4.3 In line with other areas of the country our analysis suggests that for commercial B-class development it is not currently viable to charge a CIL. Whilst there is variance for different types of B-space, essentially none of them generate sufficient value to justify a CIL charge.

5.4.4 As the economy recovers this situation may improve but for the purposes of setting a CIL we need to consider the current market. Importantly this viability assessment relates to speculative build for rent - we do expect that there will be development to accommodate specific users, and this will based on the profitability of the occupier's core business activities rather than the market values of the development.

Table 5.4 B-class development

Use	Town Centre Office	Out of Town Office	Industrial 1,500 sq.m	Industrial 5,000 sq.m	B8 Warehouse
Values/sq.m	£1,235	£1,472	£547	£547	£566
Development costs/sq.m (inc. EUV + uplift)	£1,975	£2,073	£1,296	£1,062	£1,093
Residual Value/sq.minc. allowance for EUV + uplift)	-£740	-£602	-£749	-£515	-£527

Retail uses

5.4.5 The viability of retail development will depend primarily on the re-emergence of occupier demand and the type of retail use being promoted. For this reason we have tested different types of retail provision.

Out of centre retail

5.4.6 The retail warehousing market (covering comparison goods) has also been relatively flat in recent times, especially in terms of new build, but this should not rule out any potential for more activity in the future, particularly if the right sites appear. Whilst values have dropped, the relatively low build costs mean that there is still value in these types of developments when there is occupier demand.

5.4.7 Superstores and supermarkets - convenience retail continues to be one of the best performing sectors in the UK, although we are aware that even this sector is seeing reduced profits at the time of writing. Leases to the main supermarket operators (often with fixed uplifts) command a premium with investment institutions. Although there are some small regional variations on yields, they remain generally strong with investors focussing primarily on the strength of the operator covenant and security of income. We would therefore suggest the evidence base for large out of town retail can be approached on a wider region or even national basis when justifying CIL charging. Following our appraisal on this basis in Stratford-on-Avon we believe there is scope for a significant CIL charge for out of town centre development without affecting viability.

5.4.8 The appraisal summary shown in table 5.5 is for all out of town centre development. Whilst it can be seen that these different types of out of town centre provision have different levels of viability it is not possible to set a size threshold for different types of shopping, therefore it is considered that all types of retail development outside the town centres in Stratford-on-Avon should attract a charge that will be viable for all identified types of retail development. As the provision of small scale local convenience retailing is likely to either be under the 100 sq m CIL threshold or not critical to delivery of the plans objectives it is considered that setting CIL for all out of centre retail development around that level would not significantly impact on the delivery of the Plan.

Table 5.5 Out of centre retail uses

Use	Retail Superstore 3,500 sq.m	Retail Supermarket 1,100 sq.m	Retail 10,000 sq.m Warehouse (approx 6 units)	Out of centre small convenience (280 sq.m)
Values/sq.m	£3,492	£3,209	£2,004	£2,238
Development costs/sq.m (inc. EUV + uplift)	£3,225	£3,003	£1,801	£2,071
Residual Value/sq.minc. allowance for EUV + uplift)	£267	£206	£203	£167

In centre retail

5.4.9 Town centre (high street) comparison retailing in the UK is in a period of transition. The majority of comparison retail-led regeneration schemes have stalled due to a combination of weak consumer demand, constraints on investment capital and poor retail occupier performance. There have been a number of insolvencies, and the traditional high-street operators are frequently struggling, particularly in more secondary retail locations.

5.4.10 Colliers Retail Market Report (Autumn 2011) states that *"Secondary retail locations will continue to suffer as a result of the growing consumer trend of fewer shopping trips and the focus on the large retail destinations and online. Furthermore, daily/weekly shopping that would once have taken place in the local town centre is increasingly shifting to supermarkets, which now provide a wide range of comparison goods and services alongside the traditional convenience offer"*. More recently they have stated in their National Retail Barometer (Spring 2014) that *"With online retail still delivering double digit year-on-year growth, the change will continue to impact on bricks and mortar retail. Expect a continuing polarisation, where prime locations are likely to witness an increasingly focussed demand and the 'squeezed middle' towns and secondary locations experience further contraction of their retail footprint."*

5.4.11 Work by Deloitte on the future for retailing is pessimistic, suggesting *that 'reductions in store numbers of 30-40% are foreseeable over the next 3-5 years.'*[28] The effects are seen to be increased vacancy rates, decreasing prime rents, and increasingly flexible rental terms, including shorter rental terms, lease free periods, shorter break clauses and monthly, as opposed to quarterly, rents.[29] Other reports describe a similar picture.[30]

5.4.12 We have tested town centre retail in the main centre of Stratford-upon-Avon as this is the focus for future growth. In terms of what constitutes 'town centre', the proposed Submission Core Strategy, June 2014 identifies a town centre area for Stratford-upon-Avon with useful boundaries in functional terms. We also consider that on a strategic level in Stratford-on-Avon there is little difference between A1-A5 units. It has been suggested elsewhere that development of convenience, supermarket development may attract higher values whether in or out of town centres – however in the case of Stratford it is considered that this type of development is not currently planned for in the town centre and even if it did come forward there would be significantly higher development costs and land values involved in an in centre

[28] Deloitte (2012) *The changing face of retail: The store of the future* (2) see https://www.deloitte.com/view/en_GB/uk/industries/consumer-business/28098047f3685310VgnVCM3000001c56f00aRCRD.htm

[29] Ibid (9)

[30] Financial Times December 29 2011 *UK retail insolvencies expected to soar*

development, due to the historic nature and constraints of the centre, as opposed to a cleaner site outside of the town centre and therefore a single retail charge for in centre is appropriate in this circumstance. The residual analysis summarised in Table 5.6 shows that Stratford-upon-Avon town centre retail is not currently able to support a CIL charge.

5.4.13 There is a clear difference in the offer within Stratford-upon-Avon town centres and the other smaller town and village centres in the district. Therefore we have undertaken additional testing to reflect this position. To assess viability within smaller towns and villages we have tested both a small convenience retailer with the approximate size of 200 sq. m and additionally we have also tested comparison retailers again of 200 sq. m. However, whilst we have tested these uses we are of the view that the majority of development that is likely to come forward within these smaller centres will either be redevelopment of existing space or under the 100 sq. m floorspace threshold, therefore neither will be liable for a levy.

5.4.14 The emerging Core Strategy sets out an aspiration for a new local centre to support the strategic allocation at Gaydon Lighthorne Heath. A centre comprising of approximately 6,000 sq.m floorspace has been suggested. Therefore we have also tested the viability of bringing forward a mixed use centre and whether a CIL could be levied on such a development. For the purposes of testing we have assumed a small supermarket is provided with a range of other convenience, comparison and service units. If just a supermarket is proposed then residual values are similar to those achieved for out of centre supermarkets, however as the authority requires a mix of retail uses, the combined residual values result in marginal viability. Therefore a zero or low levy should be set.

Table 5.6 In centre retail uses

Use	Retail 1,000 sq.m Town Centre	Retail small convenience – town/village centre	Retail small comparison - town/village centre	Urban extension 6,000 sq.m of mixed retail units
Values/sq.m	£3,104	£2,315	£1,741	£2,307
Development costs/sq.m (inc. EUV + uplift)	£3,129	£2,354	£1,879	£2,257
Residual Value/sq.m inc. allowance for EUV + uplift)	-£25	-£39	-£138	£50

5.4.15 Although we have not specifically tested A2-A5 uses it is considered that most of these developments will either be under 100 sq m or utilise existing floorspace and therefore would not be liable in most circumstances. If larger proposals do come forward which are liable for an out of town centre charge then they will be competing with other out of centre development and will attract similar values. Whilst there may be a limited number of larger proposals over the plan period, these have not been identified in the plan and therefore, even if they are not viable with a CIL charge deliverability of the Plan is not put at risk.

Leisure development

5.4.16 We have tested budget hotels, mixed leisure schemes and health clubs. Our high level appraisal of both these types of development shows that in the current market values are not sufficient to justify a CIL charge.

5.4.17 Hotels - the rapid expansion in the sector at the end of the last decade was in part fuelled by a preference for management contracts or franchise operations over traditional lease contracts.

Outside London (which has shown remarkable resilience to the recession) hotel development is being strongly driven by the budget operators delivering new projects through traditional leasehold arrangements with institutional investors.

5.4.18 Our viability model is based on an out of city centre budget hotel scheme and in terms of Stratford-on-Avon it can be seen that there is not sufficient value realised to contribute to a levy.

Table 5.8 Hotel viability levy

Use	Hotels
Values/sq.m	£1,397
Development costs/sq.m (inc. EUV + uplift)	£1,858
Residual Value/sq.minc. allowance for EUV + uplift)	-£461

5.4.19 Mixed Leisure and fitness - a mixed leisure scheme to include facilities such as cinema, bowling, health and leisure complex, gambling and associated eating and drinking establishments. Our analysis shows that this sort of scheme is currently unlikely to be viable enough in Stratford-upon-Avon to support a CIL charge. We have also tested a stand-alone commercial health and fitness facility and that too is currently unlikely to be viable enough in Stratford-upon-Avon to support a CIL charge.

Table 7.9 Mixed leisure CIL charge

Use	Assembly/Leisure	Health & Fitness
Values/sq.m	£2,021	£1,343
Development costs/sq.m(inc. EUV + uplift)	£2,457	£1,975
Residual Value/sq.minc. allowance for EUV + uplift)	-£436	-£632

Care Homes and Extra Care Living

5.4.20 In addition to the uses above we have tested the viability of care homes. There has been significant private sector investment in care homes in the recent past, fuelled by investment funds seeking new returns. However, there have been concerns about the occupancy rates and the ability to sustain prices. The high level analysis suggests that care homes are unlikely to be viable enough in Stratford-on-Avon to support a CIL charge.

5.4.21 In terms of extra care living, like care homes, there has been considerable investment in the past and the market seems to be picking up again. However, whilst these schemes attract values akin to residential development they are often developed on more challenging harder to deliver edge of town centre sites with greater construction cost and higher existing use values. Therefore whilst there is potential to charge a small levy, albeit marginal and it will not match that of residential development. It should also be noted that the levy is only viable with nil affordable housing. We have also tested the viability on greenfield sites as it is understood that there is potential for these to come forward in the future. The appraisal for greenfield sites assumes that there will be access to utilities and roads either through a small urban extension or as part of a wider larger urban extension and therefore there are no major site opening up costs and again it assumes no affordable housing. The results show that there is more scope to charge CIL in these circumstances, although it will impact on the ability to collect on affordable housing.

Table 7.10 Care Homes viability

Use	Care Homes	Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Edge of town	Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Greenfield	Assisted Living with affordable housing - 4,500 sq.m (50 units) - Greenfield
Values/sq.m	£1,885	£1,979	£1,979	£1,598
Development costs/sq.m (inc. EUV + uplift)	£2,048	£1,938	£1,907	£1,793
Residual Value/sq.minc. allowance for EUV + uplift)	-£163	£41	£72	-£195

Other non-residential development

5.4.22 In addition to the development considered above there are other non-residential uses that we have considered. PAS guidance suggests that there needs to be evidence that community uses are not able to support CIL charges. Our view is that it would not be helpful to set a CIL for the type of facilities that will be paid for by CIL (amongst other sources).

5.4.23 Our approach to this issue is that the commercial values for community uses are £0 but there are build costs of around £1,800/sq.m plus the range of other development costs; with a net negative residual value. Therefore we recommend a £0 CIL for these uses.

5.5 Non Residential findings

5.5.1 It is clear from the results that retail development commands the highest values and the greatest potential to set a levy for out of centre developments. A charge of £120 p sq. m is considered appropriate as this allows a buffer between the lowest value use of small scale convenience and the proposed charge to allow for the greater uncertainties of commercial development. In centre, whether Stratford-upon-Avon or the surrounding smaller towns and village centres, whilst values are similar in some cases, it is a different picture with higher development and land costs meaning residuals are much lower and in some cases negative, therefore a charge is not possible in these locations without putting planned delivery at risk.

5.5.2 The development of a new centre at the strategic site of Gaydon/Lighthorne Heath whilst seemingly an attractive proposition for just convenience retailing, when other retail mixes are added such as comparison and service sector the viability diminishes, albeit still positive. Whilst the centre has yet to be defined as masterplanning continues, it is advised that the authority sets the whole of the strategic site as a separate charging zone until such a time as when the centre is formally identified. As delivery of the centre is an important part of the place making for this new settlement it is also considered that a cautious approach is taken to setting the charge, especially as the exact mix of uses has yet to be determined. Therefore a CIL rate of £10 p sq.m is suggested to provide sufficient buffer from the ceiling to allow for the uncertainties of the proposal.

5.5.3 For all other types of non residential development it is considered that the levy should be set at zero as there is insufficient value to set a charge without putting at risk future development.

6 Conclusions and findings

6.1 Viability findings

6.1.1 The emerging Core Strategy indicates that the housing supply is dependent on the delivery of a mix of small and large urban brownfield sites, small greenfield sites and strategic greenfield sites. This has shaped the viability assumptions for the urban and greenfield sites.

6.1.2 As shown in the CIL Economic Viability Study, September 2013, an important study finding is that Stratford-upon-Avon district has effectively three value zones. This was further agreed by the stakeholder consultations and supported by the research on sales values.

6.1.3 A review of past planning consents identified that, there has been a steady stream of planning applications, with a particular focus on the supply of smaller brownfield sites in the rural areas and some medium to larger greenfield sites on the edge of the main settlements. However, the emerging plan and subsequent documents will be allocating a wide range of sites so the future pattern of development is likely to change, with a greater level of supply from large greenfield sites.

6.1.4 The relatively high values achieved in in the district means that in the majority of areas where future development is planned viability of development is not a major concern.

6.2 Study recommendations

6.2.1 The viability appraisal findings demonstrate that policy trade-off decisions are required between the need to deliver infrastructure to support the delivery of growth and meeting the affordable housing need if the delivery of the Core Strategy overall is to remain viable. These decisions will be informed in part by the requirement to meet housing need, infrastructure need and political priorities.

6.2.2 The CIL charge recommendation options are set out in table 6.1.

Table 6.1 Recommendations

Policy position	Recommendations
CIL	<u>The residential CIL should be set according to the value areas and the Plan policy requirements including affordable housing:</u> Gaydon/Lighthorne Heath Strategic Site* – £145 per sqm CIL Canal Quarter Strategic Site** – £85 per sqm CIL Rest of district – £150 per sqm CIL <u>On non-residential development CIL should be set at:</u> Retail development within all identified centres*** - £0 per sqm CIL Retail development within Gaydon/Lighthorne Heath* - £10 per sq. m CIL Out of centre retail - £120 per sqm CIL

	All other forms of liable floorspace - £0 per sqm CIL

* Boundary is set out on page 222 proposed Core Strategy, June 2014

**Boundary is set out on page 214 proposed Core Strategy, June 2014

***Centres boundaries are set out in pages 205 – 213 proposed Submission Core Strategy, June 2014

6.2.3 If CIL is collected on the recommended rates – then on the basis of Plan's housing targets and an average house size of 100 sqm per dwelling, the following affordable housing numbers and CIL receipts could potentially be provided:

Table 6.2 Residential potential CIL receipts

Value area	Dwellings	Dwellings minus affordable housing	CIL rate	CIL receipt
Gaydon/Lighthorne Heath	2,500	1,652 (35%)	£145	£24m
Canal Quarter	650	520 (20%)	£85	£4.4m
Rest of district	3,350	2,178 (35%)	£150	£32.7m
Total	**6,500**	**4,253**		**£61.1m**

6.2.4 When the level of potential CIL from residential development (it is not considered that there there will be significant amount of CIL from other forms of development) is related to the level of required infrastructure as identified in the proposed Submission Core Strategy Infrastructure Delivery Plan it can been seen in Table 6.3 that there is still a significant funding gap. It is anticipated that this funding gap will be narrowed through other funding streams such as future government grants and local funding.

Table 6.3 Funding gap

Total required infrastructure funding	£193m
Known/anticipated funding from New Homes Bonus, S106 etc	£46m
Potential CIL funding	£61m
Funding gap	£86m

Appendix A Viability assumptions

Assumption	Source	ID	Notes
Scenarios			
Residential development typology	Consultation with client		This mix of schemes was selected in discussion with the client group, making use of

Ref	Typology	Settlement	Land type		Gross area (ha)	Net area (ha	Total	dwph	B-space (sqm)
1	West (1)	West	Small Greenfield	Greenfield	0.03	0.03	1	33	-
2	East (1)	East	Small Greenfield	Greenfield	0.03	0.03	1	33	-
3	Centre (1)	Central	Small Greenfield	Greenfield	0.03	0.03	1	33	-
4	West (3)	West	Small Greenfield	Greenfield	0.10	0.10	3	30	-
5	East (3)	East	Small Brownfield	Brownfield	0.10	0.10	3	30	-
6	Centre (3)	Central	Small Brownfield	Brownfield	0.10	0.10	3	30	-
7	Brownfield infill (5)	West	Small Brownfield	Brownfield	0.15	0.15	5	33	-
8	Small Brownfield (7)	Central	Small Brownfield	Brownfield	0.20	0.20	7	35	-
9	Small Greenfield infill (7)	East	Small Greenfield	Greenfield	0.20	0.20	7	35	-
10	Brownfield infill (10)	East	Small Brownfield	Brownfield	0.25	0.25	10	40	-
11	Small Greenfield (20)	Central	Small Greenfield	Greenfield	0.60	0.47	20	42	-
12	Brownfield (30)	East	Brownfield	Brownfield	1.00	0.76	30	39	-
13	Greenfield (75)	East	Small Greenfield	Greenfield	3.00	2.12	75	35	-
14	Large Brownfield (120)	Central	Brownfield	Brownfield	4.50	3.07	120	39	-
15	Urban extension (200)	East	Strategic site	Greenfield	8.75	5.73	200	35	-
16	Urban extension (500)	Central	Strategic site	Greenfield	22.00	13.38	500	37	-

Mix type — Assumed — Except for the CQ sites, unit size distribution is taken from the GL Herne Coventry and Warwickshire SHMA (Nov 2013), Tables 98 & 99.

		OM dwelling type (%)				AH dwelling type (%)			
		1-2 bed Flats	2 bed house	3 bed house	4+ bed house	1-2 bed Flats	2 bed house	3 bed house	4+ bed house
Ref	***Typology***	***5.00%***	***35.00%***	***40.00%***	***20.00%***	***17.5%***	***37.5%***	***37.5%***	***7.5%***
1	West (1)	0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%
2	East (1)	0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%
3	Centre (1)	0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%
4	West (3)	0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%
5	East (3)	0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%
6	Centre (3)	0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%
7	Brownfield infill (5)	0%	0.0%	0.0%	100%	0.0%	0.0%	0.0%	0.0%
8	Small Brownfield (7)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
9	Small Greenfield infill (7)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
10	Brownfield infill (10)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
11	Small Greenfield (20)	5.0%	35.0%	40.0%	20.0%	17.5%	37.5%	37.5%	7.5%
12	Brownfield (30)	5.0%	35.0%	40.0%	20.0%	17.5%	37.5%	37.5%	7.5%
13	Greenfield (75)	5.0%	35.0%	40.0%	20.0%	17.5%	37.5%	37.5%	7.5%
14	Large Brownfield (120)	5.0%	35.0%	40.0%	20.0%	17.5%	37.5%	37.5%	7.5%
15	Urban extension (200)	5.0%	35.0%	40.0%	20.0%	17.5%	37.5%	37.5%	7.5%
16	Urban extension (500)	5.0%	35.0%	40.0%	20.0%	17.5%	37.5%	37.5%	7.5%

Unit sizes	Industry standard	Residential floorspace is based upon industry standards of new build schemes. Two floor areas are displayed for flatted schemes: The Gross Internal Area (GIA) is used to calculate build costs and Net Internal Area (NIA) is applied to calculate the sales revenue. For the small housing sites (up to 5 units) larger dwellings are delivered in the borough, with medium and larger sites delivering more 'standard' unit sizes, we have		
		Private		
		Private sale	Flats (NIA)	55 sq m
		Private sale	Flats (GIA)	65 sq m
		Private sale	2 bed house	70 sq.m
		Private sale	3 bed house	80 sq.m
		Private sale	4+ bed house	120 sq m
		Affordable units		
		Social rent	Flats (NIA)	55 sq m
		Social rent	Flats (GIA)	65 sq m
		Social rent	2 bed house	70 sq.m
		Social rent	3 bed house	80 sq m
		Social rent	4+ bed house	120 sq m
		Affordable rent	Flats (NIA)	55 sq m
		Affordable rent	Flats (GIA)	65 sq m
		Affordable rent	2 bed house	70 sq m
		Affordable rent	3 bed house	80 sq m
		Affordable rent	4+ bed house	120 sq m
		Intermediate	Flats (NIA)	55 sq m
		Intermediate	Flats (GIA)	65 sq m
		Intermediate	2 bed house	70 sq m
		Intermediate	3 bed house	80 sq m
		Intermediate	4+ bed house	120 sq m

Residential scenarios	Council policy	The Council targets an affordable housing rate of 35% on schemes of 5 dwellings or more. The policy also states an overall balance of 60% social rent, 20% affordable rent and 20% for intermediate affordable tenures.								
			Threshold	10 Units						
					Type		**Affordable tenure split**			
					Private	**Affordable**	**Social rent**	**fordable rent**	**Intermediate**	
		Ref	***Typology***		***65%***	***35%***	***20%***	***60%***	***20%***	
		1	West (1)	1 Units	100%	0%	20%	60%	20%	
		2	East (1)	1 Units	100%	0%	20%	60%	20%	
		3	Centre (1)	1 Units	100%	0%	20%	60%	20%	
		4	West (3)	3 Units	100%	0%	20%	60%	20%	
		5	East (3)	3 Units	100%	0%	20%	60%	20%	
		6	Centre (3)	3 Units	100%	0%	20%	60%	20%	
		7	Brownfield infill (5)	5 Units	100%	0%	20%	60%	20%	
		8	Small Brownfield (7)	7 Units	100%	0%	20%	60%	20%	
		9	Small Greenfield infill (7)	7 Units	100%	0%	20%	60%	20%	
		10	Brownfield infill (10)	10 Units	100%	0%	20%	60%	20%	
		11	Small Greenfield (20)	20 Units	65%	35%	20%	60%	20%	
		12	Brownfield (30)	30 Units	65%	35%	20%	60%	20%	
		13	Greenfield (75)	75 Units	65%	35%	20%	60%	20%	
		14	Large Brownfield (120)	120 Units	65%	35%	20%	60%	20%	
		15	Urban extension (200)	200 Units	65%	35%	20%	60%	20%	
		16	Urban extension (500)	500 Units	65%	35%	20%	60%	20%	
		17	Urban extension (2000)	2,000 Units	65%	35%	20%	60%	20%	
		18	Long Marston Airfield (SS)	2,100 Units	65%	35%	20%	60%	20%	
		19	South East Stratford (SS)	2,500 Units	65%	35%	20%	60%	20%	
		20	Gaydon-Lighthorne Heath (SS)	2,500 Units	65%	35%	20%	60%	20%	
		21	Stoneythorpe (SS)	800 Units	65%	35%	20%	60%	20%	
		22	Southam (SS)	2,000 Units	65%	35%	20%	60%	20%	
		23	CQ Area 1a: Masons Road	183 Units	65%	35%	20%	60%	20%	
		24	CQ Area 1b: Masons Road	131 Units	65%	35%	20%	60%	20%	
		25	CQ Area 2: Timothy's Bridge Road	267 Units	65%	35%	20%	60%	20%	

Policy costs			**Apply?**		
		CSH Level 4	**Yes**	2.5% build cost	
		Lifetime homes + BR2013	**Yes**	£953 per unit	**Calculate**

Assumption	Source	Notes
Construction Costs		
Build costs	BCIS Quarterly Review of Building Prices online version accessed March 2014. Prices rebased to the district.	Residential build costs are based upon industry data from the Build Cost Information Service (BCIS) which is published by the Royal Institution of Chartered Surveyors (RICS). The data is published by RICS on a quarterly basis. BCIS offers a range of prices dependent on the final specification. The following median build costs used are derived from recent data of actual prices in the marketplace. As early as 2009, the market across the UK was building at round Code for Sustainable Homes Level 3 for private and Level 4 for affordable housing.
		Small housebuilder < 4 dwgs / Large house builder
		Private
		Flats – Small housebuilder £993; Large house builder £993 sqm
		Houses (general estate) – Small housebuilder £1,257; Large house builder £891 sqm
		Affordable
		Flats – Small housebuilder £993; Large house builder £993 sqm
		Houses (general estate) – Small housebuilder £1,257; Large house builder £891 sqm
		Costs may alter in future. In particular, there will be national policy change regarding housing standards that will limit the use of setting targets for CfSH. The arrival on new Building Regulations Part L in April 2014 on tightening of carbon standards is estimated to add about £450 in costs per home above the 2010 Building Regulation standards (this is based on the Government's Regulatory Impact Assessment findings). The final effect of these changes on viability is difficult to foresee at the current time. A review of current Government research on cost impacts of changes in building regulations and CfSH suggests that past forecasts of price changes (such as that predicted in the original Cyril Sweet work (2010)) have never affected costs to the extent forecast. When these future requirements come into force, they will impact on both development costs and land values, normally with one cancelling the other out. The PBA work has not incorporated these possible impacts into the viability testing because the appraisal is based on current market conditions and not forecasts of potential future change. The
Plot external	Industry standards	Plot externals relate to costs for internal access roads, hard and soft landscaping. This will vary from site to site, but we have allowed for this at the following rate: 10% Build cost
Site abnormals		Developing greenfield, brownfield and mixed sites represent different risk and costs. These costs can vary significantly depending on the site's specific **Land type** Brownfield £200,000 per net ha Mixed £100,000 per net ha Greenfield £0 per net ha
Opening up costs (generic sites)	Infrastructure study	Opening up costs typically account for strategic infrastructure and S106 costs - local highway improvements, drainage, strategic landscaping, PoS, education/ community facilities, etc. This is treated as an add on to the adopted benchmark land value so that the benchmark land value is sufficiently below the market rate for clean residential land. Generally, SI costs including S.106 costs - vary between £500k and £800k/ha increasing as schemes get bigger (say 500 - 10,000 units), which should fall within the difference between the benchmark land value and the clean residential land value. Since some strategic infrastructure will be paid for seperately through CIL charges, the following assumptions are used based on the site area (NB: the estimate for the Dwgs Generic sites < 200 £5,000 per unit Generic sites < 500 £10,000 per unit Generic sites >= 500 £18,000 per unit
Professional fees	Industry standards	Professional fees relate to the costs incurred to bring the development forward and cover items such as; surveys, architects, quantity surveyors, etc. 12% Build cost
Contingency	Industry standards	Contingency is based upon the risk associated with each site and has been calculated as a percentage of build costs at 5% Build cost
Sale costs	Industry standards	Sale costs relate to the costs incurred for disposing the completed residential units, including legal, agents and marketing fees. These are based on industry accepted scales at the following rates: 3% Gross Development Value
Finance costs	Industry standards	When testing for development viability it is common practice to assume development is 100% debt financed (Viability Testing Local Plans - Advice for planning practitioners and RICS Financial viability in planning guidance note GN94/2012. Within our cashflow we used a finance rate based upon market rates of interest as follows: 7% Development costs
Professional fees on land purchase	Industry standards	In addition to SDLT the purchaser of land will incur professional fees relating to the purchase. Fees associated with the land purchase are based upon the following industry standards: Surveyor - 1.00% Legals - 0.75%
Stamp duty on land purchase	HMRC	Stamp Duty Land Tax (SDLT) is generally payable on the purchase or transfer of property or land in the UK where the amount paid is above a certain threshold. The SDLT rates are by Treasury, the following rates current rates have been applied: <= £150,000 0.00% > £150,000 1.00% > £250,000 3.00% > £500,000 4.00%

Profit		
Developer's return	Industry standards	A developer's return is based upon their attitude to risk. A developer's attitude to risk will depend on many factors that include but not exclusive to, development type (e.g. Greenfield, Brownfield, refurbishment, new build etc), development proposal (uses, mix and quantum), credit worthiness of developer, and current market conditions. The Harmen Report states that "residential developer margin expressed as a percentage of GDV - should be the default methodology" and E.2.3.8.1 of the RICS Financial viability in planning report states "The residential sector seeks a return on the GDV". We have applied a rate that is acceptable to both developers and financial institutions in the current market. The developer return is a Gross Margin and therefore includes overheads. The developer return is calculated as a percentage of Gross Development Value at the following rate: Developer return on market housing — 20% Gross development value Return on affordable housing — 6% Gross development value A lower margin has been applied to the affordable units as these represent less development risk as the end user is known at point of construction. This approach is also typical with industry standards. The Homes and Community Agency (HCA) state 'Conventional practice is to allow for developer's margin at a lower rate for affordable housing developed as part of a Section 106 agreement, as the risks are low relative to development of open market housing. The user manual for the Economic Appraisal Tool states that a typical figure may be in the region of 6% of affordable housing value on a nil grant basis'.
Revenue		
Sales value of completed scheme	Land Registry/Rightmove Brochures	Property values are derived from different sources, depending on land use. For housing, Land Registry and Rightmove data forms a basis for analysis. This provides a full record of all individual transactions. Values used are as

		House	Flats
Private sale	West	£2,650	£2,143 sqm
Private sale	East	£2,850	£2,143 sqm
Private sale	Central	£3,250	£2,143 sqm

Affordable housing (Section 106)	Industry standards	The current percentage requirement for affordable housing is X% on sites with X+ new dwellings. The impact of residential tenure can affect the impact of this policy, and we have assumed a blended average of intermediate and affordable rented accommodation as follows:

Transfer value		***45%***	
Social rent	West	£1,193	£964 sqm
Social rent	East	£1,283	£964 sqm
Social rent	Central	£1,463	£964 sqm
Transfer value		***55%***	
Affordable rent	West	£1,458	£1,179 sqm
Affordable rent	East	£1,568	£1,179 sqm
Affordable rent	Central	£1,788	£1,179 sqm
Transfer value		***65%***	
Intermediate	West	£1,723	£1,393 sqm
Intermediate	East	£1,853	£1,393 sqm
Intermediate	Central	£2,113	£1,393 sqm

Time-scales		
Build rate units/per annum	Industry standards	House builders typical build to sale. Therefore build rates are determined by market conditions of how many units can be sold on a monthly basis as developers do not want to be holding onto stock as this impacts their cashflow.

Construction Start	Building growth rate	Sales delay (days)
	0.65	187

Benchmark land value per ha		
Residential land values	Land Registry & UK Land Directory website	It is important to appreciate that assumptions on benchmark land values can only be broad approximations, subject to a wide margin of uncertainty. We take account of this uncertainty in drawing conclusions and recommendations from our analysis. We have examined a cross section of residential land comparables across Swale. These comparable recent transactions generally relate to urban, brownfield sites, which were fully serviced with roads and major utilities to the site boundary. In collecting evidence on residential land values, we aimed to distinguish between sites that deliver flats and housing sites - this is due to development densities, and sites values that might reflect extra costs for opening up and planning permission from those which are clean residential sites. The figure we use reflect a fairly clean residential site (although it may not yet be permitted) We would expect that land values for smaller sites with less than 10 dwellings to be higher because of being under the affordable housing threshold. This approach is in line with the Harman report which advises authorities to work on the basis of future policy and its effects on land values.

Residential values	Small Brownfield	£1,200,000 per ha	£384,460
Residential values	Small Greenfield	£1,100,000 per ha	
Residential values	Brownfield	£950,000 per ha	
Residential values	Strategic site	£600,000 per ha	

Appendix B Viability appraisals

1. Appraisals are presented for the following residential typoligies tested under Scenario 1:

Ref	Typology	Settlement	Land type
1	West (1)	West	Small Greenfield
2	East (1)	East	Small Greenfield
3	Centre (1)	Central	Small Greenfield
4	West (3)	West	Small Greenfield
5	East (3)	East	Small Brownfield
6	Centre (3)	Central	Small Brownfield
7	Brownfield infill (5)	West	Small Brownfield
8	Small Brownfield (7)	Central	Small Brownfield
9	Small Greenfield infill (7)	East	Small Greenfield
10	Brownfield infill (10)	East	Small Brownfield
11	Small Greenfield (20)	Central	Small Greenfield
12	Brownfield (30)	East	Brownfield
13	Greenfield (75)	East	Small Greenfield
14	Large Brownfield (120)	Central	Brownfield
15	Urban extension (200)	East	Strategic site
16	Urban extension (500)	Central	Strategic site
20	Gaydon-Lighthorne Heath (SS)	Central	Strategic site
26	CQ Areas 1 & 2	Central	Brownfield

2. Appraisals are also presented for the following non-residential uses:

- Retail Superstore 3,500 sq.m
- Retail Supermarket 1,100 sq.m
- Retail 10,000 sq.m Warehouse (approx 6 units)
- Retail 1,000 sq.m Town Centre
- Retail Small Convenience - Village settlement
- Retail Small Comparison - Village settlement
- Urban extension 6,000 sq.m of mixed retail units
- Office 800sq.m Town Centre
- Office 200 sq.m Business Park
- Industrial 1500 sq.m B2 Edge of Town
- Industrial 5000 sq.m B2 Edge of Town
- Industrial 5000 sq.m B8 Storage / Distribution Edge of Town
- Budget Hotel - 2000 sq.m (60 Bedrooms) - Edge of Town
- Mixed Leisure Scheme 8,000 sq.m - Cinema/bowling
- Health and Fitness - 4,000 sq.m - Edge of town
- Residential Care Home - 1,900 sq.m (40 bedrooms) - Edge of Town
- Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Edge of town
- Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Greenfield
- Assisted Living with affordable housing - 4,500 sq.m (50 units) - Greenfield
- Health and Fitness - 4,000 sq.m - Edge of town

West (1)	West	1	Units	SCENARIO 1 APPRAISAL SHEET

ITEM

			Residual Value		Technical Checks:	
Net Site Area	0.03	Greenfield	£1,117,260	per net ha	Sqm/ha	4,000
					Units/pa	1
					Dwgs/ha	33
					GDV=Total costs	-

	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	1	1.00	0.00	0.00	0.00	0.00

1.0	Development Value						
1.1	Private units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£2,650	£0
		3 bed house	0.00	80	0	£2,650	£0
		4+ bed house	1.00	120	120	£2,650	£318,000
			1.0		120		
1.2	Social rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,193	£0
		3 bed house	0.00	80	0	£1,193	£0
		4+ bed house	0.00	120	0	£1,193	£0
			-		-		
1.3	Affordable rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,458	£0
		3 bed house	0.00	80	0	£1,458	£0
		4+ bed house	0.00	120	0	£1,458	£0
			-		-		
1.3	Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£1,723	£0
		3 bed house	0.00	80	0	£1,723	£0
		4+ bed house	0.00	120	0	£1,723	£0
			-		-		
	Gross Development value						£318,000

2.0	Development Cost						
2.1	Site Acquisition						
2.1.1	Site value (residual land value)						£33,518
					Purchaser Costs		1.7500%
							34,104
2.3	Build Costs						
2.3.1	Private units		No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0
		3 bed house	0.00	80	0	£1,257	£0
		4+ bed house	1.00	120	120	£1,257	£150,840
			1		120		
2.3.2	Affordable units		No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
		Flats (GIA)	0.00	65	0	£993	£0
		2 bed house	0.00	70	0	£1,257	£0
		3 bed house	0.00	80	0	£1,257	£0
		4+ bed house	0.00	120	0	£1,257	£0
			-		-		
			1.00				£150,840

2.4	Construction Costs			
2.4.1	External works as a percentage of build costs	10%		£15,084
2.4.2	Site abnormals (remediation/demolition)	£0	per net ha	£0
2.4.2	Site opening up costs	£5,000	per unit	£5,000
				£20,084
2.5	Professional Fees			
2.5.1	as percentage of build costs	12%		£18,101
				£18,101
2.6	Contingency			
2.6.1	as percentage of build costs	5%		£7,542
				£7,542
2.7	Developer contributions			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£3,771
2.7.5	Lifetime homes + BR2013	£953	per unit	£953
2.7.6	-	£0	-	
				£4,724
2.8	Sale cost			
2.8.1	as percentage of GDV	3%		£9,540
				£9,540
	TOTAL DEVELOPMENT COSTS (including land)			£244,935
3.0	Developers' Profit			
3.1	Private units	20%	Gross development value	£63,600
3.2	Affordable units	6%	Gross development value	£0
				£63,600
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£308,535
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£9,465
4.0	Finance Costs			
4.1	Finance	APR 7%	PCM 0.565%	-£9,465
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£318,000

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East (1)	East	1 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.03	Greenfield	Residual Value: £1,691,192 per net ha	

Technical Checks:

Sqm/ha	4,000
Units/pa	1
Dwgs/ha	33
GDV=Total costs	-

	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	1	1.00	0.00	0.00	0.00	0.00

1.0	Development Value						
1.1	Private units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£2,143	£0.00
		2 bed house	0.00	70	0	£2,850	£0
		3 bed house	0.00	80	0	£2,850	£0
		4+ bed house	1.00	120	120	£2,850	£342,000
			1.0		120		
1.2	Social rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,283	£0
		3 bed house	0.00	80	0	£1,283	£0
		4+ bed house	0.00	120	0	£1,283	£0
			-		-		
1.3	Affordable rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,568	£0
		3 bed house	0.00	80	0	£1,568	£0
		4+ bed house	0.00	120	0	£1,568	£0
			-		-		
1.3	Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£1,853	£0
		3 bed house	0.00	80	0	£1,853	£0
		4+ bed house	0.00	120	0	£1,853	£0
			-		-		
	Gross Development value						£342,000

2.0	Development Cost						
2.1	Site Acquisition						
2.1.1	Site value (residual land value)						£50,736
					Purchaser Costs		1.75%
							51,624
2.3	Build Costs						
2.3.1	Private units		No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0
		3 bed house	0.00	80	0	£1,257	£0
		4+ bed house	1.00	120	120	£1,257	£150,840
			1		120		
2.3.2	Affordable units		No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
		Flats (GIA)	0.00	65	0	£993	£0
		2 bed house	0.00	70	0	£1,257	£0
		3 bed house	0.00	80	0	£1,257	£0
		4+ bed house	0.00	120	0	£1,257	£0
			-		-		
			1.00				£150,840

2.4	**Construction Costs**			
2.4.1	External works as a percentage of build costs	10%		£15,084
2.4.2	Site abnormals (remediation/demolition)	£0	per net ha	£0
2.4.2	Site opening up costs	£5,000	per unit	£5,000
				£20,084
2.5	**Professional Fees**			
2.5.1	as percentage of build costs	12%		£18,101
				£18,101
2.6	**Contingency**			
2.6.1	as percentage of build costs	5%		£7,542
				£7,542
2.7	**Developer contributions**			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£3,771
2.7.5	Lifetime homes + BR2013	£953	per unit	£953
2.7.6	-	£0	-	
				£4,724
2.8	**Sale cost**			
2.8.1	as percentage of GDV	3%		£10,260
				£10,260
	TOTAL DEVELOPMENT COSTS (including land)			£263,174
3.0	**Developers' Profit**			
3.1	Private units	20%	Gross development value	£68,400
3.2	Affordable units	6%	Gross development value	£0
				£68,400
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£331,574
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£10,426
4.0	**Finance Costs**			
4.1	Finance	APR 7%	PCM 0.565%	-£10,426
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£342,000

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Centre (1)	Central	1 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.03	Greenfield	Residual Value	£2,839,057 per net ha		
	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	1	1.00	0.00	0.00	0.00	0.00

Technical Checks:	
Sqm/ha	4,000
Units/pa	1
Dwgs/ha	33
GDV=Total costs	-

1.0	**Development Value**						
1.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£3,250	£0
		3 bed house	0.00	80	0	£3,250	£0
		4+ bed house	1.00	120	120	£3,250	£390,000
			1.0		120		
1.2	**Social rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,463	£0
		3 bed house	0.00	80	0	£1,463	£0
		4+ bed house	0.00	120	0	£1,463	£0
			-		-		
1.3	**Affordable rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,788	£0
		3 bed house	0.00	80	0	£1,788	£0
		4+ bed house	0.00	120	0	£1,788	£0
			-		-		
1.3	**Intermediate**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£2,113	£0
		3 bed house	0.00	80	0	£2,113	£0
		4+ bed house	0.00	120	0	£2,113	£0
			-		-		
	Gross Development value						**£390,000**
2.0	**Development Cost**						
2.1	**Site Acquisition**						
2.1.1	Site value (residual land value)						£85,172
					Purchaser Costs		1.75%
							86,662
2.3	**Build Costs**						
2.3.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.00	65	0	£993	£0
		2 bed house	0.00	70	0	£1,257	£0
		3 bed house	0.00	80	0	£1,257	£0
		4+ bed house	1.00	120	120	£1,257	£150,840
			1		120		
2.3.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.00	65	0	£993	£0
		2 bed house	0.00	70	0	£1,257	£0
		3 bed house	0.00	80	0	£1,257	£0
		4+ bed house	0.00	120	0	£1,257	£0
			-		-		
			1.00				**£150,840**
2.4	**Construction Costs**						
2.4.1	External works as a percentage of build costs			10%			£15,084.00
2.4.2	Site abnormals (remediation/demolition)			£0	per net ha		£0
2.4.2	Site opening up costs			£5,000	per unit		£5,000
							£20,084
2.5	**Professional Fees**						
2.5.1	as percentage of build costs			12%			£18,101
							£18,101
2.6	**Contingency**						
2.6.1	as percentage of build costs			5%			£7,542
							£7,542
2.7	**Developer contributions**						
2.7.1	CIL			£0	per unit		£0
2.7.2	Affordable housing contribution			£0	per unit		£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)			2.5%	build cost		£3,771
2.7.5	Lifetime homes + BR2013			£953	per unit		£953
2.7.6	-			£0	-		
							£4,724
2.8	**Sale cost**						
2.8.1	as percentage of GDV			3%			£11,700
							£11,700
	TOTAL DEVELOPMENT COSTS (including land)						**£299,653**
3.0	**Developers' Profit**						
3.1	Private units			20%	Gross development value		£78,000
3.2	Affordable units			6%	Gross development value		£0
							£78,000
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£377,653**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£12,347
4.0	**Finance Costs**						
4.1	Finance			APR 7%		PCM 0.565%	-£12,347
	TOTAL PROJECT COSTS [INCLUDING INTEREST]						**£390,000**

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West (3)	West	3 Units	SCENARIO 1 APPRAISAL SHEET				
ITEM							
			Residual Value			Technical Checks:	
Net Site Area	0.10 Greenfield		£1,021,389 per net ha			Sqm/ha	3,600
						Units/pa	3
						Dwgs/ha	30
	Units / Private / Affordable		Social rent / Intermediate r / Shared ownership			GDV=Total costs	-
Yield	3 / 3.00 / 0.00		0.00 / 0.00 / 0.00				
1.0	**Development Value**						
1.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£2,650	£0
		3 bed house	0.00	80	0	£2,650	£0
		4+ bed house	3.00	120	360	£2,650	£954,000
			3.0		360		
1.2	**Social rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,193	£0
		3 bed house	0.00	80	0	£1,193	£0
		4+ bed house	0.00	120	0	£1,193	£0
			-		-		
1.3	**Affordable rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,458	£0
		3 bed house	0.00	80	0	£1,458	£0
		4+ bed house	0.00	120	0	£1,458	£0
			-		-		
1.3	**Intermediate**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£1,723	£0
		3 bed house	0.00	80	0	£1,723	£0
		4+ bed house	0.00	120	0	£1,723	£0
			-		-		
	Gross Development value						**£954,000**
2.0	**Development Cost**						
2.1	**Site Acquisition**						
2.1.1	Site value (residual land value)						£102,139
					Purchaser Costs		1.75%
							103,926
2.3	**Build Costs**						
2.3.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	3.00	120	360	£1,257	£452,520.00
			3		360		
2.3.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	0.00	120	0	£1,257	£0.00
			-		-		
			3.00				**£452,520**
2.4	**Construction Costs**						
2.4.1	External works as a percentage of build costs			10%			£45,252.00
2.4.2	Site abnormals (remediation/demolition)			£0	per net ha		£0
2.4.2	Site opening up costs			£5,000	per unit		£15,000
							£60,252
2.5	**Professional Fees**						
2.5.1	as percentage of build costs			12%			£54,302
							£54,302
2.6	**Contingency**						
2.6.1	as percentage of build costs			5%			£22,626
							£22,626
2.7	**Developer contributions**						
2.7.1	CIL			£0	per unit		£0
2.7.2	Affordable housing contribution			£0	per unit		£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)			2.5%	build cost		£11,313
2.7.5	Lifetime homes + BR2013			£953	per unit		£2,859
2.7.6	-			£0	-		
							£14,172
2.8	**Sale cost**						
2.8.1	as percentage of GDV			3%			£28,620
							£28,620
	TOTAL DEVELOPMENT COSTS (including land)						**£736,419**
3.0	**Developers' Profit**						
3.1	Private units			20%	Gross development value		£190,800
3.2	Affordable units			6%	Gross development value		£0
							£190,800
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£927,219**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£26,781
4.0	**Finance Costs**						
				APR		PCM	
4.1	Finance			7%		0.565%	-£26,781
	TOTAL PROJECT COSTS [INCLUDING INTEREST]						**£954,000**

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East (3)	East	3 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.10	Brownfield		Residual Value £1,341,377 per net ha			
	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership	
Yield	3	3.00	0.00	0.00	0.00	0.00	

Technical Checks:

Sqm/ha	3,600
Units/pa	3
Dwgs/ha	30
GDV=Total costs	-

1.0	**Development Value**						
1.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£2,850	£0
		3 bed house	0.00	80	0	£2,850	£0
		4+ bed house	3.00	120	360	£2,850	£1,026,000
			3.0		360		
1.2	**Social rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,283	£0
		3 bed house	0.00	80	0	£1,283	£0
		4+ bed house	0.00	120	0	£1,283	£0
			-		-		
1.3	**Affordable rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,568	£0
		3 bed house	0.00	80	0	£1,568	£0
		4+ bed house	0.00	120	0	£1,568	£0
			-		-		
1.3	**Intermediate**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£1,853	£0
		3 bed house	0.00	80	0	£1,853	£0
		4+ bed house	0.00	120	0	£1,853	£0
			-		-		
	Gross Development value						**£1,026,000**
2.0	**Development Cost**						
2.1	**Site Acquisition**						
2.1.1	Site value (residual land value)						£134,138
					Purchaser Costs		1.75%
							136,485
2.3	**Build Costs**						
2.3.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	3.00	120	360	£1,257	£452,520.00
			3		360		
2.3.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	0.00	120	0	£1,257	£0.00
			-		-		
			3.00				**£452,520**
2.4	**Construction Costs**						
2.4.1	External works as a percentage of build costs			10%			£45,252.00
2.4.2	Site abnormals (remediation/demolition)			£200,000	per net ha		£20,000
2.4.2	Site opening up costs			£5,000	per unit		£15,000
							£80,252
2.5	**Professional Fees**						
2.5.1	as percentage of build costs			12%			£54,302
							£54,302
2.6	**Contingency**						
2.6.1	as percentage of build costs			5%			£22,626
							£22,626
2.7	**Developer contributions**						
2.7.1	CIL			£0	per unit		£0
2.7.2	Affordable housing contribution			£0	per unit		£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)			2.5%	build cost		£11,313
2.7.5	Lifetime homes + BR2013			£953	per unit		£2,859
2.7.6	-			£0	-		
							£14,172
2.8	**Sale cost**						
2.8.1	as percentage of GDV			3%			£30,780
							£30,780
	TOTAL DEVELOPMENT COSTS (including land)						**£791,138**
3.0	**Developers' Profit**						
3.1	Private units			20%	Gross development value		£205,200
3.2	Affordable units			6%	Gross development value		£0
							£205,200
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£996,338**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£29,662
4.0	**Finance Costs**						
4.1	Finance			APR 7%		PCM 0.565%	-£29,662
	TOTAL PROJECT COSTS [INCLUDING INTEREST]						**£1,026,000**

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Centre (3)	Central	3 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.10	**Brownfield**		**Residual Value** £2,351,365 **per net ha**			
	Units	**Private**	**Affordable**	**Social rent**	**Intermediate r**	**Shared ownership**	
Yield	3	3.00	0.00	0.00	0.00	0.00	

Technical Checks:	
Sqm/ha	3,600
Units/pa	3
Dwgs/ha	30
GDV=Total costs	-

1.0 Development Value

			No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	**Private units**	Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£3,250	£0
		3 bed house	0.00	80	0	£3,250	£0
		4+ bed house	3.00	120	360	£3,250	£1,170,000
			3.0		360		
1.2	**Social rent**	Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,463	£0
		3 bed house	0.00	80	0	£1,463	£0
		4+ bed house	0.00	120	0	£1,463	£0
			-		-		
1.3	**Affordable rent**	Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,788	£0
		3 bed house	0.00	80	0	£1,788	£0
		4+ bed house	0.00	120	0	£1,788	£0
			-		-		
1.3	**Intermediate**	Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£2,113	£0
		3 bed house	0.00	80	0	£2,113	£0
		4+ bed house	0.00	120	0	£2,113	£0
			-		-		
	Gross Development value						**£1,170,000**

2.0 Development Cost

2.1 Site Acquisition

2.1.1	Site value (residual land value)		£235,137
		Purchaser Costs	2.75%
			241,603

2.3 Build Costs

			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	**Private units**	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	3.00	120	360	£1,257	£452,520.00
			3		360		
2.3.2	**Affordable units**	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	0.00	120	0	£1,257	£0.00
			-		-		
			3.00				**£452,520**

2.4	**Construction Costs**				
2.4.1	External works as a percentage of build costs	10%			£45,252.00
2.4.2	Site abnormals (remediation/demolition)	£200,000	per net ha		£20,000
2.4.2	Site opening up costs	£5,000	per unit		£15,000
					£80,252
2.5	**Professional Fees**				
2.5.1	as percentage of build costs	12%			£54,302
					£54,302
2.6	**Contingency**				
2.6.1	as percentage of build costs	5%			£22,626
					£22,626
2.7	**Developer contributions**				
2.7.1	CIL	£0	per unit		£0
2.7.2	Affordable housing contribution	£0	per unit		£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost		£11,313
2.7.5	Lifetime homes + BR2013	£953	per unit		£2,859
2.7.6	-	£0	-		
					£14,172
2.8	**Sale cost**				
2.8.1	as percentage of GDV	3%			£35,100
					£35,100
	TOTAL DEVELOPMENT COSTS (including land)				**£900,575**
3.0	**Developers' Profit**				
3.1	Private units	20%	Gross development value		£234,000
3.2	Affordable units	6%	Gross development value		£0
					£234,000
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]				**£1,134,575**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				£35,425
4.0	**Finance Costs**				
		APR		PCM	
4.1	Finance	7%		0.565%	-£35,425
	TOTAL PROJECT COSTS [INCLUDING INTEREST]				**£1,170,000**

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Brownfield infill (5)	West	5	Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.15	Brownfield		Residual Value £459,338	per net ha		
	Units	Private	Affordable	Social rent	Intermediate ren	Shared ownership	
Yield	5	3.25	1.75	1.05	0.35	0.35	

Technical Checks:	
Sqm/ha	2,600
Units/pa	4
Dwgs/ha	33
GDV=Total costs	-

1.0 Development Value

			No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units	Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£2,650	£0
		3 bed house	0.00	80	0	£2,650	£0
		4+ bed house	3.25	120	390	£2,650	£1,033,500
			3.3		390		
1.2	Social rent	Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,193	£0
		3 bed house	0.00	80	0	£1,193	£0
		4+ bed house	0.00	120	0	£1,193	£0
			-		-		
1.3	Affordable rent	Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,458	£0
		3 bed house	0.00	80	0	£1,458	£0
		4+ bed house	0.00	120	0	£1,458	£0
			-		-		
1.3	Intermediate	Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£1,723	£0
		3 bed house	0.00	80	0	£1,723	£0
		4+ bed house	0.00	120	0	£1,723	£0
			-		-		
	Gross Development value						**£1,033,500**

2.0 Development Cost

2.1	**Site Acquisition**			
2.1.1	Site value (residual land value)			£68,901
		Purchaser Costs		1.75%
				70,106

2.3 Build Costs

			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	3.25	120	390	£1,257	£490,230.00
			3		390		
2.3.2	Affordable units	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	0.00	120	0	£1,257	£0.00
			-		-		
			3.25				**£490,230**

2.4	**Construction Costs**			
2.4.1	External works as a percentage of build costs	10%		£49,023.00
2.4.2	Site abnormals (remediation/demolition)	£200,000	per net ha	£30,000
2.4.2	Site opening up costs	£5,000	per unit	£25,000
				£104,023
2.5	**Professional Fees**			
2.5.1	as percentage of build costs	12%		£58,828
				£58,828
2.6	**Contingency**			
2.6.1	as percentage of build costs	5%		£24,512
				£24,512
2.7	**Developer contributions**			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£12,256
2.7.5	Lifetime homes + BR2013	£953	per unit	£4,765
2.7.6	-	£0	-	
				£17,021
2.8	**Sale cost**			
2.8.1	as percentage of GDV	3%		£31,005
				£31,005
	TOTAL DEVELOPMENT COSTS (including land)			**£795,724**
3.0	**Developers' Profit**			
3.1	Private units	20%	Gross development value	£206,700
3.2	Affordable units	6%	Gross development value	£0
				£206,700
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			**£1,002,424**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£31,076
4.0	**Finance Costs**			
4.1	Finance	APR 7%	PCM 0.565%	-£31,076
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			**£1,033,500**

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Small Brownfield (7)	Central	7	Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.20	Brownfield	Residual Value £1,628,000	per net ha		
	Units	Private	Affordable	Social rent	Intermediate re	Shared ownership
Yield	7	4.55	2.45	1.47	0.49	0.49

Technical Checks:	
Sqm/ha	2,730
Units/pa	6
Dwgs/ha	35
GDV=Total costs	-

1.0	Development Value						
1.1	Private units		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£3,250	£0
		3 bed house	0.00	80	0	£3,250	£0
		4+ bed house	4.55	120	546	£3,250	£1,774,500
			4.6		546		
1.2	Social rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,463	£0
		3 bed house	0.00	80	0	£1,463	£0
		4+ bed house	0.00	120	0	£1,463	£0
			-		-		
1.3	Affordable rent		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,788	£0
		3 bed house	0.00	80	0	£1,788	£0
		4+ bed house	0.00	120	0	£1,788	£0
			-		-		
1.3	Intermediate		No. of units	Size sq.m	Total sq.m	£psm	Total Value
		Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£2,113	£0
		3 bed house	0.00	80	0	£2,113	£0
		4+ bed house	0.00	120	0	£2,113	£0
			-		-		
	Gross Development value						£1,774,500

2.0	Development Cost						
2.1	Site Acquisition						
2.1.1	Site value (residual land value)						£325,600
					Purchaser Costs		4.75%
							341,066
2.3	Build Costs						
2.3.1	Private units		No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	4.55	120	546	£1,257	£686,322.00
			5		546		
2.3.2	Affordable units		No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
		Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	0.00	120	0	£1,257	£0.00
			-		-		
			4.55				£686,322

2.4	Construction Costs			
2.4.1	External works as a percentage of build costs	10%		£68,632.20
2.4.2	Site abnormals (remediation/demolition)	£200,000	per net ha	£40,000
2.4.2	Site opening up costs	£5,000	per unit	£35,000
				£143,632
2.5	Professional Fees			
2.5.1	as percentage of build costs	12%		£82,359
				£82,359
2.6	Contingency			
2.6.1	as percentage of build costs	5%		£34,316
				£34,316
2.7	Developer contributions			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£17,158
2.7.5	Lifetime homes + BR2013	£953	per unit	£6,671
2.7.6	-	£0	-	
				£23,829
2.8	Sale cost			
2.8.1	as percentage of GDV	3%		£53,235
				£53,235
	TOTAL DEVELOPMENT COSTS (including land)			£1,364,759
3.0	Developers' Profit			
3.1	Private units	20%	Gross development value	£354,900.00
3.2	Affordable units	6%	Gross development value	£0.00
				£354,900
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£1,719,659
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£54,841
4.0	Finance Costs			
4.1	Finance	APR 7%	PCM 0.565%	-£54,841
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£1,774,500

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Small Greenfield infill (7)	East	7 Units	SCENARIO 1 APPRAISAL SHEET

ITEM						
Net Site Area	0.20	Greenfield	Residual Value £1,080,683 per net ha			
	Units	Private	Affordable	Social rent	Intermediate ren	Shared ownership
Yield	7	4.55	2.45	1.47	0.49	0.49

Technical Checks:	
Sqm/ha	2,730
Units/pa	6
Dwgs/ha	35
GDV=Total costs	-

1.0 Development Value

			No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units	Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£2,850	£0
		3 bed house	0.00	80	0	£2,850	£0
		4+ bed house	4.55	120	546	£2,850	£1,556,100
			4.6		546		
1.2	Social rent	Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,283	£0
		3 bed house	0.00	80	0	£1,283	£0
		4+ bed house	0.00	120	0	£1,283	£0
			-		-		
1.3	Affordable rent	Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,568	£0
		3 bed house	0.00	80	0	£1,568	£0
		4+ bed house	0.00	120	0	£1,568	£0
			-		-		
1.3	Intermediate	Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£1,853	£0
		3 bed house	0.00	80	0	£1,853	£0
		4+ bed house	0.00	120	0	£1,853	£0
			-		-		
	Gross Development value						£1,556,100

2.0 Development Cost

2.1	Site Acquisition		
2.1.1	Site value (residual land value)		£216,137
		Purchaser Costs	2.75%
			222,080

2.3 Build Costs

			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	4.55	120	546	£1,257	£686,322.00
			5		546		
2.3.2	Affordable units	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	0.00	120	0	£1,257	£0.00
			-		-		
			4.55				£686,322

2.4	Construction Costs			
2.4.1	External works as a percentage of build costs	10%		£68,632.20
2.4.2	Site abnormals (remediation/demolition)	£0	per net ha	£0
2.4.2	Site opening up costs	£5,000	per unit	£35,000
				£103,632
2.5	Professional Fees			
2.5.1	as percentage of build costs	12%		£82,359
				£82,359
2.6	Contingency			
2.6.1	as percentage of build costs	5%		£34,316
				£34,316
2.7	Developer contributions			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£17,158
2.7.5	Lifetime homes + BR2013	£953	per unit	£6,671
2.7.6	-	£0	-	
				£23,829
2.8	Sale cost			
2.8.1	as percentage of GDV	3%		£46,683
				£46,683
	TOTAL DEVELOPMENT COSTS (including land)			£1,199,221
3.0	Developers' Profit			
3.1	Private units	20%	Gross development value	£311,220
3.2	Affordable units	6%	Gross development value	£0
				£311,220
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£1,510,441
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£45,659
4.0	Finance Costs			
4.1	Finance	APR 7%	PCM 0.565%	-£45,659
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£1,556,100

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Brownfield infill (10)	East	10 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

			Residual Value		Technical Checks:	
Net Site Area	0.25	Brownfield	£1,020,584	per net ha	Sqm/ha	3,120
					Units/pa	8
					Dwgs/ha	40
					GDV=Total costs	-

	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	10	6.50	3.50	2.10	0.70	0.70

1.0 Development Value

Item			No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units	Flats (NIA)	0.00	55	0	£2,143	£0
		2 bed house	0.00	70	0	£2,850	£0
		3 bed house	0.00	80	0	£2,850	£0
		4+ bed house	6.50	120	780	£2,850	£2,223,000
			6.5		780		
1.2	Social rent	Flats (NIA)	0.00	55	0	£964	£0
		2 bed house	0.00	70	0	£1,283	£0
		3 bed house	0.00	80	0	£1,283	£0
		4+ bed house	0.00	120	0	£1,283	£0
			-		-		
1.3	Affordable rent	Flats (NIA)	0.00	55	0	£1,179	£0
		2 bed house	0.00	70	0	£1,568	£0
		3 bed house	0.00	80	0	£1,568	£0
		4+ bed house	0.00	120	0	£1,568	£0
			-		-		
1.3	Intermediate	Flats (NIA)	0.00	55	0	£1,393	£0
		2 bed house	0.00	70	0	£1,853	£0
		3 bed house	0.00	80	0	£1,853	£0
		4+ bed house	0.00	120	0	£1,853	£0
			-		-		
	Gross Development value						£2,223,000

2.0 Development Cost

Item			
2.1	**Site Acquisition**		
2.1.1	Site value (residual land value)		£255,146
		Purchaser Costs	4.75%
			267,265

2.3 Build Costs

Item			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	6.50	120	780	£1,257	£980,460.00
			7		780		
2.3.2	Affordable units	Flats (GIA)	0.00	65	0	£993	£0.00
		2 bed house	0.00	70	0	£1,257	£0.00
		3 bed house	0.00	80	0	£1,257	£0.00
		4+ bed house	0.00	120	0	£1,257	£0.00
			-		-		
			6.50				£980,460

Item				
2.4	**Construction Costs**			
2.4.1	External works as a percentage of build costs	10%		£98,046.00
2.4.2	Site abnormals (remediation/demolition)	£200,000	per net ha	£50,000
2.4.2	Site opening up costs	£5,000	per unit	£50,000
				£198,046
2.5	**Professional Fees**			
2.5.1	as percentage of build costs	12%		£117,655
				£117,655
2.6	**Contingency**			
2.6.1	as percentage of build costs	5%		£49,023
				£49,023
2.7	**Developer contributions**			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£24,512
2.7.5	Lifetime homes + BR2013	£953	per unit	£9,530
2.7.6	-	£0	-	
				£34,042
2.8	**Sale cost**			
2.8.1	as percentage of GDV	3%		£66,690
				£66,690
	TOTAL DEVELOPMENT COSTS (including land)			£1,713,181
3.0	**Developers' Profit**			
3.1	Private units	20%	Gross development value	£444,600
3.2	Affordable units	6%	Gross development value	£0
				£444,600
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£2,157,781
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£65,219
4.0	**Finance Costs**			
		APR	PCM	
4.1	Finance	7%	0.565%	-£65,219
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£2,223,000

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Small Greenfield (20)	Central	20 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.47	Greenfield		Residual Value £2,544,849	per net ha		
	Units	Private	Affordable	Social rent	Intermediate re	Shared ownership	
Yield	20	13.00	7.00	4.20	1.40	1.40	

Technical Checks:	
Sqm/ha	3,402
Units/pa	13
Dwgs/ha	42
GDV=Total costs	-

1.0	**Development Value**						
1.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.65	55	36	£2,143	£76,612
		2 bed house	4.55	70	319	£3,250	£1,035,125
		3 bed house	5.20	80	416	£3,250	£1,352,000
		4+ bed house	2.60	120	312	£3,250	£1,014,000
			13.0		1,082		
1.2	**Social rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.74	55	40	£964	£38,984
		2 bed house	1.58	70	110	£1,463	£161,241
		3 bed house	1.58	80	126	£1,463	£184,275
		4+ bed house	0.32	120	38	£1,463	£55,283
			4.2		314		
1.3	**Affordable rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.25	55	13	£1,179	£15,882
		2 bed house	0.53	70	37	£1,788	£65,691
		3 bed house	0.53	80	42	£1,788	£75,075
		4+ bed house	0.11	120	13	£1,788	£22,523
			1.4		105		
1.3	**Intermediate**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.25	55	13	£1,393	£18,770
		2 bed house	0.53	70	37	£2,113	£77,634
		3 bed house	0.53	80	42	£2,113	£88,725
		4+ bed house	0.11	120	13	£2,113	£26,618
			1.4		105		
	Gross Development value						**£4,308,437**
2.0	**Development Cost**						
2.1	**Site Acquisition**						
2.1.1	Site value (residual land value)						£1,201,520
					Purchaser Costs		5.75%
							1,270,607
2.3	**Build Costs**						
2.3.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.65	65	42	£993	£41,954.25
		2 bed house	4.55	70	319	£891	£283,783.50
		3 bed house	5.20	80	416	£891	£370,656.00
		4+ bed house	2.60	120	312	£891	£277,992.00
			13		1,089		
2.3.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	1.23	65	80	£993	£79,067.63
		2 bed house	2.63	70	184	£891	£163,721.25
		3 bed house	2.63	80	210	£891	£187,110.00
		4+ bed house	0.53	120	63	£891	£56,133.00
			7		536		
			20.00				**£1,460,418**
2.4	**Construction Costs**						
2.4.1	External works as a percentage of build costs			10%			£146,041.76
2.4.2	Site abnormals (remediation/demolition)			£0	per net ha		£0
2.4.2	Site opening up costs			£5,000	per unit		£100,000
							£246,042
2.5	**Professional Fees**						
2.5.1	as percentage of build costs			12%			£175,250
							£175,250
2.6	**Contingency**						
2.6.1	as percentage of build costs			5%			£73,020.88
							£73,021
2.7	**Developer contributions**						
2.7.1	CIL			£0	per unit		£0
2.7.2	Affordable housing contribution			£0	per unit		£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)			2.5%	build cost		£36,510
2.7.5	Lifetime homes + BR2013			£953	per unit		£19,060
2.7.6	-			£0	-		
							£55,570
2.8	**Sale cost**						
2.8.1	as percentage of GDV			3%			£129,253
							£129,253
	TOTAL DEVELOPMENT COSTS (including land)						**£3,410,161**
3.0	**Developers' Profit**						
3.1	Private units			20%	Gross development value		£695,547
3.2	Affordable units			6%	Gross development value		£49,842
							£745,389
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£4,155,550**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£152,886
4.0	**Finance Costs**						
				APR		PCM	
4.1	Finance			7%		0.565%	-£152,886
	TOTAL PROJECT COSTS [INCLUDING INTEREST]						**£4,308,437**

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Brownfield (30)	East	30 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	0.76	Brownfield	**Residual Value** £1,458,996 per net ha

Technical Checks:	
Sqm/ha	3,163
Units/pa	17
Dwgs/ha	39
GDV=Total costs	-

	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	30	19.50	10.50	6.30	2.10	2.10

			No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.0	**Development Value**						
1.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.98	55	54	£2,143	£114,918
		2 bed house	6.83	70	478	£2,850	£1,361,588
		3 bed house	7.80	80	624	£2,850	£1,778,400
		4+ bed house	3.90	120	468	£2,850	£1,333,800
			19.5		1,623		
1.2	**Social rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	1.10	55	61	£964	£58,476
		2 bed house	2.36	70	165	£1,283	£212,093
		3 bed house	2.36	80	189	£1,283	£242,393
		4+ bed house	0.47	120	57	£1,283	£72,718
			6.3		472		
1.3	**Affordable rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.37	55	20	£1,179	£23,823
		2 bed house	0.79	70	55	£1,568	£86,408
		3 bed house	0.79	80	63	£1,568	£98,753
		4+ bed house	0.16	120	19	£1,568	£29,626
			2.1		157		
1.3	**Intermediate**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	0.37	55	20	£1,393	£28,155
		2 bed house	0.79	70	55	£1,853	£102,119
		3 bed house	0.79	80	63	£1,853	£116,708
		4+ bed house	0.16	120	19	£1,853	£35,012
			2.1		157		
	Gross Development value						**£5,694,989**

2.0	**Development Cost**		
2.1	**Site Acquisition**		
2.1.1	Site value (residual land value)		£1,111,436
		Purchaser Costs	5.75%
			1,175,343

			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3	**Build Costs**						
2.3.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	0.98	65	63	£993	£62,931.38
		2 bed house	6.83	70	478	£891	£425,675.25
		3 bed house	7.80	80	624	£891	£555,984.00
		4+ bed house	3.90	120	468	£891	£416,988.00
			20		1,633		
2.3.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	1.84	65	119	£993	£118,601.44
		2 bed house	3.94	70	276	£891	£245,581.88
		3 bed house	3.94	80	315	£891	£280,665.00
		4+ bed house	0.79	120	95	£891	£84,199.50
			11		805		
			30.00				**£2,190,626**

2.4	**Construction Costs**				
2.4.1	External works as a percentage of build costs	10%			£219,062.64
2.4.2	Site abnormals (remediation/demolition)	£200,000	per net ha		£152,356
2.4.2	Site opening up costs	£5,000	per unit		£150,000
					£521,419
2.5	**Professional Fees**				
2.5.1	as percentage of build costs	12%			£262,875
					£262,875
2.6	**Contingency**				
2.6.1	as percentage of build costs	5%			£109,531
					£109,531
2.7	**Developer contributions**				
2.7.1	CIL	£0	per unit		£0
2.7.2	Affordable housing contribution	£0	per unit		£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost		£54,766
2.7.5	Lifetime homes + BR2013	£953	per unit		£28,590
2.7.6	-	£0	-		
					£83,356
2.8	**Sale cost**				
2.8.1	as percentage of GDV	3%			£170,850
					£170,850
	TOTAL DEVELOPMENT COSTS (including land)				**£4,514,001**
3.0	**Developers' Profit**				
3.1	Private units	20%	Gross development value		£917,741
3.2	Affordable units	6%	Gross development value		£66,377
					£984,118
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]				**£5,498,119**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				£196,871
4.0	**Finance Costs**				
		APR		PCM	
4.1	Finance	7%		0.565%	-£196,871
	TOTAL PROJECT COSTS [INCLUDING INTEREST]				**£5,694,989**

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Greenfield (75)	East	75	Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	2.12	Greenfield		Residual Value £1,464,574	per net ha	
	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	75	48.75	26.25	15.75	5.25	5.25

Technical Checks:	
Sqm/ha	2,836
Units/pa	32
Dwgs/ha	35
GDV=Total costs	-

1.0 Development Value

Item		Type	No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units	Flats (NIA)	2.44	55	134	£2,143	£287,296
		2 bed house	17.06	70	1,194	£2,850	£3,403,969
		3 bed house	19.50	80	1,560	£2,850	£4,446,000
		4+ bed house	9.75	120	1,170	£2,850	£3,334,500
			48.8		4,058		
1.2	Social rent	Flats (NIA)	2.76	55	152	£964	£146,189
		2 bed house	5.91	70	413	£1,283	£530,234
		3 bed house	5.91	80	473	£1,283	£605,981
		4+ bed house	1.18	120	142	£1,283	£181,794
			15.8		1,179		
1.3	Affordable rent	Flats (NIA)	0.92	55	51	£1,179	£59,559
		2 bed house	1.97	70	138	£1,568	£216,021
		3 bed house	1.97	80	158	£1,568	£246,881
		4+ bed house	0.39	120	47	£1,568	£74,064
			5.3		393		
1.3	Intermediate	Flats (NIA)	0.92	55	51	£1,393	£70,388
		2 bed house	1.97	70	138	£1,853	£255,298
		3 bed house	1.97	80	158	£1,853	£291,769
		4+ bed house	0.39	120	47	£1,853	£87,531
			5.3		393		
	Gross Development value						£14,237,473

2.0 Development Cost

Item				
2.1	Site Acquisition			
2.1.1	Site value (residual land value)			£3,110,483
		Purchaser Costs		5.75%
				3,289,336

2.3 Build Costs

Item		Type	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units	Flats (GIA)	2.44	65	158	£993	£157,328.44
		2 bed house	17.06	70	1,194	£891	£1,064,188.13
		3 bed house	19.50	80	1,560	£891	£1,389,960.00
		4+ bed house	9.75	120	1,170	£891	£1,042,470.00
			49		4,083		
2.3.2	Affordable units	Flats (GIA)	4.59	65	299	£993	£296,503.59
		2 bed house	9.84	70	689	£891	£613,954.69
		3 bed house	9.84	80	788	£891	£701,662.50
		4+ bed house	1.97	120	236	£891	£210,498.75
			26		2,011		
			75.00				£5,476,566

Item		Rate	Basis	Value
2.4	Construction Costs			
2.4.1	External works as a percentage of build costs	10%		£547,656.61
2.4.2	Site abnormals (remediation/demolition)	£0	per net ha	£0
2.4.2	Site opening up costs	£5,000	per unit	£375,000
				£922,657
2.5	Professional Fees			
2.5.1	as percentage of build costs	12%		£657,188
				£657,188
2.6	Contingency			
2.6.1	as percentage of build costs	5%		£273,828
				£273,828
2.7	Developer contributions			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£136,914
2.7.5	Lifetime homes + BR2013	£953	per unit	£71,475
2.7.6	-	£0	-	
				£208,389
2.8	Sale cost			
2.8.1	as percentage of GDV	3%		£427,124
				£427,124
	TOTAL DEVELOPMENT COSTS (including land)			£11,255,088
3.0	Developers' Profit			
3.1	Private units	20%	Gross development value	£2,294,353
3.2	Affordable units	6%	Gross development value	£165,942.51
				£2,460,295
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£13,715,383
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£522,090
4.0	Finance Costs	APR	PCM	
4.1	Finance	7%	0.565%	-£522,090
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£14,237,473

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Large Brownfield (120)	Central	120 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	3.07	Brownfield		**Residual Value** £2,112,935 per net ha			
	Units	**Private**	**Affordable**	**Social rent**	**Intermediate r**	**Shared ownership**	
Yield	120	78.00	42.00	25.20	8.40	8.40	

Technical Checks:	
Sqm/ha	3,141
Units/pa	42
Dwgs/ha	39
GDV=Total costs	-

Item	Description	Type	No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.0	**Development Value**						
1.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	3.90	55	215	£2,143	£459,674
		2 bed house	27.30	70	1,911	£3,250	£6,210,750
		3 bed house	31.20	80	2,496	£3,250	£8,112,000
		4+ bed house	15.60	120	1,872	£3,250	£6,084,000
			78.0		6,494		
1.2	**Social rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	4.41	55	243	£964	£233,903
		2 bed house	9.45	70	662	£1,463	£967,444
		3 bed house	9.45	80	756	£1,463	£1,105,650
		4+ bed house	1.89	120	227	£1,463	£331,695
			25.2		1,887		
1.3	**Affordable rent**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	1.47	55	81	£1,179	£95,294
		2 bed house	3.15	70	221	£1,788	£394,144
		3 bed house	3.15	80	252	£1,788	£450,450
		4+ bed house	0.63	120	76	£1,788	£135,135
			8.4		629		
1.3	**Intermediate**		**No. of units**	**Size sq.m**	**Total sq.m**	**£psm**	**Total Value**
		Flats (NIA)	1.47	55	81	£1,393	£112,620
		2 bed house	3.15	70	221	£2,113	£465,806
		3 bed house	3.15	80	252	£2,113	£532,350
		4+ bed house	0.63	120	76	£2,113	£159,705
			8.4		629		
	Gross Development value						**£25,850,619**
2.0	**Development Cost**						
2.1	**Site Acquisition**						
2.1.1	Site value (residual land value)						£6,482,824
					Purchaser Costs		5.75%
							6,855,586
2.3	**Build Costs**						
2.3.1	**Private units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	3.90	65	254	£993	£251,725.50
		2 bed house	27.30	70	1,911	£891	£1,702,701.00
		3 bed house	31.20	80	2,496	£891	£2,223,936.00
		4+ bed house	15.60	120	1,872	£891	£1,667,952.00
			78		6,533		
2.3.2	**Affordable units**		**No. of units**	**Size sq.m**	**Total sq.m**	**Cost per sq.m**	**Total Costs**
		Flats (GIA)	7.35	65	478	£993	£474,405.75
		2 bed house	15.75	70	1,103	£891	£982,327.50
		3 bed house	15.75	80	1,260	£891	£1,122,660.00
		4+ bed house	3.15	120	378	£891	£336,798.00
			42		3,218		
			120.00				**£8,762,506**
2.4	**Construction Costs**						
2.4.1	External works as a percentage of build costs			10%			£876,250.58
2.4.2	Site abnormals (remediation/demolition)			£200,000	per net ha		£613,632
2.4.2	Site opening up costs			£5,000	per unit		£600,000
							£2,089,883
2.5	**Professional Fees**						
2.5.1	as percentage of build costs			12%			£1,051,501
							£1,051,501
2.6	**Contingency**						
2.6.1	as percentage of build costs			5%			£438,125
							£438,125
2.7	**Developer contributions**						
2.7.1	CIL			£0	per unit		£0
2.7.2	Affordable housing contribution			£0	per unit		£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)			2.5%	build cost		£219,063
2.7.5	Lifetime homes + BR2013			£953	per unit		£114,360
2.7.6	-			£0	-		
							£333,423
2.8	**Sale cost**						
2.8.1	as percentage of GDV			3%			£775,519
							£775,519
	TOTAL DEVELOPMENT COSTS (including land)						**£20,306,542**
3.0	**Developers' Profit**						
3.1	Private units			20%	Gross development value		£4,173,285
3.2	Affordable units			6%	Gross development value		£299,052
							£4,472,336
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]						**£24,778,878**
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]						£1,071,741
4.0	**Finance Costs**						
4.1	Finance			APR 7%		PCM 0.565%	-£1,071,741
	TOTAL PROJECT COSTS [INCLUDING INTEREST]						**£25,850,619**

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Urban extension (200)	East	200 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

			Residual Value		Technical Checks:	
Net Site Area	5.73	Greenfield	£1,248,955	per net ha	Sqm/ha	2,805
					Units/pa	56
					Dwgs/ha	35
					GDV=Total costs	-

	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	200	130.00	70.00	42.00	14.00	14.00

1.0 Development Value

Item		Type	No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units	Flats (NIA)	6.50	55	358	£2,143	£766,123
		2 bed house	45.50	70	3,185	£2,850	£9,077,250
		3 bed house	52.00	80	4,160	£2,850	£11,856,000
		4+ bed house	26.00	120	3,120	£2,850	£8,892,000
			130.0		10,823		
1.2	Social rent	Flats (NIA)	7.35	55	404	£964	£389,838
		2 bed house	15.75	70	1,103	£1,283	£1,413,956
		3 bed house	15.75	80	1,260	£1,283	£1,615,950
		4+ bed house	3.15	120	378	£1,283	£484,785
			42.0		3,145		
1.3	Affordable rent	Flats (NIA)	2.45	55	135	£1,179	£158,823
		2 bed house	5.25	70	368	£1,568	£576,056
		3 bed house	5.25	80	420	£1,568	£658,350
		4+ bed house	1.05	120	126	£1,568	£197,505
			14.0		1,048		
1.3	Intermediate	Flats (NIA)	2.45	55	135	£1,393	£187,700
		2 bed house	5.25	70	368	£1,853	£680,794
		3 bed house	5.25	80	420	£1,853	£778,050
		4+ bed house	1.05	120	126	£1,853	£233,415
			14.0		1,048		
	Gross Development value						£37,966,595

2.0 Development Cost

2.1 Site Acquisition

2.1.1	Site value (residual land value)		£7,152,742
		Purchaser Costs	5.75%
			7,564,025

2.3 Build Costs

Item		Type	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units	Flats (GIA)	6.50	65	423	£993	£419,542.50
		2 bed house	45.50	70	3,185	£891	£2,837,835.00
		3 bed house	52.00	80	4,160	£891	£3,706,560.00
		4+ bed house	26.00	120	3,120	£891	£2,779,920
			130		10,888		
2.3.2	Affordable units	Flats (GIA)	12.25	65	796	£993	£790,676.25
		2 bed house	26.25	70	1,838	£891	£1,637,212.50
		3 bed house	26.25	80	2,100	£891	£1,871,100.00
		4+ bed house	5.25	120	630	£891	£561,330.00
			70		5,364		
			200.00				£14,604,176

Item		Input		Total
2.4	**Construction Costs**			
2.4.1	External works as a percentage of build costs	10%		£1,460,417.63
2.4.2	Site abnormals (remediation/demolition)	£0	per net ha	£0
2.4.2	Site opening up costs	£10,000	per unit	£2,000,000
				£3,460,418
2.5	**Professional Fees**			
2.5.1	as percentage of build costs	12%		£1,752,501
				£1,752,501
2.6	**Contingency**			
2.6.1	as percentage of build costs	5%		£730,209
				£730,209
2.7	**Developer contributions**			
2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£365,104
2.7.5	Lifetime homes + BR2013	£953	per unit	£190,600
2.7.6	-	£0	-	
				£555,704
2.8	**Sale cost**			
2.8.1	as percentage of GDV	3%		£1,138,998
				£1,138,998
	TOTAL DEVELOPMENT COSTS (including land)			£29,806,031
3.0	**Developers' Profit**			
3.1	Private units	20%	Gross development value	£6,118,275
3.2	Affordable units	6%	Gross development value	£442,513
				£6,560,788
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]			£36,366,819
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]			£1,599,777
4.0	**Finance Costs**	APR	PCM	
4.1	Finance	7%	0.565%	-£1,599,777
	TOTAL PROJECT COSTS [INCLUDING INTEREST]			£37,966,595

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Urban extension (500)	Central	500 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	13.38	Greenfield	Residual Value: £1,636,556 per net ha

Technical Checks:	
Sqm/ha	3,001
Units/pa	88
Dwgs/ha	37
GDV=Total costs	-

	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	500	325.00	175.00	105.00	35.00	35.00

1.0 Development Value

Item		Type	No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units	Flats (NIA)	16.25	55	894	£2,143	£1,915,306
		2 bed house	113.75	70	7,963	£3,250	£25,878,125
		3 bed house	130.00	80	10,400	£3,250	£33,800,000
		4+ bed house	65.00	120	7,800	£3,250	£25,350,000
			325.0		27,056		
1.2	Social rent	Flats (NIA)	18.38	55	1,011	£964	£974,596
		2 bed house	39.38	70	2,756	£1,463	£4,031,016
		3 bed house	39.38	80	3,150	£1,463	£4,606,875
		4+ bed house	7.88	120	945	£1,463	£1,382,063
			105.0		7,862		
1.3	Affordable rent	Flats (NIA)	6.13	55	337	£1,179	£397,058
		2 bed house	13.13	70	919	£1,788	£1,642,266
		3 bed house	13.13	80	1,050	£1,788	£1,876,875
		4+ bed house	2.63	120	315	£1,788	£563,063
			35.0		2,621		
1.3	Intermediate	Flats (NIA)	6.13	55	337	£1,393	£469,250
		2 bed house	13.13	70	919	£2,113	£1,940,859
		3 bed house	13.13	80	1,050	£2,113	£2,218,125
		4+ bed house	2.63	120	315	£2,113	£665,438
			35.0		2,621		
	Gross Development value						**£107,710,913**

2.0 Development Cost

Item				Value
2.1	**Site Acquisition**			
2.1.1	Site value (residual land value)			£21,899,593
			Purchaser Costs	5.75%
				23,158,819

2.3 Build Costs

Item		Type	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units	Flats (GIA)	16.25	65	1,056	£993	£1,048,856.25
		2 bed house	113.75	70	7,963	£891	£7,094,587.50
		3 bed house	130.00	80	10,400	£891	£9,266,400.00
		4+ bed house	65.00	120	7,800	£891	£6,949,800
			325		27,219		
2.3.2	Affordable units	Flats (GIA)	30.63	65	1,991	£993	£1,976,690.63
		2 bed house	65.63	70	4,594	£891	£4,093,031.25
		3 bed house	65.63	80	5,250	£891	£4,677,750.00
		4+ bed house	13.13	120	1,575	£891	£1,403,325.00
			175		13,409		
			500.00				**£36,510,441**

2.4 Construction Costs

2.4.1	External works as a percentage of build costs	10%		£3,651,044.06
2.4.2	Site abnormals (remediation/demolition)	£0	per net ha	£0
2.4.2	Site opening up costs	£18,000	per unit	£9,000,000
				£12,651,044

2.5 Professional Fees

2.5.1	as percentage of build costs	12%	£4,381,253
			£4,381,253

2.6 Contingency

2.6.1	as percentage of build costs	5%	£1,825,522
			£1,825,522

2.7 Developer contributions

2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£912,761
2.7.5	Lifetime homes + BR2013	£953	per unit	£476,500
2.7.6	-	£0	-	
				£1,389,261

2.8 Sale cost

2.8.1	as percentage of GDV	3%	£3,231,327
			£3,231,327

TOTAL DEVELOPMENT COSTS (including land)	**£83,147,667**

3.0 Developers' Profit

3.1	Private units	20%	Gross development value	£17,388,686
3.2	Affordable units	6%	Gross development value	£1,246,049
				£18,634,735

TOTAL PROJECT COSTS [EXCLUDING INTEREST]	**£101,782,402**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]	£5,928,511

4.0 Finance Costs

Item		APR	PCM	Value
4.1	Finance	7%	0.565%	-£5,928,511

TOTAL PROJECT COSTS [INCLUDING INTEREST]	**£107,710,913**

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Gaydon-Lighthorne Heath (SS)	Central	2,500	Units	SCENARIO 1 APPRAISAL SHEET

ITEM

		Residual Value	
Net Site Area	71 Greenfield	£1,000,606	per net ha

	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	2,500	1625.00	875.00	525.00	175.00	175.00

1.0 Development Value

			No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units						
		Flats (NIA)	81.25	55	4,469	£2,143	£9,576,531
		2 bed house	568.75	70	39,813	£3,250	£129,390,625
		3 bed house	650.00	80	52,000	£3,250	£169,000,000
		4+ bed house	325.00	120	39,000	£3,250	£126,750,000
			1,625.0		135,281		
1.2	Social rent						
		Flats (NIA)	91.88	55	5,053	£964	£4,872,981
		2 bed house	196.88	70	13,781	£1,463	£20,155,078
		3 bed house	196.88	80	15,750	£1,463	£23,034,375
		4+ bed house	39.38	120	4,725	£1,463	£6,910,313
			525.0		39,309		
1.3	Affordable rent						
		Flats (NIA)	30.63	55	1,684	£1,179	£1,985,289
		2 bed house	65.63	70	4,594	£1,788	£8,211,328
		3 bed house	65.63	80	5,250	£1,788	£9,384,375
		4+ bed house	13.13	120	1,575	£1,788	£2,815,313
			175.0		13,103		
1.3	Intermediate						
		Flats (NIA)	30.63	55	1,684	£1,393	£2,346,250
		2 bed house	65.63	70	4,594	£2,113	£9,704,297
		3 bed house	65.63	80	5,250	£2,113	£11,090,625
		4+ bed house	13.13	120	1,575	£2,113	£3,327,188
			175.0		13,103		
	Gross Development value						£538,554,567

2.0 Development Cost

2.1	Site Acquisition		
2.1.1	Site value (residual land value)		£71,167,138
		Purchaser Costs	5.7500%
			75,259,249

2.3 Build Costs

			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units						
		Flats (GIA)	81.25	65	5,281	£993	£5,244,281.25
		2 bed house	568.75	70	39,813	£891	£35,472,937.50
		3 bed house	650.00	80	52,000	£891	£46,332,000.00
		4+ bed house	325.00	120	39,000	£891	£34,749,000
			1,625		136,094		
2.3.2	Affordable units						
		Flats (GIA)	153.13	65	9,953	£993	£9,883,453.13
		2 bed house	328.13	70	22,969	£891	£20,465,156.25
		3 bed house	328.13	80	26,250	£891	£23,388,750.00
		4+ bed house	65.63	120	7,875	£891	£7,016,625.00
			875		67,047		
			2500.00				£182,552,203

2.4	**Construction Costs**				
2.4.1	External works as a percentage of build costs		10%		£18,255,220.31
2.4.2	Site opening up costs	SI - Remainder of Brookbank costings	£17,849	per unit	£44,623,000
		S106/S278	£8,400	per unit	£21,000,000
					£83,878,220
2.5	**Professional Fees**				
2.5.1	as percentage of build costs		12%		£21,906,264
					£21,906,264
2.6	**Contingency**				
2.6.1	as percentage of build costs		5%		£9,127,610
					£9,127,610
2.7	**Developer contributions**				
2.7.1	CIL		£0	per unit	£0
2.7.2	Affordable housing contribution		£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)		2.5%	build cost	£4,563,805
2.7.5	Lifetime homes + BR2013		£953	per unit	£2,382,500
					£6,946,305
2.8	**Sale cost**				
2.8.1	as percentage of GDV		3%		£16,156,637
					£16,156,637
	TOTAL DEVELOPMENT COSTS (including land)				£395,826,489
3.0	**Developers' Profit**				
3.1	Private units		20%	Gross development value	£86,943,431
3.2	Affordable units		6%	Gross development value	£6,230,245
					£93,173,676
	TOTAL PROJECT COSTS [EXCLUDING INTEREST]				£489,000,164
	TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]				£49,554,402
4.0	**Finance Costs**				
4.1	Finance		APR 7%	PCM 0.565%	-£49,554,402
	TOTAL PROJECT COSTS [INCLUDING INTEREST]				£538,554,567

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CQ Areas 1 & 2	Central	581 Units	SCENARIO 1 APPRAISAL SHEET

ITEM

Net Site Area	11.38	Brownfield		Residual Value: £1,271,493 per net ha		
	Units	Private	Affordable	Social rent	Intermediate r	Shared ownership
Yield	581	464.86	116.21	69.73	23.24	23.24

Technical Checks:	
Sqm/ha	3,532
Units/pa	45
Dwgs/ha	51
GDV=Total costs	-

1.0 Development Value

Item		Type	No. of units	Size sq.m	Total sq.m	£psm	Total Value
1.1	Private units	Flats (NIA)	154.55	55	8,500	£2,143	£18,216,214
		2 bed house	151.08	70	10,575	£3,250	£34,370,336
		3 bed house	151.08	80	12,086	£3,250	£39,280,384
		4+ bed house	8.15	120	978	£3,250	£3,177,837
			464.9		32,140		
1.2	Social rent	Flats (NIA)	23.18	55	1,275	£964	£1,229,594
		2 bed house	22.66	70	1,586	£1,463	£2,319,998
		3 bed house	22.66	80	1,813	£1,463	£2,651,426
		4+ bed house	1.22	120	147	£1,463	£214,504
			69.7		4,821		
1.3	Affordable rent	Flats (NIA)	7.73	55	425	£1,179	£500,946
		2 bed house	7.55	70	529	£1,788	£945,184
		3 bed house	7.55	80	604	£1,788	£1,080,211
		4+ bed house	0.41	120	49	£1,788	£87,391
			23.2		1,607		
1.3	Intermediate	Flats (NIA)	7.73	55	425	£1,393	£592,027
		2 bed house	7.55	70	529	£2,113	£1,117,036
		3 bed house	7.55	80	604	£2,113	£1,276,612
		4+ bed house	0.41	120	49	£2,113	£103,280
			23.2		1,607		
	Gross Development value						**£107,162,980**

2.0 Development Cost

2.1 Site Acquisition

2.1.1	Site value (residual land value)		£14,464,508
		Purchaser Costs	5.7500%
			15,296,217

2.3 Build Costs

Item		Type	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs
2.3.1	Private units	Flats (GIA)	154.55	65	10,046	£993	£9,975,528
		2 bed house	151.08	70	10,575	£891	£9,422,760
		3 bed house	151.08	80	12,086	£891	£10,768,868
		4+ bed house	8.15	120	978	£891	£871,216
			465		33,685		
2.3.2	Affordable units	Flats (GIA)	38.64	65	2,511	£993	£2,493,882
		2 bed house	37.77	70	2,644	£891	£2,355,690
		3 bed house	37.77	80	3,022	£891	£2,692,217
		4+ bed house	2.04	120	244	£891	£217,804
			116		8,421		
			581.07				**£38,797,965**

2.4 Construction Costs

2.4.1	External works as a percentage of build costs		10%		£3,879,796
2.4.2	Site abnormals (remediation/demolition)		£200,000	per net ha	£2,275,200
2.4.2	Site opening up costs	SI - allow for bridge	£5,917	per unit	£3,438,425
		S106/S278	£8,469	per unit	£4,921,099
					£14,514,520

2.5 Professional Fees

2.5.1	as percentage of build costs	12%	£4,655,756
			£4,655,756

2.6 Contingency

2.6.1	as percentage of build costs	5%	£1,939,898
			£1,939,898

2.7 Developer contributions

2.7.1	CIL	£0	per unit	£0
2.7.2	Affordable housing contribution	£0	per unit	£0
2.7.3	CSH Level 4 (applies to sites >0.3ha or with 10+ units, whichever is the higher)	2.5%	build cost	£969,949
2.7.5	Lifetime homes + BR2013	£953	per unit	£553,760
2.7.6	-	£0	-	
				£1,523,710

2.8 Sale cost

2.8.1	as percentage of GDV	3%	£3,214,889
			£3,214,889

TOTAL DEVELOPMENT COSTS (including land)	**£79,942,956**

3.0 Developers' Profit

3.1	Private units	20%	Gross development value	£19,008,954
3.2	Affordable units	6%	Gross development value	£727,092
				£19,736,047

TOTAL PROJECT COSTS [EXCLUDING INTEREST]	**£99,679,002**
TOTAL INCOME - TOTAL COSTS [EXCLUDING INTEREST]	£7,483,977

4.0 Finance Costs

		APR	PCM	
4.1	Finance	7%	0.565%	-£7,483,977

TOTAL PROJECT COSTS [INCLUDING INTEREST]	**£107,162,980**

This appraisal has been prepared by Peter Brett Associates 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.

Stratford on Avon - Residual Land Valuation
Retail - 3,500 sq. m Supermarket

	Quantum			Rate		Total
1. Development Value						
Floorspace	3,500	sq m	@	95.0%		
Rental Value	3,325	sq m	@	£195	per sq m	
Investment Yield	£648,375	p.a.	@	5.0%		
Gross Development Value						**£12,967,500**
Expresssed as GDV/sqm						£3,705
Less buyers costs	*£12,967,500*		@	*5.76%*		*£746,928*
Net Receipts						**£12,220,572**
Expresssed as Net Receipts/sqm						£3,492
2. Development Costs						
Construction Costs	3,500	sq m	@	£1,225	per sq m	£4,287,500
External Works (% of build cost)	£4,287,500		@	10.0%		£428,750
Professional Fees (% of all construction)	£4,716,250		@	12.0%		£565,950
Marketing & Sales (% of value)	£12,967,500		@	4.0%		£518,700
BREEAM cost implications	£4,287,500		@	2.0%		£85,750
Developer Contributions	3,500	sq m	@	£250	per sq m	£875,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£253,562
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£12,967,500		@	20.0%		£2,593,500
Development Costs						**£9,608,712**
Land Value Realised at Sale	£2,611,860					
Less						
Acquisition Fees	1.00	years	@	10.0%		£261,186
Less						
Land Tax			@	4.0%		£104,474
Total Costs						**£9,974,372**
Expresssed as total cost/sqm						£2,850
Residual Land Value for site						**£2,246,200**
Number of floors	1					
Building footprint	3,500					
Development site coverage	40%					
Balance of site without direct development value	60%	5,250	sqm			
Total site land take		8,750	sqm	0.88	ha	
Residual land value per hectare						**£2,567,085**
Assumed existing use value plus uplift per hectare	£1,500,000					
Site cost						£1,312,500
Total development cost and site costs						**£11,286,872**
Expresssed astotal cost and site costs/sqm						£3,225
Net residual value of development						**£933,700**

Stratford on Avon - Residual Land Valuation
Retail - 1,100 sq. m Supermarket

	Quantum			Rate		Total
1. Development Value						
Floorspace	1,100	sq m	@	95.0%		
Rental Value	1,045	sq m	@	£190	per sq m	
Investment Yield	£198,550	p.a.	@	5.3%		
Gross Development Value						**£3,746,226**
Expresssed as GDV/sqm						£3,406
Less buyers costs	*£3,746,226*		@	*5.76%*		*£215,783*
Net Receipts						**£3,530,444**
Expresssed as Net Receipts/sqm						£3,209
2. Development Costs						
Construction Costs	1,100	sq m	@	£1,225	per sq m	£1,347,500
External Works (% of build cost)	£1,347,500		@	10.0%		£134,750
Professional Fees (% of all construction)	£1,482,250		@	12.0%		£177,870
Marketing & Sales (% of value)	£3,746,226		@	4.0%		£149,849
BREEAM cost implications	£1,347,500		@	0.0%		£0
Developer Contributions	1,100	sq m	@	£140	per sq m	£154,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£73,649
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£3,746,226		@	20.0%		£749,245
Development Costs						**£2,786,863**
Land Value Realised at Sale	£743,581					
Less						
Acquisition Fees	1.00	years	@	10.0%		£74,358
Less						
Land Tax			@	4.0%		£29,743
Total Costs						**£2,890,964**
Expresssed as total cost/sqm						£2,628
Residual Land Value for site						**£639,479**
Number of floors	1					
Building footprint	1,100					
Development site coverage	40%					
Balance of site without direct development value	60%	1,650	sqm			
Total site land take		2,750	sqm	0.28	ha	
Residual land value per hectare						**£2,325,379**
Assumed existing use value plus uplift per hectare	£1,500,000					
Site cost						£412,500
Total development cost and site costs						**£3,303,464**
Expresssed astotal cost and site costs/sqm						£3,003
Net residual value of development						**£226,979**

Stratford on Avon - Residual Land Valuation
Retail - 10,000 sq. m Retail Warehouses - Scheme of 6 Units

	Quantum			Rate		Total
1. Development Value						
Floorspace	10,000	sq m	@	95.0%		
Rental Value	9,500	sq m	@	£150	per sq m	
Investment Yield	£1,425,000	p.a.	@	6.7%		
Gross Development Value						**£21,268,657**
Expresssed as GDV/sqm						£2,127
Less buyers costs	*£21,268,657*		@	*5.76%*		*£1,225,075*
Net Receipts						**£20,043,582**
Expresssed as Net Receipts/sqm						£2,004
2. Development Costs						
Construction Costs	10,000	sq m	@	£622	per sq m	£6,220,000
External Works (% of build cost)	£6,220,000		@	10.0%		£622,000
Professional Fees (% of all construction)	£6,842,000		@	12.0%		£821,040
Marketing & Sales (% of value)	£21,268,657		@	4.0%		£850,746
BREEAM cost implications	£6,220,000		@	2.0%		£124,400
Developer Contributions	10,000	sq m	@	£150	per sq m	£1,500,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£380,182
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£21,268,657		@	20.0%		£4,253,731
Development Costs						**£14,772,100**
Land Value Realised at Sale	£5,271,482					
Less						
Acquisition Fees	1.00	years	@	10.0%		£527,148
Less						
Land Tax			@	4.0%		£210,859
Total Costs						**£15,510,107**
Expresssed as total cost/sqm						£1,551
Residual Land Value for site						**£4,533,475**
Number of floors	1					
Building footprint	10,000					
Development site coverage	40%					
Balance of site without direct development value	60%	15,000	sqm			
Total site land take		25,000	sqm	2.50	ha	
Residual land value per hectare						**£1,813,390**
Assumed existing use value plus uplift per hectare	£1,000,000					
Site cost						£2,500,000
Total development cost and site costs						**£18,010,107**
Expresssed astotal cost and site costs/sqm						£1,801
Net residual value of development						**£2,033,475**

Stratford on Avon - Residual Land Valuation
Local Convenience Retail - 280 sq. m

	Quantum			Rate		Total
1. Development Value						
Floorspace	280	sq m	@	95.0%		
Rental Value	266	sq m	@	£150	per sq m	
Investment Yield	£39,900	p.a.	@	6.0%		
Gross Development Value						**£665,000**
Expresssed as GDV/sqm						£2,375
Less buyers costs	*£665,000*		@	*5.76%*		*£38,304*
Net Receipts						**£626,696**
Expresssed as Net Receipts/sqm						£2,238
2. Development Costs						
Construction Costs	280	sq m	@	£1,000	per sq m	£280,000
External Works (% of build cost)	£280,000		@	10.0%		£28,000
Professional Fees (% of all construction)	£308,000		@	12.0%		£36,960
Marketing & Sales (% of value)	£665,000		@	4.0%		£26,600
BREEAM cost implications	£280,000		@	2.0%		£5,600
Developer Contributions	280	sq m	@	£25	per sq m	£7,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£14,406
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£665,000		@	20.0%		£133,000
Development Costs						**£531,566**
Land Value Realised at Sale	£95,130					
Less						
Acquisition Fees	1.00	years	@	10.0%		£9,513
Less						
Land Tax			@	4.0%		£3,805
Total Costs						**£544,884**
Expresssed as total cost/sqm						£1,946
Residual Land Value for site						**£81,812**
Number of floors	1					
Building footprint	280					
Development site coverage	80%					
Balance of site without direct development value	20%	70	sqm			
Total site land take		350	sqm	0.04	ha	
Residual land value per hectare						**£2,337,480**
Assumed existing use value plus uplift per hectare	£1,000,000					
Site cost						£35,000
Total development cost and site costs						**£579,884**
Expresssed astotal cost and site costs/sqm						£2,071
Net residual value of development						**£46,812**

Stratford on Avon - Residual Land Valuation
Retail - 1000 sq. m City Centre

	Quantum			Rate		Total
1. Development Value						
Floorspace	1,000	sq m	@	95.0%		
Rental Value	950	sq m	@	£260	per sq m	
Investment Yield	£247,000	p.a.	@	7.5%		
Gross Development Value						**£3,293,333**
Expresssed as GDV/sqm						£3,293
Less buyers costs	*£3,293,333*		@	*5.76%*		*£189,696*
Net Receipts						**£3,103,637**
Expresssed as Net Receipts/sqm						£3,104
2. Development Costs						
Construction Costs	1,000	sq m	@	£1,200	per sq m	£1,200,000
External Works (% of build cost)	£1,200,000		@	10.0%		£120,000
Professional Fees (% of all construction)	£1,320,000		@	12.0%		£158,400
Marketing & Sales (% of value)	£3,293,333		@	4.0%		£131,733
BREEAM cost implications	£1,200,000		@	2.0%		£24,000
Developer Contributions	1,000	sq m	@	£50	per sq m	£50,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£63,155
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£3,293,333		@	20.0%		£658,667
Development Costs						**£2,405,955**
Land Value Realised at Sale	£697,682					
Less						
Acquisition Fees	1.00	years	@	10.0%		£69,768
Less						
Land Tax			@	4.0%		£27,907
Total Costs						**£2,503,631**
Expresssed as total cost/sqm						£2,504
Residual Land Value for site						**£600,007**
Number of floors	1					
Building footprint	1,000					
Development site coverage	80%					
Balance of site without direct development value	20%	250	sqm			
Total site land take		1,250	sqm	0.13	ha	
Residual land value per hectare						**£4,800,054**
Assumed existing use value plus uplift per hectare	£5,000,000					
Site cost						£625,000
Total development cost and site costs						**£3,128,631**
Expresssed astotal cost and site costs/sqm						£3,129
Net residual value of development						**-£24,993**

Stratford on Avon - Residual Land Valuation
Local Retail Convenience - 200 sq. m

	Quantum			Rate		Total
1. Development Value						
Floorspace	200	sq m	@	95.0%		
Rental Value	190	sq m	@	£150	per sq m	
Investment Yield	£28,500	p.a.	@	5.8%		
Gross Development Value						**£491,379**
Expresssed as GDV/sqm						£2,457
Less buyers costs	*£491,379*		@	*5.76%*		*£28,303*
Net Receipts						**£463,076**
Expresssed as Net Receipts/sqm						£2,315
2. Development Costs						
Construction Costs	200	sq m	@	£985	per sq m	£197,000
External Works (% of build cost)	£197,000		@	10.0%		£19,700
Professional Fees (% of all construction)	£216,700		@	12.0%		£26,004
Marketing & Sales (% of value)	£491,379		@	4.0%		£19,655
BREEAM cost implications	£197,000		@	2.0%		£3,940
Developer Contributions	200	sq m	@	£50	per sq m	£10,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£10,361
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£491,379		@	20.0%		£98,276
Development Costs						**£384,936**
Land Value Realised at Sale	£78,140					
Less						
Acquisition Fees	1.00	years	@	10.0%		£7,814
Less						
Land Tax			@	4.0%		£3,126
Total Costs						**£395,876**
Expresssed as total cost/sqm						£1,979
Residual Land Value for site						**£67,200**
Number of floors	1					
Building footprint	200					
Development site coverage	80%					
Balance of site without direct development value	20%	50	sqm			
Total site land take		250	sqm	0.03	ha	
Residual land value per hectare						**£2,688,003**
Assumed existing use value plus uplift per hectare	£3,000,000					
Site cost						£75,000
Total development cost and site costs						**£470,876**
Expresssed astotal cost and site costs/sqm						£2,354
Net residual value of development						**-£7,800**

Stratford on Avon - Residual Land Valuation
Local Retail Comparison - 200 sq. m

	Quantum			Rate		Total
1. Development Value						
Floorspace	200	sq m	@	95.0%		
Rental Value	190	sq m	@	£140	per sq m	
Investment Yield	£26,600	p.a.	@	7.2%		
Gross Development Value						**£369,444**
Expresssed as GDV/sqm						£1,847
Less buyers costs	*£369,444*		@	*5.76%*		*£21,280*
Net Receipts						**£348,164**
Expresssed as Net Receipts/sqm						£1,741
2. Development Costs						
Construction Costs	200	sq m	@	£745	per sq m	£149,000
External Works (% of build cost)	£149,000		@	10.0%		£14,900
Professional Fees (% of all construction)	£163,900		@	12.0%		£19,668
Marketing & Sales (% of value)	£369,444		@	4.0%		£14,778
BREEAM cost implications	£149,000		@	2.0%		£2,980
Developer Contributions	200	sq m	@	£50	per sq m	£10,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£7,925
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£369,444		@	20.0%		£73,889
Development Costs						**£293,139**
Land Value Realised at Sale	£55,025					
Less						
Acquisition Fees	1.00	years	@	10.0%		£5,503
Less						
Land Tax			@	4.0%		£2,201
Total Costs						**£300,843**
Expresssed as total cost/sqm						£1,504
Residual Land Value for site						**£47,322**
Number of floors	1					
Building footprint	200					
Development site coverage	80%					
Balance of site without direct development value	20%	50	sqm			
Total site land take		250	sqm	0.03	ha	
Residual land value per hectare						**£1,892,862**
Assumed existing use value plus uplift per hectare	£3,000,000					
Site cost						£75,000
Total development cost and site costs						**£375,843**
Expresssed astotal cost and site costs/sqm						£1,879
Net residual value of development						**-£27,678**

Stratford on Avon - Residual Land Valuation
Local Retail - 6,000 sq. m

	Quantum			Rate		Total
1. Development Value						
Floorspace	6,000	sq m	@	95.0%		
Rental Value	5,700	sq m	@	£160	per sq m	
Investment Yield	£912,000	p.a.	@	6.2%		
Gross Development Value						**£14,689,933**
Expresssed as GDV/sqm						£2,448
Less buyers costs	*£14,689,933*		@	*5.76%*		*£846,140*
Net Receipts						**£13,843,793**
Expresssed as Net Receipts/sqm						£2,307
2. Development Costs						
Construction Costs	6,000	sq m	@	£1,027	per sq m	£6,162,500
External Works (% of build cost)	£6,162,500		@	10.0%		£616,250
Professional Fees (% of all construction)	£6,778,750		@	12.0%		£813,450
Marketing & Sales (% of value)	£14,689,933		@	4.0%		£587,597
BREEAM cost implications	£6,162,500		@	2.0%		£123,250
Developer Contributions	6,000	sq m	@	£80	per sq m	£480,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£329,364
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£14,689,933		@	20.0%		£2,937,987
Development Costs						**£12,050,398**
Land Value Realised at Sale	£1,793,395					
Less						
Acquisition Fees	1.00	years	@	10.0%		£179,339
Less						
Land Tax			@	4.0%		£71,736
Total Costs						**£12,301,473**
Expresssed as total cost/sqm						£2,050
Residual Land Value for site						**£1,542,319**
Number of floors	1					
Building footprint	6,000					
Development site coverage	73%					
Balance of site without direct development value	28%	2,276	sqm			
Total site land take		8,276	sqm	0.83	ha	
Residual land value per hectare						**£1,863,636**
Assumed existing use value plus uplift per hectare	£1,500,000					
Site cost						£1,241,379
Total development cost and site costs						**£13,542,853**
Expresssed astotal cost and site costs/sqm						£2,257
Net residual value of development						**£300,940**

Stratford on Avon - Residual Land Valuation
Office - 800 sqm Town Centre B1

	Quantum			Rate		Total
1. Development Value						
Floorspace	800	sq m	@	95.0%		
Rental Value	760	sq m	@	£120	per sq m	
Investment Yield	£91,200	p.a.	@	8.7%		
Gross Development Value						**£1,048,276**
Expresssed as GDV/sqm						£1,310
Less buyers costs	*£1,048,276*		@	*5.76%*		*£60,381*
Net Receipts						**£987,895**
Expresssed as Net Receipts/sqm						£1,235
2. Development Costs						
Construction Costs	800	sq m	@	£1,200	per sq m	£960,000
External Works (% of build cost)	£960,000		@	10.0%		£96,000
Professional Fees (% of all construction)	£1,056,000		@	12.0%		£126,720
Marketing & Sales (% of value)	£1,048,276		@	4.0%		£41,931
BREEAM cost implications	£960,000		@	2.0%		£19,200
Developer Contributions	800	sq m	@	£50	per sq m	£40,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£48,144
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£1,048,276		@	20.0%		£209,655
Development Costs						**£1,541,651**
Land Value Realised at Sale	-£553,755					
Less						
Acquisition Fees	1.00	years	@	10.0%		£3,333
Less						
Land Tax			@	4.0%		£1,333
Total Costs						**£1,546,317**
Expresssed as total cost/sqm						£1,933
Residual Land Value for site						**-£558,421**
Number of floors	3					
Building footprint	267					
Development site coverage	80%					
Balance of site without direct development value	20%	67	sqm			
Total site land take		333	sqm	0.03	ha	
Residual land value per hectare						**-£16,752,643**
Assumed existing use value plus uplift per hectare	£1,000,000					
Site cost						£33,333
Total development cost and site costs						**£1,579,650**
Expresssed astotal cost and site costs/sqm						£1,975
Net residual value of development						**-£591,755**

Stratford on Avon - Residual Land Valuation
Office - 2000 sq.m Business park B1

	Quantum			Rate		Total
1. Development Value						
Floorspace	2,000	sq m	@	95.0%		
Rental Value	1,900	sq m	@	£120	per sq m	
Investment Yield	£228,000	p.a.	@	7.3%		
Gross Development Value						**£3,123,288**
Expresssed as GDV/sqm						£1,562
Less buyers costs	*£3,123,288*		@	*5.76%*		*£179,901*
Net Receipts						**£2,943,386**
Expresssed as Net Receipts/sqm						£1,472
2. Development Costs						
Construction Costs	2,000	sq m	@	£1,200	per sq m	£2,400,000
External Works (% of build cost)	£2,400,000		@	10.0%		£240,000
Professional Fees (% of all construction)	£2,640,000		@	12.0%		£316,800
Marketing & Sales (% of value)	£3,123,288		@	4.0%		£124,932
BREEAM cost implications	£2,400,000		@	2.0%		£48,000
Developer Contributions	2,000	sq m	@	£50	per sq m	£100,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£121,115
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£3,123,288		@	20.0%		£624,658
Development Costs						**£3,975,504**
Land Value Realised at Sale	-£1,032,118					
Less						
Acquisition Fees	1.00	years	@	10.0%		£15,000
Less						
Land Tax			@	4.0%		£6,000
Total Costs						**£3,996,504**
Expresssed as total cost/sqm						£1,998
Residual Land Value for site						**-£1,053,118**
Number of floors	2					
Building footprint	1,000					
Development site coverage	40%					
Balance of site without direct development value	60%	1,500	sqm			
Total site land take		2,500	sqm	0.25	ha	
Residual land value per hectare						**-£4,212,471**
Assumed existing use value plus uplift per hectare	£600,000					
Site cost						£150,000
Total development cost and site costs						**£4,146,504**
Expresssed astotal cost and site costs/sqm						£2,073
Net residual value of development						**-£1,203,118**

Stratford on Avon - Residual Land Valuation
Industrial - 1500 sq.m B2 - Edge of Town

	Quantum			Rate		Total
1. Development Value						
Floorspace	1,500	sq m	@	95.0%		
Rental Value	1,425	sq m	@	£55	per sq m	
Investment Yield	£78,375	p.a.	@	9.0%		
Gross Development Value						**£870,833**
Expresssed as GDV/sqm						£581
Less buyers costs	*£870,833*		@	*5.76%*		*£50,160*
Net Receipts						**£820,673**
Expresssed as Net Receipts/sqm						£547
2. Development Costs						
Construction Costs	1,500	sq m	@	£740	per sq m	£1,110,000
External Works (% of build cost)	£1,110,000		@	10.0%		£111,000
Professional Fees (% of all construction)	£1,221,000		@	12.0%		£146,520
Marketing & Sales (% of value)	£870,833		@	4.0%		£34,833
BREEAM cost implications	£1,110,000		@	2.0%		£22,200
Developer Contributions	1,500	sq m	@	£50	per sq m	£75,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£56,233
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£870,833		@	20.0%		£174,167
Development Costs						**£1,729,953**
Land Value Realised at Sale	-£909,280					
Less						
Acquisition Fees	1.00	years	@	10.0%		£18,750
Less						
Land Tax			@	4.0%		£7,500
Total Costs						**£1,756,203**
Expresssed as total cost/sqm						£1,171
Residual Land Value for site						**-£935,530**
Number of floors	1					
Building footprint	1,500					
Development site coverage	40%					
Balance of site without direct development value	60%	2,250	sqm			
Total site land take		3,750	sqm	0.38	ha	
Residual land value per hectare						**-£2,494,746**
Assumed existing use value plus uplift per hectare	£500,000					
Site cost						£187,500
Total development cost and site costs						**£1,943,703**
Expresssed astotal cost and site costs/sqm						£1,296
Net residual value of development						**-£1,123,030**

Stratford on Avon - Residual Land Valuation
Industrial - 5000 sq.m B2 -Edge of Town

	Quantum			Rate		Total
1. Development Value						
Floorspace	5,000	sq m	@	95.0%		
Rental Value	4,750	sq m	@	£55	per sq m	
Investment Yield	£261,250	p.a.	@	9.0%		
Gross Development Value						**£2,902,778**
Expresssed as GDV/sqm						£581
Less buyers costs	*£2,902,778*		@	*5.76%*		*£167,200*
Net Receipts						**£2,735,578**
Expresssed as Net Receipts/sqm						£547
2. Development Costs						
Construction Costs	5,000	sq m	@	£560	per sq m	£2,800,000
External Works (% of build cost)	£2,800,000		@	10.0%		£280,000
Professional Fees (% of all construction)	£3,080,000		@	12.0%		£369,600
Marketing & Sales (% of value)	£2,902,778		@	4.0%		£116,111
BREEAM cost implications	£2,800,000		@	2.0%		£56,000
Developer Contributions	5,000	sq m	@	£50	per sq m	£250,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£145,189
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£2,902,778		@	20.0%		£580,556
Development Costs						**£4,597,456**
Land Value Realised at Sale	-£1,861,878					
Less						
Acquisition Fees	1.00	years	@	10.0%		£62,500
Less						
Land Tax			@	4.0%		£25,000
Total Costs						**£4,684,956**
Expresssed as total cost/sqm						£937
Residual Land Value for site						**-£1,949,378**
Number of floors	1					
Building footprint	5,000					
Development site coverage	40%					
Balance of site without direct development value	60%	7,500	sqm			
Total site land take		12,500	sqm	1.25	ha	
Residual land value per hectare						**-£1,559,502**
Assumed existing use value plus uplift per hectare	£500,000					
Site cost						£625,000
Total development cost and site costs						**£5,309,956**
Expresssed astotal cost and site costs/sqm						£1,062
Net residual value of development						**-£2,574,378**

Stratford on Avon - Residual Land Valuation
Industrial - 5000 sq.m B8 Storage/Distribution - Edge of Town

	Quantum			Rate		Total
1. Development Value						
Floorspace	5,000	sq m	@	95.0%		
Rental Value	4,750	sq m	@	£55	per sq m	
Investment Yield	£261,250	p.a.	@	8.7%		
Gross Development Value						**£3,002,874**
Expresssed as GDV/sqm						£601
Less buyers costs	*£3,002,874*		@	*5.76%*		*£172,966*
Net Receipts						**£2,829,908**
Expresssed as Net Receipts/sqm						£566
2. Development Costs						
Construction Costs	5,000	sq m	@	£580	per sq m	£2,900,000
External Works (% of build cost)	£2,900,000		@	10.0%		£290,000
Professional Fees (% of all construction)	£3,190,000		@	12.0%		£382,800
Marketing & Sales (% of value)	£3,002,874		@	4.0%		£120,115
BREEAM cost implications	£2,900,000		@	2.0%		£58,000
Developer Contributions	5,000	sq m	@	£50	per sq m	£250,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£150,034
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£3,002,874		@	20.0%		£600,575
Development Costs						**£4,751,524**
Land Value Realised at Sale	-£1,921,616					
Less						
Acquisition Fees	1.00	years	@	10.0%		£62,500
Less						
Land Tax			@	4.0%		£25,000
Total Costs						**£4,839,024**
Expresssed as total cost/sqm						£968
Residual Land Value for site						**-£2,009,116**
Number of floors	1					
Building footprint	5,000					
Development site coverage	40%					
Balance of site without direct development value	60%	7,500	sqm			
Total site land take		12,500	sqm	1.25	ha	
Residual land value per hectare						**-£1,607,293**
Assumed existing use value plus uplift per hectare	£500,000					
Site cost						£625,000
Total development cost and site costs						**£5,464,024**
Expresssed astotal cost and site costs/sqm						£1,093
Net residual value of development						**-£2,634,116**

Stratford on Avon - Residual Land Valuation
Budget Hotel - 2000 sq.m (60 Bedrooms) - Edge of Town

	Quantum			Rate		Total
1. Development Value						
Floorspace	2,000	sq m	@	95.0%		
Rental Value	1,900	sq m	@	£103	per sq m	
Investment Yield	£195,700	p.a.	@	6.6%		
Gross Development Value						**£2,965,152**
Expresssed as GDV/sqm						£1,483
Less buyers costs	*£2,965,152*		@	*5.76%*		*£170,793*
Net Receipts						**£2,794,359**
Expresssed as Net Receipts/sqm						£1,397
2. Development Costs						
Construction Costs	2,000	sq m	@	£1,080	per sq m	£2,160,000
External Works (% of build cost)	£2,160,000		@	10.0%		£216,000
Professional Fees (% of all construction)	£2,376,000		@	12.0%		£285,120
Marketing & Sales (% of value)	£2,965,152		@	4.0%		£118,606
BREEAM cost implications	£2,160,000		@	2.0%		£43,200
Developer Contributions	2,000	sq m	@	£50	per sq m	£100,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£109,610
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£2,965,152		@	20.0%		£593,030
Development Costs						**£3,625,566**
Land Value Realised at Sale	-£831,207					
Less						
Acquisition Fees	1.00	years	@	10.0%		£8,000
Less						
Land Tax			@	4.0%		£3,200
Total Costs						**£3,636,766**
Expresssed as total cost/sqm						£1,818
Residual Land Value for site						**-£842,407**
Number of floors	3					
Building footprint	667					
Development site coverage	50%					
Balance of site without direct development value	50%	667	sqm			
Total site land take		1,333	sqm	0.13	ha	
Residual land value per hectare						**-£6,318,055**
Assumed existing use value plus uplift per hectare	£600,000					
Site cost						£80,000
Total development cost and site costs						**£3,716,766**
Expresssed astotal cost and site costs/sqm						£1,858
Net residual value of development						**-£922,407**

Stratford on Avon - Residual Land Valuation
Mixed Leisure Scheme 8,000 sq.m - Cinema/bowling

	Quantum			Rate		Total
1. Development Value						
Floorspace	8,000	sq m	@	95.0%		
Rental Value	7,600	sq m	@	£149	per sq m	
Investment Yield	£1,132,400	p.a.	@	6.6%		
Gross Development Value						**£17,157,576**
Expresssed as GDV/sqm						£2,145
Less buyers costs	*£17,157,576*		@	*5.76%*		*£988,276*
Net Receipts						**£16,169,299**
Expresssed as Net Receipts/sqm						£2,021
2. Development Costs						
Construction Costs	8,000	sq m	@	£1,400	per sq m	£11,200,000
External Works (% of build cost)	£11,200,000		@	10.0%		£1,120,000
Professional Fees (% of all construction)	£12,320,000		@	12.0%		£1,478,400
Marketing & Sales (% of value)	£17,157,576		@	4.0%		£686,303
BREEAM cost implications	£11,200,000		@	2.0%		£224,000
Developer Contributions	8,000	sq m	@	£50	per sq m	£400,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£566,576
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£17,157,576		@	20.0%		£3,431,515
Development Costs						**£19,106,795**
Land Value Realised at Sale	-£2,937,495					
Less						
Acquisition Fees	1.00	years	@	10.0%		£48,000
Less						
Land Tax			@	4.0%		£19,200
Total Costs						**£19,173,995**
Expresssed as total cost/sqm						£2,397
Residual Land Value for site						**-£3,004,695**
Number of floors	2					
Building footprint	4,000					
Development site coverage	50%					
Balance of site without direct development value	50%	4,000	sqm			
Total site land take		8,000	sqm	0.80	ha	
Residual land value per hectare						**-£3,755,869**
Assumed existing use value plus uplift per hectare	£600,000					
Site cost						£480,000
Total development cost and site costs						**£19,653,995**
Expresssed astotal cost and site costs/sqm						£2,457
Net residual value of development						**-£3,484,695**

Stratford on Avon - Residual Land Valuation
Health and Fitness - 4,000 sq.m - Edge of town

	Quantum			Rate		Total
1. Development Value						
Floorspace	4,000	sq m	@	95.0%		
Rental Value	3,800	sq m	@	£105	per sq m	
Investment Yield	£399,000	p.a.	@	7.0%		
Gross Development Value						**£5,700,000**
Expresssed as GDV/sqm						£1,425
Less buyers costs	*£5,700,000*		@	*5.76%*		*£328,320*
Net Receipts						**£5,371,680**
Expresssed as Net Receipts/sqm						£1,343
2. Development Costs						
Construction Costs	4,000	sq m	@	£1,150	per sq m	£4,600,000
External Works (% of build cost)	£4,600,000		@	10.0%		£460,000
Professional Fees (% of all construction)	£5,060,000		@	12.0%		£607,200
Marketing & Sales (% of value)	£5,700,000		@	4.0%		£228,000
BREEAM cost implications	£4,600,000		@	2.0%		£92,000
Developer Contributions	4,000	sq m	@	£50	per sq m	£200,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£232,020
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£5,700,000		@	20.0%		£1,140,000
Development Costs						**£7,559,220**
Land Value Realised at Sale	-£2,187,540					
Less						
Acquisition Fees	1.00	years	@	10.0%		£30,000
Less						
Land Tax			@	4.0%		£12,000
Total Costs						**£7,601,220**
Expresssed as total cost/sqm						£1,900
Residual Land Value for site						**-£2,229,540**
Number of floors	1					
Building footprint	4,000					
Development site coverage	80%					
Balance of site without direct development value	20%	1,000	sqm			
Total site land take		5,000	sqm	0.50	ha	
Residual land value per hectare						**-£4,459,080**
Assumed existing use value plus uplift per hectare	£600,000					
Site cost						£300,000
Total development cost and site costs						**£7,901,220**
Expresssed astotal cost and site costs/sqm						£1,975
Net residual value of development						**-£2,529,540**

Stratford on Avon - Residual Land Valuation
Residential Care Home - 1,900 sq.m (40 bedrooms) - Edge of Town

	Quantum			Rate		Total
1. Development Value						
Floorspace	1,900	sq m	@	80.0%		
Rental Value	1,520	sq m	@	£128	per sq m	
Investment Yield	£194,074	p.a.	@	6.1%		
Gross Development Value						**£3,800,000**
Expresssed as GDV/sqm						£2,000
Less buyers costs	*£3,800,000*		@	*5.76%*		*£218,880*
Net Receipts						**£3,581,120**
Expresssed as Net Receipts/sqm						£1,885
2. Development Costs						
Construction Costs	1,900	sq m	@	£1,100	per sq m	£2,090,000
External Works (% of build cost)	£2,090,000		@	10.0%		£209,000
Professional Fees (% of all construction)	£2,299,000		@	12.0%		£275,880
Marketing & Sales (% of value)	£3,800,000		@	4.0%		£152,000
BREEAM cost implications	£2,090,000		@	0.0%		£0
Developer Contributions	1,900	sq m	@	£50	per sq m	£95,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£105,821
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£3,800,000		@	20.0%		£760,000
Development Costs						**£3,687,701**
Land Value Realised at Sale	-£106,581					
Less						
Acquisition Fees	1.00	years	@	10.0%		£17,813
Less						
Land Tax			@	4.0%		£7,125
Total Costs						**£3,712,639**
Expresssed as total cost/sqm						£1,954
Residual Land Value for site						**-£131,519**
Number of floors	2					
Building footprint	950					
Development site coverage	80%					
Balance of site without direct development value	20%	238	sqm			
Total site land take		1,188	sqm	0.12	ha	
Residual land value per hectare						**-£1,107,524**
Assumed existing use value plus uplift per hectare	£1,500,000					
Site cost						£178,125
Total development cost and site costs						**£3,890,764**
Expresssed astotal cost and site costs/sqm						£2,048
Net residual value of development						**-£309,644**

Stratford on Avon - Residual Land Valuation
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Edge of town

	Quantum			Rate		Total
1. Development Value						
Floorspace	4,500	sq m	@	70.0%		
Rental Value	3,150	sq m	@	£3,000	per sq m	
Gross Development Value						**£9,450,000**
Expresssed as GDV/sqm						£2,100
Less buyers costs	*£9,450,000*		@	*5.76%*		*£544,320*
Net Receipts						**£8,905,680**
Expresssed as Net Receipts/sqm						£1,979
2. Development Costs						
Construction Costs	4,500	sq m	@	£1,000	per sq m	£4,500,000
External Works (% of build cost)	£4,500,000		@	10.0%		£450,000
Professional Fees (% of all construction)	£4,950,000		@	12.0%		£594,000
Marketing & Sales (% of value)	£9,450,000		@	5.0%		£472,500
BREEAM cost implications	£4,500,000		@	0.0%		£0
Developer Contributions	4,500	sq m	@	£50	per sq m	£225,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£234,056
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£9,450,000		@	20.0%		£1,890,000
Development Costs						**£8,365,556**
Land Value Realised at Sale	£540,124					
Less						
Acquisition Fees	1.00	years	@	10.0%		£54,012
Less						
Land Tax			@	4.0%		£21,605
Total Costs						**£8,441,174**
Expresssed as total cost/sqm						£1,876
Residual Land Value for site						**£464,506**
Number of floors	2					
Building footprint	2,250					
Development site coverage	80%					
Balance of site without direct development value	20%	563	sqm			
Total site land take		2,813	sqm	0.28	ha	
Residual land value per hectare						**£1,651,578**
Assumed existing use value plus uplift per hectare	£1,000,000					
Site cost						£281,250
Total development cost and site costs						**£8,722,424**
Expresssed astotal cost and site costs/sqm						£1,938
Net residual value of development						**£183,256**

Stratford on Avon - Residual Land Valuation
Assisted Living with no affordable housing - 4,500 sq.m (50 units) - Greenfield

	Quantum			Rate		Total
1. Development Value						
Floorspace	4,500	sq m	@	70.0%		
Rental Value	3,150	sq m	@	£3,000	per sq m	
Gross Development Value						**£9,450,000**
Expresssed as GDV/sqm						£2,100
Less buyers costs	*£9,450,000*		@	*5.76%*		*£544,320*
Net Receipts						**£8,905,680**
Expresssed as Net Receipts/sqm						£1,979
2. Development Costs						
Construction Costs	4,500	sq m	@	£1,000	per sq m	£4,500,000
External Works (% of build cost)	£4,500,000		@	10.0%		£450,000
Professional Fees (% of all construction)	£4,950,000		@	12.0%		£594,000
Marketing & Sales (% of value)	£9,450,000		@	5.0%		£472,500
BREEAM cost implications	£4,500,000		@	0.0%		£0
Developer Contributions	4,500	sq m	@	£50	per sq m	£225,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£234,056
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£9,450,000		@	20.0%		£1,890,000
Development Costs						**£8,365,556**
Land Value Realised at Sale	£540,124					
Less						
Acquisition Fees	1.00	years	@	10.0%		£54,012
Less						
Land Tax			@	4.0%		£21,605
Total Costs						**£8,441,174**
Expresssed as total cost/sqm						£1,876
Residual Land Value for site						**£464,506**
Number of floors	2					
Building footprint	2,250					
Development site coverage	80%					
Balance of site without direct development value	20%	563	sqm			
Total site land take		2,813	sqm	0.28	ha	
Residual land value per hectare						**£1,651,578**
Assumed existing use value plus uplift per hectare	£500,000					
Site cost						£140,625
Total development cost and site costs						**£8,581,799**
Expresssed astotal cost and site costs/sqm						£1,907
Net residual value of development						**£323,881**

Stratford on Avon - Residual Land Valuation
Assisted Living with affordable housing - 4,500 sq.m (50 units) - Greenfield

	Quantum			Rate		Total
1. Development Value						
Floorspace	4,500	sq m	@	70.0%		
Rental Value	3,150	sq m	@			
	65%	100% OMV		£3,000	per sq m	£6,142,500
	35%	45% OMV		£1,350	per sq m	£1,488,375
Gross Development Value						**£7,630,875**
Expresssed as GDV/sqm						£1,696
Less buyers costs	*£7,630,875*		@	*5.76%*		*£439,538*
Net Receipts						**£7,191,337**
Expresssed as Net Receipts/sqm						£1,598
2. Development Costs						
Construction Costs	4,500	sq m	@	£1,000	per sq m	£4,500,000
External Works (% of build cost)	£4,500,000		@	10.0%		£450,000
Professional Fees (% of all construction)	£4,950,000		@	12.0%		£594,000
Marketing & Sales (% of value)	£7,630,875		@	5.0%		£381,544
BREEAM cost implications	£4,500,000		@	0.0%		£0
Developer Contributions	4,500	sq m	@	£50	per sq m	£225,000
Development Costs Finance (on half build costs)	1.00	years	@	7.5%		£230,645
Void Finance (on total development costs)	0.00	years	@	7.5%		£0
Margin on GDV	£7,630,875		@	20.0%		£1,526,175
Development Costs						**£7,907,364**
Land Value Realised at Sale	-£716,028					
Less						
Acquisition Fees	1.00	years	@	10.0%		£14,063
Less						
Land Tax			@	4.0%		£5,625
Total Costs						**£7,927,052**
Expresssed as total cost/sqm						£1,762
Residual Land Value for site						**-£735,716**
Number of floors	2					
Building footprint	2,250					
Development site coverage	80%					
Balance of site without direct development value	20%	563	sqm			
Total site land take		2,813	sqm	0.28	ha	
Residual land value per hectare						**-£2,615,877**
Assumed existing use value plus uplift per hectare	£500,000					
Site cost						£140,625
Total development cost and site costs						**£8,067,677**
Expresssed astotal cost and site costs/sqm						£1,793
Net residual value of development						**-£876,341**

Appendix C Development industry workshop notes

Notes of Workshop

Attendees:

- John Careford (JC) - Policy Planner, Stratford-on-Avon District Council
- Mark Felgate (MF) - Associate Planner, Peter Brett Associates
- Russell Porter (RP) - Associate Economist, Peter Brett Associates

- Barry Harding
- Bernard Alsop (Noralle Traditional Country Homes Ltd)
- Caroline Keane (Gerald Eve)
- Chris Shaw (Bloor Homes)
- David Green (Delta Planning)
- Henry Morrison
- Jasbir Kaur (Warwickshire County Council)
- John Gordon (Stratford District Council (Housing))
- Jonathan Dyke (Spitfire Bespoke Homes)
- Les Greenwood (Greenwood Planning)
- Marcus Faulkner (Sheldon Bosley)
- Mike Hill (Bromford Housing Association)
- Neil Gilliver (Warwickshire Rural Housing Association)
- Nicole Escue (Jaguar Land Rover)
- Oliver Taylor (Strutt & Parker)
- Paul Boileau (Brook Banks on behalf of CEG/Bird Group))
- Paul Richardson (PR Designs)
- Peter Cornford (John Earle)
- Phil Ward (Warwickshire Rural Community Council)
- Reuben Bellamy (CALA Homes)
- Reuben Flynn (Waterloo Housing Association)
- Richard Hardy (Bromwich Hardy)
- Richard Sykes (Jones Lang LaSalle)
- Rob Csondor (RCA Regeneration)
- Robert Davies (Gerald Eve)
- Rupert Hopcraft (Greywell Property)
- Sue Green (HBF)
- Tim Sharples (Noralle Traditional Country Homes Ltd)
- Ziyad Thomas (Planning Bureau Ltd)

Discussion:

JC welcomed attendees to the workshop and provided a brief update summary of the Stratford-on-Avon Core Strategy. He also introduced MF and RP from Peter Brett Associates. MF provided an overview of the background and purpose of viability study. The bulk of the workshop focused on the initial viability assumptions and was led by RP who sought comments from the stakeholders. MF chaired the discussion. JC concluded the workshop by thanking attendees for their time.

The main points of the discussion were as follows (please note that these do not necessarily follow the order they were discussed):

Approach

1. Question in respect of the definitions of affordable housing and distinction between different types of tenure. MF explained that definitions are set out in the National Planning Policy Framework (NPPF). *Post meeting note – definitions can be found here in Annex 2 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf*
2. Query whether the threshold of 5 units was sensible and whether a Housing Association would actually manage 1 or 2 affordable units spread across the rural area. RP responded that testing would look to set thresholds and if evidence suggests that it should be lower or higher then that will form part of the recommendations. Warwickshire Rural Housing Association confirmed that it and other RPs regularly manage dispersed affordable housing properties.
3. Suggested that a lower threshold will prevent development and increasing the threshold will actually increase housing delivery meeting Councillors' and residents' aspirations for the development of small sites. Rugby BC recently increased their threshold from 5 units to 14 units.
4. Comments were made on whether testing zero threshold is realistic and if smaller sites are considered then 'commuted sum' should be used.

Build costs

5. There was debate about the proposed build costs. RP explained that build costs were based on BCIS and did include a higher figure for smaller developments (as set out in presentation). RP also stated that build costs shown are just for the brick and mortar of the buildings themselves, other development costs are discussed later. Whilst there was general agreement about the costs for estate type housing for larger development there was concern about the costs for smaller developments. It was discussed that smaller developers cannot achieve the same economies of scale and that there experience is that build costs are much higher. *Post meeting note – PBA are happy to use a higher figure if there is evidence to support this to counter BCIS costs. BCIS data is locally applied, so should reflect the local experience. If there is a difference then PBA can go back to BCIS had seek an explanation for the difference. Those who expressed concern with the data need to send evidence to support their view.*
6. Query whether square metre assumptions correct and if they are gross whether they include garages? *Post meeting note – to clarify the costs will reflect average process across a range of properties, some of which may include integral garages. Attached or detached garages are not included.*

Site size

7. Advised of recent guidance prepared by Savills encouraging people to downsize to bespoke 'retirement' apartments "large and leafy". No examples of this in Stratford.
8. Affordable housing policy needs to be mindful of impacts of welfare reform on unit sizes.

Residential values

9. Account should be taken of a 'gradient' of residential values as a large house next to an affordable housing unit won't attract same high price as a large house in isolation.
10. Should also be remembered that one or two areas in the District (e.g. Studley) have lower values.
11. General consensus that the average values and value area shown were broadly correct

Benchmark land values

12. Biggest barrier to development in Stratford District is high land prices – should be representative and assumptions should take account of small sites.

13. Query whether values take account of incentives – many homebuilders offering big discounts.
14. Query site typologies on small sites in particular and the need for a distinction between e.g. brownfield office/residential and brownfield industrial/derelict. Alternative use value also needs to be taken into account.

Typologies

15. Site typologies need to model small, medium and big sites on both brownfield and greenfield as well as a high density scheme. *Post meeting note – PBA will model some smaller schemes including those with an existing use such as a pub or demolition of a large property*

Developer return and finance

16. Query development finance assumptions, again in respect of small sites. 7% was considered too low for smaller builders. *Post meeting note – PBA will need to see some evidence for an alternative approach to finance*
17. Should account be taken of increases in interest rates over the plan period? If so should also take account of increases in land values. RP stated that guidance suggests assumptions should be based on current costs and current values because it provides more certainty.
18. Developer return does not reflect risk on more difficult sites over time which should be calculated on a per annum basis. Even on long-term Local Plan sites assumed 30%.

Other costs

19. Account should be taken of ecology issues (e.g. badgers and bats) and the impacts resolving such issues can have on project timescales. Affects the 'risk' associated with developing a site.
20. Account should also be taken of lack of utility (e.g. gas) services in most rural areas not just in terms of on-site costs but also in respect of policy requirements for Code for Sustainable Homes and the impact on scheme viability.
21. Query whether CIL assumptions take account of education contributions or whether these are required in addition through s106. *Post meeting note – SDC currently consider that the proposed CIL charge of £150psm includes education contribution this will be clarified in report.*
22. Difficulty in trying to establish viability assumptions based on aspirational land prices in a district without a 5 year supply of land as landowners/developers see opportunities.
23. Advised that South Worcestershire Development Plan and Solihull require a different affordable housing rate for different sizes of site.
24. Simplicity = certainty. Policy can't be too complicated.
25. Support for change from affordable housing sq foot threshold to unit threshold
26. Concern that £5,000 per unit for S106/opening up costs is tight but could be ok if all other assumptions are generous.

Other issues

27. A buffer should be included, so policy is not set at the margin of viability, but this may vary across the district depending on local market.
28. Whilst situation in Stratford is uncertain, developers are going elsewhere.