

**Howard of Effingham Development: Applicants
Berkeley Homes**

Draft Viability Report



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1 Introduction

I am Dr Andrew Golland, BSc (Hons), PhD, MRICS, a Chartered Surveyor. I am a Chartered Surveyor, have a PhD in Development Economics and am the founder of the GLA development appraisal Toolkit.

I have written several leading good practice guides on viability and Section 106, have completed over 80 viability studies for local authorities, and am a retained consultant for several councils across England and Wales on viability matters.

I have presented viability appraisals major UK house builders and have worked on several schemes, mainly across London, for smaller developers and land owners. My approach is consistent between public and private sectors with respect to appeal and Core Strategy examination precedent.

I have developed, along with a colleague, Dr Adam Watkins, over 150 development viability Toolkits (the 'Three Dragons model') for local authorities.

I have been instructed by Mr Paul Sherman, Principal Planning Officer (Majors) of Guildford Borough Council, to assess the viability of a proposed scheme known as 'Howard of Effingham' with particular respect to Section 106 matters.

I have been provided with Berkeley Homes' financial appraisal by Mr Alisdair Chant.

2 The scheme

The scheme relates to a hybrid planning application for outline permission for a replacement secondary school for Howard of Effingham and up to 258 residential at Howard of Effingham School and Lodge Farm, Lower Road; and full permission for the erection of 37 dwellings on land at Brown's Field, Brown's Lane, Effingham.

The three site areas are shown below:



Overview of sites:

Site 1 (3.57 hectares) is the current Howard of Effingham School site and is hence seen as previously developed land. It comprises of the school buildings, tennis courts, car parking and playing fields. It is therefore a previously developed site.

Site 2 (1.69 hectares) is the playing fields for the current school. It is within Howard of Effingham School's ownership.

Site 3 (19.69 hectares) currently comprises Effingham Lodge Farm and associated agricultural land and farm buildings.

It is therefore principally agricultural land with associated farm uses.

Proposed development

The application seeks:

- The demolition of the existing Howard of Effingham School on Site 1;
- The construction of a new school on the eastern half of Site 3. The proposed school will comprise a three storey building providing accommodation for the School, an autism centre and office accommodation for the Howard Partnership Trust offices, 300 car parking spaces for staff and visitors, landscaping, a sports hall, playing

fields / sports pitches, playground spaces and all weather sports pitches;

- The development of up to 258 dwellings on the western half of Site 3 and the whole of Site 1. Up to 159 dwellings will be accommodated on the western half of Site 3, and up to 99 dwellings on Site 1.

There is a proposed housing mix for sites 1 and 3. This comprises mainly two, three and four bed family housing.

Summary figures for the development are shown below:

Summary figures for the development

Site No	Description	Existing Use	Proposed Development					Totals	Notes
			1 Bed Flats	2 Bed Flats	2 Bed Houses	3 Bed Houses	4+ Bed Houses		
1	Existing H of F School	School	8	5	20	45	21	99	Outline Permission sought
2	Brown's Lane	School Playing Fields	2	5	4	16	10	37	Full Permission sought
3	Effingham Lodge Farm	Farm buildings & Farm Land	7	24	8	86	34	159	Outline Permission sought
			Replacement (for H of E) Secondary School						Outline Permission sought
Totals			17	34	32	147	65	295	
%			5.76	11.53	10.85	49.83	22.03	100	
GRAND TOTAL								295	

3 Planning policy

3.1 National planning and leading guidance

The National Planning Policy Framework states that (Paragraph 173):

‘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’.

The NPPF thus stresses the importance of ensuring that both land owner and developer obtain a competitive return.

Whilst the scale of this ‘return’ is not specified, there is a range of further guidance that assists this process. This encompasses the RICS (Planning and Viability, 2012) guidance, the Harman Review (2012) which provides a steer to local authorities when reflecting viability impacts in local plans. The Homes and Communities Agency published a good practice guidance manual ‘Investment and Planning Obligations: Responding to the Downturn’.

This defines viability as follows: ‘a viable development will support a residual land value at a level sufficiently above the site’s existing use value (EUV) or alternative use value (AUV) to support a land acquisition price acceptable to the landowner’.

This guidance is older (2009) but is still relevant for sites which are stalled.

There is then a range of precedent and case law. Some of the more notable are:

Barnet & Chase Farm: APP/Q5300/A/07/2043798/NWF

Here it is stated that: ‘the appropriate test is that the value generated by the scheme should exceed the value of the site in its current use. The logic is that, if the converse were the case, then sites would not come forward for development’.

Bath Road, Bristol: APP/P0119/A/08/2069226

The key quotation from this case is that: ‘the difference between the RLV and the existing site value provides a basis for ascertaining the viability of contributing towards affordable housing’.

Beckenham: APP/G5180/A/08/2084559

The statement on the definition of viability is here less clear cut, although the approach to defining viability is nevertheless implicit in the statement: ‘without an affordable housing contribution, the scheme will only yield less than 12% above the existing use value, 8% below the generally accepted margin necessary to induce such development to proceed’.

Oxford Street, Woodstock: APP/D3125/A/09/2104658.

This case, consistent with the previous one outlined here, focuses on the margin required for a land owner to achieve over and above the Existing Use Value in order to achieve to a change of use of the land:

‘The main parties’ valuations of the current existing value of the land are not dissimilar but the Appellant has sought to add a 10% premium. Though the site is owned by the Appellants it must be assumed, for valuation purposes, that the land is being acquired now. It is unreasonable to assume that an existing owner and user of the land would not require a premium over the actual value of the land to offset inconvenience and assist with relocation. The Appellants addition of the 10% premium is not unreasonable in these circumstances.’

The approach has been very much bolstered in the report by Mr Keith Holland, the Examiner appointed by the Mayor of London to evaluate the London Community Infrastructure Levy.

3.2 Locally – policies in Guildford

Policy 4 of the Council’s Core Strategy (July 2014) ‘Affordable homes’ states that:

As well as providing and managing affordable housing ourselves, we will work with Registered Providers, developers and landowners to ensure that at least 40 per cent of all new homes built in the borough are affordable housing. This equates to 5,126 new affordable homes.

Subject to viability, these affordable homes will be provided:

On development sites of at least five homes (gross). On previously developed sites that meet this threshold at least 40 per cent of the homes will be provided as affordable homes.

On greenfield sites at least 45 per cent will be provided as affordable homes,

On developments of off-campus student accommodation and elderly people's housing (Use Class C3) of at least 20 bedrooms on sites that would otherwise be suitable for housing in accordance with the formula,

On allocated sites, in accordance with individual site allocations and on developments providing solely affordable housing either on public sector-owned land or developments by Registered Providers.

The Council have provided that across this development they will expect 35% on site Affordable Housing.

The tenure and size of affordable homes must meet the needs identified in the Strategic Housing Market Assessment 2014 or subsequent evidence document. This currently includes a tenure split of at least 70% rented, with the remainder being other forms of affordable housing.

Affordable rent must be no more than the maximum percentage of market rent set out in our most recent housing guidance or strategy.

We will not grant planning permission for development that would result in the net loss of any affordable homes that have been built on site, secured by planning obligation.

Community Infrastructure Levy in Guildford

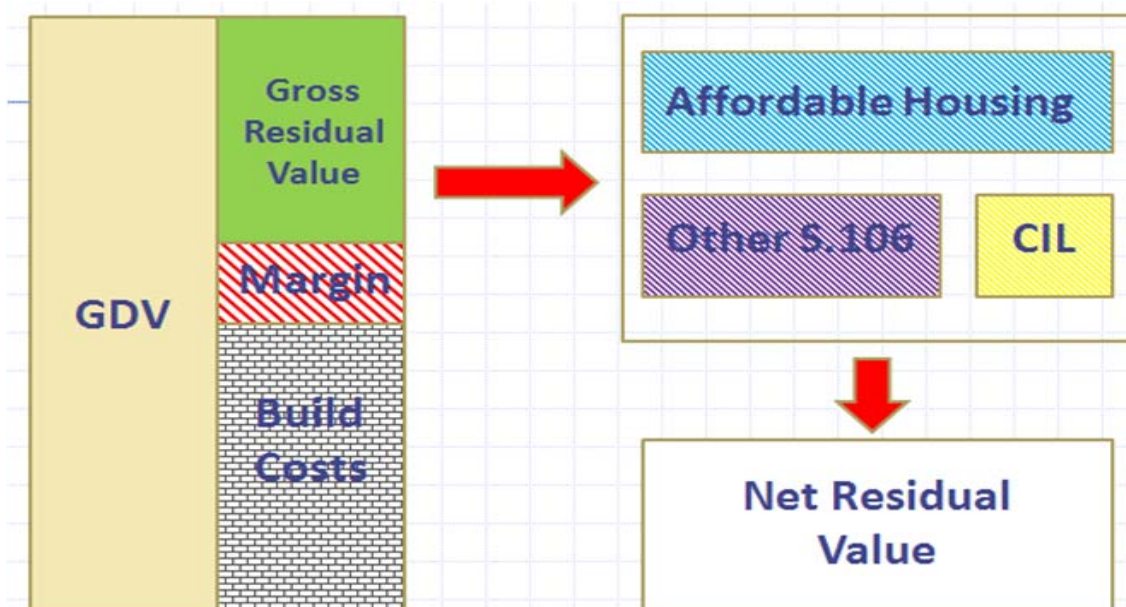
It is understood that the Council are currently working on an evidence base to support CIL with a view to introduction in 2015.

4 Viability assessment - principles

4.1 Overview

It is important to understand how viability is assessed in the planning and development process. The assessment of viability is usually referred to a residual development appraisal approach. Our understanding is illustrated in the diagram below. This shows that the starting point for negotiations is the gross residual site value which is the difference between the scheme revenue and scheme costs, including a reasonable allowance for developer return.

Once CIL or Section 106 contributions have been deducted from the gross residual value, a 'net' residual value results. The question is then whether this net residual value is sufficient in terms of development value relative to the site in its current use.

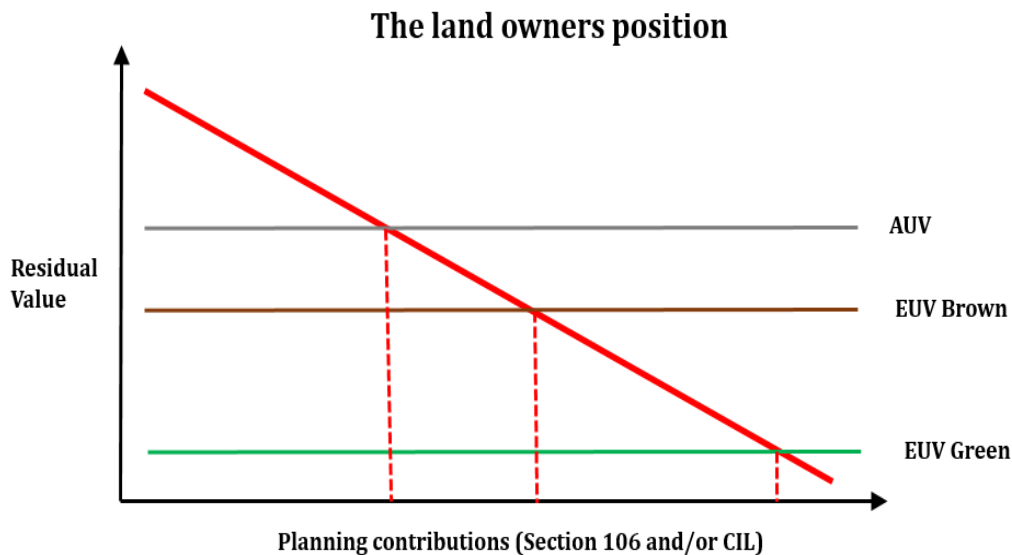


Calculating what is likely to be the value of a site given a specific planning permission, is only one factor in deciding what is viable.

4.2 Land owner considerations

A site is extremely unlikely to proceed where the costs of a proposed scheme exceed the revenue. But simply having a positive residual value

will not guarantee that development happens. The existing use value of the site, or indeed a realistic alternative use value for a site (e.g. commercial) will also play a role in the mind of the land owner in bringing the site forward and thus is a factor in deciding whether a site is likely to be brought forward for housing.



The diagram shows how this operates. The land owner will always be concerned to ensure that residual value clears the relevant land value benchmark.

5 Data sources and assumptions

5.1 Overview

The appraisal work and report relies on a range of information sources. The applicants have provided two files of information relating to their own estimate of costs and values. I have assessed this information and where necessary benchmarked it using my own and/or industry standard information.

5.2 Costs

There are normally two main elements of cost analysis: base construction costs and other development costs. The base construction costs include items such as Build Plot costs (sub and superstructure), roads and sewers,

landscaping and other external works. Added to these are abnormal construction costs and site remediation works where known.

Other development costs include such items as professional fees, developer overheads, finance costs and developer margin.

5.2.1 Construction costs

Residential

The applicants have provided detailed information in relation to construction costs and these are set out in the appraisal files. The table below summarises the residential construction costs:

This shows that base construction costs amount to £36,100,513 (I have used here the appraisal relating to 20% Affordable Housing). This equates to a figure of £1,122 per square metre and which covers plot, superstructure and service costs.

There are the additional costs in relation to 'foundations' 'garages' and 'external works'. These amount to £16,564,458 or an equivalent of £515 per square metre. The costs are called 'abnormals', although they do not appear to cover conventional abnormal headings such as demolition, decontamination etc.

Berkeley Cost Assessment			
(20% Affordable Housing)			
	Floor Area (Sq M)	Costs	Cost per Sq M
Market Housing	28,164	£31,808,476	
Affordable Housing	4,009	£4,292,037	
	32,173		
Sub Total (1)		£36,100,513	£1,122
Additional Costs			
Foundations		£3,563,400	
Garages		£1,286,800	
Externals & Infrastructure		£11,714,258	
Sub Total (2)		£16,564,458	£514.86
Preliminaries		£6,319,796	
Sub Total (3)		£6,319,796	
GRAND TOTAL		£58,984,767	£1,833

Preliminaries are then added by Berkeley to the abnormals. In total, costs of £58,984,767 result and an equivalent of £1,833 per square metre of residential construction.

Benchmarking

I have calculated the likely construction costs based on industry standard BCIS costs for new build.

The applicants will be aware that this is the standard source of information with respect to industry construction costs. These costs are the 'gold standard' and are used extensively in viability studies across the country.

The BCIS present data for New Build schemes.

The base costs, taken from BCIS are shown in the screenshots below:

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
Botanical gardens, herbaria, zoos (25)	2,580	1,739	-	2,389	-	3,803	4
Aviaries (30)	793	-	-	-	-	-	1
Aquaria (20)	1,717	-	-	-	-	-	1
Museums, planetaria (15)	1,811	702	1,084	1,408	2,164	4,071	7
Art galleries, facilities for special displays (15)	2,803	1,334	1,799	2,662	3,359	3,861	6
Exhibition buildings (15)	1,994	1,345	1,448	1,712	1,782	3,881	5
Libraries							
Generally (15)	1,889	1,078	1,633	1,832	2,182	3,121	41
Up to 500m ² GFA (15)	1,870	1,190	1,660	1,861	2,062	2,897	12
500 to 2000m ² GFA (15)	1,946	1,078	1,702	1,889	2,273	3,121	21
Over 2000m ² GFA (15)	1,767	1,343	1,496	1,732	1,930	2,410	8
Public Libraries (15)	1,968	1,439	1,704	1,900	2,189	2,897	28
School/College/University Libraries (15)	1,753	1,078	1,307	1,703	1,998	3,121	15
Special libraries (25)	2,099	1,649	-	-	-	2,548	2
Computer buildings							
Generally (30)	2,257	1,170	1,571	1,940	2,968	3,548	15
Air-conditioned (30)	2,500	1,501	1,832	2,841	3,095	3,228	5
Not air-conditioned (30)	2,084	1,502	-	-	-	2,666	2
Record offices, archives, patent offices (20)	1,912	1,253	-	2,173	-	2,310	3
Housing, mixed developments (15)	990	479	850	965	1,103	2,160	954
Estate housing							
Generally (15)	960	472	822	937	1,064	1,974	1750
Single storey (15)	1,054	556	903	1,024	1,204	1,820	288
2-storey (15)	940	472	818	923	1,034	1,849	1330
3-storey (15)	958	619	784	909	1,070	1,974	131
4-storey or above (25)	1,366	1,036	-	1,246	-	1,818	3
Estate housing detached (15)	1,018	737	847	1,036	1,153	1,344	15
Estate housing semi detached							
Generally (15)	961	491	832	942	1,059	1,820	397
Single storey (15)	1,102	666	932	1,096	1,240	1,820	65
2-storey (15)	935	491	825	928	1,026	1,629	313
3-storey (15)	897	671	742	878	975	1,401	19
Estate housing terraced							
Generally (15)	976	478	816	941	1,094	1,974	389
Single storey (15)	1,035	630	851	966	1,209	1,597	58
2-storey (15)	966	478	821	941	1,079	1,849	274

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
3-storey (15)	965	619	785	901	1,028	1,974	57
Flats (apartments)							
Generally (15)	1,148	577	965	1,105	1,304	3,093	790
1-2 storey (15)	1,090	635	945	1,057	1,215	2,034	193
3-5 storey (15)	1,132	577	957	1,102	1,287	2,317	525
6+ storey (15)	1,429	853	1,174	1,411	1,573	3,093	68
Housing with shops, offices, workshops or the like (15)	1,326	668	992	1,202	1,507	3,461	61

To these costs should be adjusted, the Location factor costs. These are shown in the screenshot below:

This shows that costs of 118% (of national build costs) are appropriate for Guildford:

Location (using 2000 boundaries data) ?

Base: UK mean = 100
Updated: 09-Jan-2015

+ -

Filter Apply

Location	Index	90% confidence interval	Standard deviation	Range	Sample
▶ North East	98	97 - 99	12	74 - 175	455
▶ North West	90	90 - 91	10	60 - 148	975
▶ Yorkshire and the Humber	93	92 - 94	11	71 - 176	627
▶ East Midlands	97	96 - 98	11	63 - 138	631
▶ West Midlands	90	90 - 91	10	63 - 153	891
▶ East of England	106	105 - 107	12	70 - 157	956
▶ London	114	113 - 115	16	76 - 185	996
▼ South East	113	113 - 114	13	81 - 173	1459
▶ Berkshire	114	112 - 115	12	87 - 152	143
▶ Buckinghamshire	112	110 - 114	13	85 - 152	193
▶ East Sussex	115	113 - 117	13	88 - 168	128
▶ Hampshire	110	109 - 111	12	81 - 173	312
Isle of Wight	109	104 - 114	12	87 - 133	18
▶ Kent	115	114 - 116	13	92 - 170	246
▶ Oxfordshire	109	107 - 111	14	87 - 170	118
▼ Surrey	119	117 - 121	13	88 - 169	174
Elmbridge	123	118 - 127	10	104 - 136	14
Epsom and Ewell	116	112 - 120	7	102 - 126	11
Guildford	118	114 - 121	12	100 - 169	31
Mole Valley	122	118 - 127	13	96 - 155	21

The table below shows a summary of how costs are arrived at, and compares the cost figures with that of the Berkeley appraisal:

Berkeley Cost Assessment (20% Affordable Housing)				BCIS			
	Floor Area (Sq M)	Costs	Cost per Sq M				
Market Housing	28,164	£31,808,476		MEAN COSTS		UPPER QUARTILE	
Affordable Housing	4,009	£4,292,037		Estate Housing		Estate Housing	
	32,173			Base Costs	£940	Base Costs	£1,034
				External Works (at 15%)	£141	External Works (at 15%)	£155
				Guildford Factor (+ 18%)	£195	Guildford Factor (+ 18%)	£214
Sub Total (1)		£36,100,513	£1,122				
				Total per Sq M	£1,212	Total per Sq M	£1,333
Additional Costs							
				Flats		Flats	
Foundations		£3,563,400		Base Costs	£1,090	Base Costs	£1,215
Garages		£1,286,800		External Works (at 15%)	£164	External Works (at 15%)	£182
Externals & Infrastructure		£11,714,258		Guildford Factor (+ 18%)	£226	Guildford Factor (+ 18%)	£252
Sub Total (2)		£16,564,458	£514.86				
				Total per Sq M	£1,405	Total per Sq M	£1,566
Preliminaries		£6,319,796		BCIS Costs:			
Sub Total (3)		£6,319,796		<i>Preliminaries included</i>			
				<i>Externals and Infrastructure excluded (but here a 15% allowance made)</i>			
GRAND TOTAL		£58,984,767	£1,833	<i>Contractor margin included - deducted here at 5%</i>			
				<i>Guildford Factor at 18%</i>			

It will be noted with respect to the BCIS costs that I have run these in two ways, following the point previously made to me that Berkeley Homes' costs are higher than those for the industry in general.

To this end, I have therefore calculated costs based not on the mean or average, but also on Upper Quartile costs.

The (BCIS) costs using the higher measure are however very significantly below the Berkeley Homes costs; indeed, with respect to the costs of housing, exactly £500 per square metre more; or 38%.

I find the company costs unrealistically high, and I have the following comments:

- What is provided is an estimate of costs. It does not necessarily reflect a market tested figure;
- There can be efficiencies not only in the tendering process, but also in the construction process itself;
- The sites in question do not appear to me to be particularly problematic in terms of development. The sites are fairly level and do not present significant issues to do with gradient or topography;
- The roads to the sites are all in essence, estate roads, the costs for which would normally add between 10% and 20% to basic construction costs including all externals;
- I note that with respect to the costing of the new School (by Artelia) there is an inflation allowance (5.6%). It is not clear whether this has been applied in the case of the residential, but clearly if it has, then the appraisal would benefit to the tune of some £3 million. In my view it is inappropriate to apply inflation to one side of the equation (i.e. the cost side), without applying it to the value side;
- The same principle applies to the use of a contingency. I note here that this has been added at £2.633 million. This is as yet an unrealised cost and if it is included it should be a) justified and b) offset against potential increase on the revenue side of the scheme.

The School

The scheme involves the construction and provision of a new secondary school.

The applicants, as with the residential assessment, have provided an estimate of costs. These are set out below:

Berkeley Cost Assessment	
	Floor Areas
Main School Building	4261
Sixth Form College	1136
Humanities/MFL Block	2535
English Block	2129
Art/Design Block	2129
Science Block	2266
Autism/Partnership Block	1591
Total Floor Area	16047
Total Build Costs	£25,606,000
(Incl Prelims)	
Cost per Sq M	£1,596

This shows a construction cost of £1,596 per square metre, which, when multiplied by the scheme floorspace gives a cost of £25,606,000.

I am aware of costs in relation to similar schemes, notably from Wilkinson Eyre (a recent example at Bristol Academy) which generate costs including fees and margins of around £1950 per square metre.

When additional costs are taken on board from the Berkeley's appraisal (but excluding the £1,579,000 inflation allowance) then total costs are at £30,351,000, or £1,891 per square metre. I have adopted this cost in my appraisal.

As with the residential, I have cross referenced the costs to BCIS, which appear in the same ballpark for this type of dwelling built nationally.

School demolition costs

These are estimated at £577,970 in the applicants' appraisal. I have included this figure, although further investigation may need to be done on this cost.

5.2.2 Other development costs

Added to these costs will need to be other development costs. These are set out in the screenshot below:

Other Development Costs

You can enter your own values in the white cells below. Enter 0% for non-applicable items.
Where cells are left blank, the Toolkit value for that row will be used.

	Toolkit Values	User Values	
Professional Fees %	12.00%	6.00%	of build costs
Internal Overheads	5.00%	0.00%	of build costs (Market and Discount Market units)
Interest Rate (Market)	7.00%		of build Costs (Market, Discount Market and Low Cost Sale units)
Interest Rate (Affordable Housing)	7.00%		of build costs (SR, HB, IR units)
Marketing Fees	3.00%		of market value (Market and Discount Market units)
Developers Return	15.00%	20.00%	of market value (Market and Discount Market units)
Contractors Return	6.00%		of development costs (SR, HB, IR and LCS units)

These are the standard costs adopted in the AGA:3D Toolkit.

I set out below a comparison of other development costs:

Item	AGA	Berkeleys	Comment
Sales & Marketing	£2,708,000	£5,730,061	Berkeley's costs look high here - but relate to only 20% AH scheme
Planning fees	£2,375,000	£1,901,474	Berkeley's costs - do these include Design fees as well?
Finance	£2,771,000	£7,889,069	Berkeley costs much higher here - but based on much higher (c. 40% build costs)
Margin for Market Housing	20% on GDV	20% on GDV	Approach agreed, but appraisal subject to % AH
Margin for AH	6% on Dev Costs	6% on Dev Costs	Approach agreed, but appraisal subject to % AH

5.3 Section 106 costs

I have included the following other (than Affordable Housing) Section 106 costs; as shown in the screenshot below:

11 - PLANNING OBLIGATIONS

ALWAYS DEPRESS THE CLEAR TABLE BUTTON FIRST

For each type of contribution you may either enter a total figure (for that row) or you may enter values per unit (for each tenure). If you choose the second option, the Toolkit will calculate the total obligation 'cost' for the scheme.

To enter one total value for a row, tick the corresponding box in the "Enter Total?" column and enter a value in the "User Total" column : To enter the values by tenure leave the box un-ticked

	Input by Total		Input by Unit					Calculated Total (Affordable and Sale)	
	Enter Total?	User Total	Sale	Affordable					
				Social rent	New Build HomeBuy	Intermediate rent	Discount Market		Local Sale
Education Contribution	<input checked="" type="checkbox"/>	£30,351,000							£30,351,000
Highway Works	<input type="checkbox"/>								
Contribution to public transport	<input type="checkbox"/>								
Contribution to community facilities	<input checked="" type="checkbox"/>	£330,000							£330,000
Provision for open space	<input checked="" type="checkbox"/>	£141,440							£141,440
Contribution to public realm	<input type="checkbox"/>								
Contribution to public art	<input type="checkbox"/>								
Environmental improvements	<input type="checkbox"/>								
Town centre improvements	<input type="checkbox"/>								
Waterfront Improvements	<input type="checkbox"/>								
Support for employment development	<input type="checkbox"/>								
Employment related training	<input type="checkbox"/>								
<Enter Planning Obligation Description here>	<input type="checkbox"/>								
S.106 Guildford	<input checked="" type="checkbox"/>	£1,232,949							£1,232,949
<Enter Planning Obligation Description here>	<input type="checkbox"/>								

Obligations package per unit

Contribution from Commercial

Total for Scheme	£32,055,389
Total for Scheme per hectare	£3,374,251
Total for Scheme divided by total number of units	£108,662
Total for Scheme divided by number of sale units	£167,829

These are set out in the applicants' schedule. It will be noted that I have not included On Site infrastructure works. These are covered in my approach to development costs.

The Council also have concerns about the inclusion of £412,468 towards sports pitches which would not be sought, and should be included as part of the costs of developing the school.

5.4 Values

The applicants have provided me (in Section 7) with a full schedule of prices. The basis for price setting appears to be agents' opinion. In this respect, Berkeley's have engaged Arun and Patrick Gardner to give a view on likely selling prices for the development.

Values from these two agents range generally between 380 per square foot (£4,090 per sq m) and £420 per square foot (£4,521 per sq m).

The agent Arun has valued the scheme at £407 per square foot (£4,381 per sq m) across all units. Patrick Gardner has valued the scheme at £409 per square foot (£4,402 per sq m) across all units.

These values are presumably indicative of the general market for the site at the current time.

Berkeley have then done their own valuation, presumably reflecting a higher quality of build than the general market. This gives a scheme value across all units of £424 per square foot (£4,564 per sq m).

My own research

In addition to the information provided by the applicants, it is important in any appraisal assessment, to cross check with local sales.

I have researched the local market for best comparables. As far as I am aware, there are no other significant developments in the immediate area. However, there are several sales and properties being marketed which give a strong indication of likely selling prices.

Local comparable information

Status	Type	Price	Size	Price/ Sq M	Price/Sq M (Adjusted)	Developer/Agent
New Build being marketed					2.5% Reduction	
East Horsley	3 Bed Semi	£725,000	114	£6,360	£6,201	Henshaws
Ripley	3 Bed Semi	£575,000	117	£4,915	£4,792	A2 Dominian: Hampton International
Ripley	4 Bed Semi	£675,000	137	£4,927	£4,804	A2 Dominian: Hampton International
East Horsley	4 Bed Detached	£995,000	191	£5,209	£5,079	Curchods
Great Bookham	4 Bed Detached	£850,000	195	£4,359	£4,250	Huggins, Edwards & Sharp
Vincent Lane, Dorking	4 Bed Town House	£499,950	92	£5,434	£5,298	Charles Church
Average					£5,071	
Second Hand being marketed					2.5% Reduction	
Effingham	4 Bed Detached	£1,400,000	220	£6,364	£6,205	Churchill
East Horsley	5 Bed Detached	£1,295,000	226	£5,730	£5,587	Curchods
Bookham Grange Hotel	2 Bed Flat	£425,000	102	£4,167	£4,063	Latchmere Properties: Huggins Edwards & Sharp
Bookham Grange Hotel	3 Bed Flat	£750,000	148	£5,068	£4,941	Latchmere Properties: Huggins Edwards & Sharp
Bookham Grange Hotel	4 Bed Detached	£1,600,000	316	£5,063	£4,937	Latchmere Properties: Huggins Edwards & Sharp
Bookham Grange Hotel	4 Bed Detached	£1,500,000	306	£4,902	£4,779	Latchmere Properties: Huggins Edwards & Sharp
Effingham	3 Bed Bungalow	£775,000	171	£4,532	£4,419	Gascoigne Peas
Effingham	3 Bed Detached	£635,000	138	£4,601	£4,486	Curchods
East Horsley	2 Bed Terrace	£550,000	113	£4,867	£4,746	Gascoigne Peas
Norwood Close, Effingham	3 Bed Semi	£479,950	110	£4,363	£4,254	Huggins, Edwards & Sharp
Effingham	2 Bed Flat	£335,000	65	£5,154	£5,025	Patrick Gardner
Average					£4,858	
Recent sales in Effingham					Indexed	
348, Lower Road (Jan 2013)	3 Bed Detached	£850,000	215	£3,953	£4,467	Patrick Gardner
2, Church Cottages, Church St (Dec 2012)	2 Bed Semi	£295,000	70	£4,214	£5,002	Henshaws
Moonshine, Effingham Common Road (June 2014)	3 Bed Detached	£553,000	122	£4,533	£4,855	Gascoigne Peas
Hylands, Guildford Road (Oct 2013)	2 Bed Bungalow	£425,000	77	£5,519	£6,309	Patrick Gardner
High Pines, Guildford Road (April 2013)	3 Bed Detached	£605,000	177	£3,418	£3,982	John Wadsworth
3, Victory Cottages, Guildford Road (April 2013)	3 Bed Semi	£360,000	105	£3,429	£3,994	Henshaws
Pine Grove Lodge, Guildford Road (Feb 2013)	4 Bed Detached	£780,000	186	£4,194	£4,940	John. D. Wood
Browns Cottage, The Street (May 2014)	3 Bed Semi	£430,000	88	£4,886	£5,307	Gascoigne Peas
Average					£4,857	

There are several small development with new dwellings for sale. These are shown in the top section of the table above. The price range (allowing for a discount of 2.5% from asking to selling) is from £4,359 to £6,201 per square metre. The average anticipated selling for new build is £5,701. Much of this property is what I would term 'run of the mill' new build. It is not 'top quality'.

I have then looked at second hand property being marketed in the locality. The price range here is from £4,063 to £6,205 per square metre. The average price is £4,858 per square metre.

Recent sales in the village of Effingham itself are listed below, at the bottom of the table. Because the sales are historic, I have indexed prices to the latest possible date (November 2014) using the HM Land Registry price index. This approach gives an average selling price of £4,857 per square metre. This will be noted as very close to the figure (£4,858 per square metre) for second hand properties being marketed. As previously, these sales include some very ordinary properties, and in some instances, dwellings that look as if some modernisation/repair is required.

A fair 'marker' therefore for the existing market is probably around £4,900 per square metre.

A fair marker for new build would appear to be around £5,100 per square metre. Again, it is important to emphasise that this is very much for 'run of the mill' new build. The equivalent price on a per square foot basis is £474.

Conclusions on values

I believe that there are several problems with the anticipated development value put forward by the applicants:

- It starts from too low a base. The average of the £408 per square foot (£4,391 per sq m) is clearly well below the going market rate (I have estimated this to be £5,100 per square metre for run of the mill new build);
- Berkeley's have increased the agents' values, although only by 3.7% which means that (at £424 per square foot) they are still some 12% below what I believe they should be, even for new build of an average quality;
- I would have expected to see values in the region of £6,000 per square metre for the type of development being proposed.

The argument for using the prices put forward in the applicant's appraisal is typically supported on the basis that there will be many units to sell and, for example, my comparables are only one-off examples. I do not believe this to be a valid argument however for two reasons:

- The development period is fairly extensive. The cash flow analysis suggests that this will run from June 2014 to November 2021; some seven and a half years. The scheme will be phased therefore;
- The market in Surrey is likely to rise, if recent past performance is broadly continued. The well publicised housing shortage will bolster sales, particularly of high quality homes, as is planned at this site.

Affordable housing revenue

I have consulted the local authority with respect to their requirements for Affordable Housing for the site. It is suggested that the Affordable element should be split 60% Affordable Rent and 40% Shared Ownership.

The Council have informed me that housing associations will normally pay around £125,000 for Affordable Rented flats and around £150,000 for Affordable Rented houses. Across the scheme, this means an average contribution of £138,542 per Affordable Rented unit.

The remaining units should be Shared Ownership. The calculation for these units is set out below. This shows that Shared Ownership can be affordable, if sold at a low rate (here tested at 25%).

The contribution per unit across the scheme will be £214,870 per unit.

Viability								
Unit Type	No	OMV	At 25% Part Share	Unsold Equity	Rent at 2.75% on Unsold Equity	Net Rents at 75% of Gross	Net Rent capitalised at 6%	Total Value
2 Bed Flats	15	£370,000	£92,500	£277,500	£7,631	£5,723	£95,352	£187,852
2 Bed Houses	15	£375,000	£93,750	£281,250	£7,734	£5,801	£96,641	£190,391
3 Bed Houses	12	£550,000	£137,500	£412,500	£11,344	£8,508	£141,740	£279,240
Affordability								
					Mortgage at 6% on 25% Equity	Rent at 2.75% on Unsold Equity	Outgoings	
2 Bed Flats	15	£370,000	£92,500	£277,500	£5,550	£7,631	£13,181	
2 Bed Houses	15	£375,000	£93,750	£281,250	£5,625	£7,734	£13,359	
3 Bed Houses	12	£550,000	£137,500	£412,500	£8,250	£11,344	£19,594	
Revenue per unit	No	Value						
2 Bed Flats	15	£187,852	£2,817,780					
2 Bed Houses	15	£190,391	£2,855,865					
3 Bed Houses	12	£279,240	£3,350,880					
			£9,024,525	£42	£214,870			

Across the scheme as a whole, the Affordable Housing should generate £169,366 per unit.

The applicants have assumed an average payment of £179,211 per unit across the Affordable element.

6 Existing Situation – land value benchmark

The land value benchmark (LVB) is important in defining viability; in particular, the financial relationship between residual value and the LVB.

Where the LVB is higher than the residual value (RV), then schemes are in principle, unviable.

The Existing Use Value (EUV) for this site is very low. The bulk of the site is green field and the remainder in educational use. I have calculated the EUV as 9.5 hectares at £15,000 per hectare, giving £142,500. Without the effect of planning the site will remain at this level.

In so far that the local authority sees this as a development site, and one which is needed to meet its housing requirement and housing needs, then an alternative use value (AUV) might be argued for. In so far that there is hope value for housing, then recent research by the DCLG suggests a figure of around £400,000 per hectare for green field with housing potential. This would give a benchmark of £3.8 million. The HCA's guidance suggests an increase of between 10 and 20 fold from EUV for green field. Assuming that this is 15 fold (as a mid point) then the benchmark would be £2.25 million.

On the basis of this leading guidance a fair AUV would seem to be around £3 million.

Indeed this is close to the land acquisition price of £3.28 million.

7 Results and conclusions

The full appraisal for the scheme is shown in Toolkit form at Appendix 1. This shows the appraisal for the 295 residential units and the new school.

This shows a residual value of £31,969,144. This means that revenue is higher than costs and means a very viable scheme indeed.

The scheme generates a 20% equivalent margin to the developer. The residual value is based on an Affordable Housing contribution of 35%, and other Section 106 contributions totalling £1,704,389, and the provision of the new school.

20 - Scheme Results			
Site Reference Details		Site Details	
Site Reference Number		Site	Effingham - 295 Dwellings & School on 3 Sites
Application Number		Address	
Site Location	Gedling	Site Details	Howard of Effingham Scheme
Scheme Description			
TOTAL NUMBER OF UNITS		DENSITY (per hectare)	
Dwellings	295	Dwellings	31.1
% Wheelchair Units			
REVENUE AND COSTS		RESIDUAL VALUE	
Total scheme revenue	£ 137,654,144	Whole scheme	£ 31,969,144
Total scheme costs	£ 105,685,000	Per hectare	£ 3,365,000
Contribution to revenue from:		Per dwelling	£ 108,000
Market housing	£ 120,040,000	Per market dwelling	£ 167,000
Affordable Housing	£ 17,614,144		
- Social rent	£ -	PUBLIC SUBSIDY (GRANT)	
- New Build HomeBuy	£ 9,025,000	Whole Scheme	£ -
- Intermediate Rent	£ 8,590,000	Per Social Rental dwelling	£ -
- Discount Market	£ -	Per New Build HomeBuy dwelling	£ -
- Local Sale	£ -	Per Intermediate Rent dwelling	£ -
Capital Contribution	£ -		
Commercial Elements	£ -		
Contribution to costs from:		Alternative Site Values	
Market housing	£ 59,740,000	Existing Use Value	£ 143,000
Affordable Housing	£ 13,311,000	Acquisition Cost	£ 3,280,000
- Social rent	£ -	Alternative Use Value 1	£ 3,000,000
- New Build HomeBuy	£ 5,334,000	Alternative Use Value 2	£ -
- Intermediate Rent	£ 7,977,000	Alternative Use Value 3	£ -
- Discount Market	£ -		
- Local Sale	£ -		
Land Finance	£ -		
Planning Obligations	£ 32,055,000		
Total Exceptional Costs	£ 578,000		
Commercial Elements	£ -		
		Against residual	
		Existing Use Value	£ 31,827,000
		Acquisition Cost	£ 28,689,000
		Alternative Use Value 1	£ 28,969,000
		Alternative Use Value 2	£ -
		Alternative Use Value 3	£ -

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As against the existing use value, the scheme is very viable and generates a competitive land owner return (the planning permission generates a 223 fold uplift here).

As against the AUV, there is a surplus from RV to AUV: of £28,969,000. I have re-run the appraisal and I believe that a contribution of around 60% Affordable Housing is viable at this benchmark.

As against the land acquisition cost, there is a surplus from RV to AUV: of £28,689,000. I have re-run the appraisal and I believe that a contribution of around 60% Affordable Housing is viable at this benchmark.

Appendix 1 Appraisal

1 - SITE IDENTIFICATION

Site Details	<input type="text" value="Howard of Effingham Scheme"/>
Site Address	<input type="text" value="Effingham - 295 Dwellings & School on 3 Sites"/>
Site Reference	<input type="text"/>
Application Number	<input type="text"/>
Scheme Description	<input type="text"/>

I have read, and accepted, the terms and conditions set out in the [license agreement](#)

3 - BASIC SITE INFORMATION

Site Area

Total Size of Site In Hectares (You must enter a value in here)

Density / Number of Dwellings

Enter a number of dwellings (You must enter a value in here)

Percentage Increase/Decrease in Density:

You may test the effect of a percentage increase/decrease in the site density by using the cell below

%

Resulting Number of Dwellings

Resulting Density dph

4 - CHARACTERISTICS OF DEVELOPMENT

ALWAYS DEPRESS THE CLEAR TABLE BUTTON FIRST

You then have 2 options for entering information about the scheme

EITHER, enter information for up to 20 dwelling types – each row must be either fully complete or left blank (enter 1 if information not relevant e.g. size of affordable unit but is a market unit)

OR select the Toolkit default mix by depressing the button called Use Default Unit Types

Clear Table		Use Default Unit Types				View Default Mix ->		
Ref.	Description of Dwelling	No of Bed-Rooms	Dwelling Type	No of Units	Size in sq.m Affordable	Size in sq.m Market	Parking (flats only)	No. of Storeys (1-99)
1	Site 1 - 1 Bed Flats	1	Flat	8.0	53	53	n/a	2
2	Site 1 - 2 Bed Flat	2	Flat	5.0	70	70	n/a	2
3	Site 1 - 2 Bed Houses	2	House	20.0	74	74	n/a	n/a
4	Site 1 - 3 Bed Houses	3	House	45.0	109	109	n/a	n/a
5	Site 1 - 4 Bed Houses	4	House	21.0	177	177	n/a	n/a
6	Site 2 - 1 Bed Flats	1	Flat	2.0	50	50	n/a	2
7	Site 2 - 2 Bed Flats	2	Flat	5.0	74	74	n/a	2
8	Site 2 -2 Bed Houses	2	House	4.0	72	72	n/a	n/a
9	Site 2 - 3 Bed Houses	3	House	16.0	105	105	n/a	n/a
10	Site 2 - 4 Bed Houses	4	House	7.0	145	145	n/a	n/a
11	Site 2 - 5 Bed Houses	5	House	3.0	210	210	n/a	n/a
12	Site 3 - 1 Bed Flats	1	Flat	7.0	50	50	n/a	2
13	Site 3 - 2 Bed Flats	2	Flat	24.0	80	80	n/a	2
14	Site 3 - 2 Bed Houses	2	House	8.0	76	76	n/a	n/a
15	Site 3 - 3 Bed Houses	3	House	86.0	101	101	n/a	n/a
16	Site 3 - 4 Bed Houses	4	House	30.0	158	158	n/a	n/a
17	Site 3 - 5 Bed Houses	5	House	4.0	210	210	n/a	n/a
18								
19								
20								
Total Number of units				295				

5 - MARKET VALUES

This is a custom scheme, default values are not available.

ALWAYS DEPRESS THE CLEAR TABLE BUTTON FIRST

Clear Table

You can enter your own values for each dwelling type or select the Toolkit default market values by depressing the button called Default Market Values

View Default Values ->

You can adjust the market values by using the % increase/decrease arrows

100 %

Reset

Depress the Reset button to return to base market value

Ref.	Unit Type	No of Bed-Rooms	Market Value	Adjusted Market Value
1	Site 1 - 1 Bed Flats	1	£256,530	£257,000
2	Site 1 - 2 Bed Flat	2	£355,266	£355,000
3	Site 1 - 2 Bed Houses	2	£378,981	£379,000
4	Site 1 - 3 Bed Houses	3	£557,249	£557,000
5	Site 1 - 4 Bed Houses	4	£905,299	£905,000
6	Site 2 - 1 Bed Flats	1	£256,530	£257,000
7	Site 2 - 2 Bed Flats	2	£375,054	£375,000
8	Site 2 - 2 Bed Houses	2	£369,240	£369,000
9	Site 2 - 3 Bed Houses	3	£536,265	£536,000
10	Site 2 - 4 Bed Houses	4	£742,540	£743,000
11	Site 2 - 5 Bed Houses	5	£1,070,150	£1,070,000
12	Site 3 - 1 Bed Flats	1	£256,530	£257,000
13	Site 3 - 2 Bed Flats	2	£409,488	£409,000
14	Site 3 - 2 Bed Houses	2	£388,365	£388,000
15	Site 3 - 3 Bed Houses	3	£517,881	£518,000
16	Site 3 - 4 Bed Houses	4	£807,024	£807,000
17	Site 3 - 5 Bed Houses	5	£1,073,168	£1,073,000
18				
19				
20				

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6 - TENURE MIX

If you are using a default mix then you can distribute units across the tenures by percentage; enter the percentage of units to assign to each tenure in the top row. The percentages are applied equally across all unit types

If you are not using a default mix then you may either enter units by percentage or by the exact number of units of each type for each tenure; in the table enter the exact number of units of each type for each tenure in the table

Whichever method is selected, ensure that relevant information is entered in the boxes at the bottom of the table.

Input by Percentages Input by Quantity

Clear Table

Ref.	Description	SALE	AFFORDABLE				Required No. of Units
			Social rent	New Build HomeBuy	Intermediate rent	Discount Market	
		65%		14%	21%		
1	Site 1 - 1 Bed Flats				8.0		8.0
2	Site 1 - 2 Bed Flat			5.0			5.0
3	Site 1 - 2 Bed Houses	5.0		15.0			20.0
4	Site 1 - 3 Bed Houses	29.0			16.0		45.0
5	Site 1 - 4 Bed Houses	21.0					21.0
6	Site 2 - 1 Bed Flats				2.0		2.0
7	Site 2 - 2 Bed Flats				5.0		5.0
8	Site 2 - 2 Bed Houses	4.0					4.0
9	Site 2 - 3 Bed Houses	3.0		8.0	5.0		16.0
10	Site 2 - 4 Bed Houses	7.0					7.0
11	Site 2 - 5 Bed Houses	3.0					3.0
12	Site 3 - 1 Bed Flats				7.0		7.0
13	Site 3 - 2 Bed Flats			10.0	14.0		24.0
14	Site 3 - 2 Bed Houses	8.0					8.0
15	Site 3 - 3 Bed Houses	77.0		4.0	5.0		86.0
16	Site 3 - 4 Bed Houses	30.0					30.0
17	Site 3 - 5 Bed Houses	4.0					4.0
18							
19							
20							
Total		191.0		42.0	62.0		295.0

New Build HomeBuy	Percentage Purchased	40%
	Rental limit on unbought share	100%
Percentage purchased by purchaser for Discount Market		
Local Sale	Average Income	
	Income Multiplier	

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10 - DEVELOPMENT COSTS

ALWAYS DEPRESS THE CLEAR TABLES BUTTON FIRST

Clear Tables

Build Costs per sq m

You can enter your own values in the white cells below.
Where cells are left blank, the Toolkit value for that row will be used

	Toolkit Values	User Values
Bungalows	£885	
Flats (6+ storeys)	£1,320	
Flats (5 & less storeys)	£950	£1,405
Houses <= 75m2	£875	£1,212
Houses > 75m2	£760	£1,212

Other Development Costs

You can enter your own values in the white cells below. Enter 0% for non-applicable items.

Where cells are left blank, the Toolkit value for that row will be used.

	Toolkit Values	User Values	
Professional Fees %	12.00%	6.00%	of build costs
Internal Overheads	5.00%	0.00%	of build costs (Market and Discount Market units)
Interest Rate (Market)	7.00%		of build Costs (Market, Discount Market and Low Cost Sale units)
Interest Rate (Affordable Housing)	7.00%		of build costs (SR, HB, IR units)
Marketing Fees	3.00%		of market value (Market and Discount Market units)
Developers Return	15.00%	20.00%	of market value (Market and Discount Market units)
Contractors Return	6.00%		of development costs (SR, HB, IR and LCS units)
Land financing costs	£	-	Please see the Guidance Notes for use of this value

Exceptional Development Costs

You may enter SCHEME totals for exceptional costs. The first row is for Sustainable Homes costs. The other three rows are for user defined costs. You can enter the name of the cost in the left hand cells and SCHEME value in the right hand cell.

Sustainable Homes Standard	
Market Housing	Affordable Housing
None	None

Costs incurred for Sustainable Homes Levels None and None	£	-
School Demolition Costs	£	577,970
<Enter Costs Description>	£	-
<Enter Costs Description>	£	-

Scheme Total	£577,970
per dwelling	£1,959
per hectare	£60,839

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11 - PLANNING OBLIGATIONS

ALWAYS DEPRESS THE CLEAR TABLE BUTTON FIRST

For each type of contribution you may either enter a total figure (for that row) or you may enter values per unit (for each tenure). If you choose the second option, the Toolkit will calculate the total obligation 'cost' for the scheme.

To enter one total value for a row, tick the corresponding box in the "Enter Total?" column and enter a value in the "User Total" column : To enter the values by tenure leave the box un-ticked

	Input by Total		Input by Unit					Calculated Total (Affordable and Sale)
	Enter Total?	User Total	Sale	Affordable				
				Social rent	New Build HomeBuy	Intermediate rent	Discount Market	
Education Contribution	<input checked="" type="checkbox"/>	£30,351,000						£30,351,000
Highway Works	<input type="checkbox"/>							
Contribution to public transport	<input type="checkbox"/>							
Contribution to community facilities	<input checked="" type="checkbox"/>	£330,000						£330,000
Provision for open space	<input checked="" type="checkbox"/>	£141,440						£141,440
Contribution to public realm	<input type="checkbox"/>							
Contribution to public art	<input type="checkbox"/>							
Environmental improvements	<input type="checkbox"/>							
Town centre improvements	<input type="checkbox"/>							
Waterfront Improvements	<input type="checkbox"/>							
Support for employment development	<input type="checkbox"/>							
Employment related training	<input type="checkbox"/>							
<Enter Planning Obligation Description here>	<input type="checkbox"/>							
S.106 Guildford	<input checked="" type="checkbox"/>	£1,232,949						£1,232,949
<Enter Planning Obligation Description here>	<input type="checkbox"/>							

Obligations package per unit

Contribution from Commercial

Total for Scheme	£32,055,389
Total for Scheme per hectare	£3,374,251
Total for Scheme divided by total number of units	£108,662
Total for Scheme divided by number of sale units	£167,829

13 - SCHEME REVENUE FROM AFFORDABLE HOUSING

Please choose the method by which the payment is made by the affordable housing provider to the developer

- Payment by affordable housing provider to developer is calculated by the Toolkit
- Payment by affordable housing provider to developer is fixed and is a known amount

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15 - KNOWN PAYMENT FOR AFFORDABLE HOUSING

ALWAYS DEPRESS THE CLEAR PAGE BUTTON FIRST

Clear Page

Enter a known payment from the affordable housing provider either by unit, as a total sum for each tenure or as a total across the three affordable tenures shown on this page.

	Affordable Housing Tenures			Total
	Social rent	New Build HomeBuy	Intermediate rent	Affordable Units
Number of units		42.0	62.0	104
Payment By Unit		£ 214,870	£ 138,542	
Or Payment By Tenure				
Or Scheme Total	Enter a lump sum payment for Affordable Housing			
Tenure Total	£ -	£ 9,024,540	£ 8,589,604	
Method by which Affordable Housing Revenue is calculated	N/A	By Unit	By Unit	
Total Known Payment for Affordable Housing	£ 17,614,144			

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19 - COMPARISON WITH OTHER SITE VALUES

You may enter a value that represents the site's alternative use value, its acquisition cost, or up to 3 other values

(The Toolkit cannot calculate these values - they are inputs made by the user)

Existing Use Value	£	142,500
Acquisition Cost	£	3,279,657
Alternative Use Value 1	£	3,000,000
Alternative Use Value 2	£	-
Alternative Use Value 3	£	-

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20 - Scheme Results

Site Reference Details	
Site Reference Number	
Application Number	
Site Location	Gedling
Scheme Description	

Site Details	
Site	Effingham - 295 Dwellings & School on 3 Sites
Address	
Site Details	Howard of Effingham Scheme

TOTAL NUMBER OF UNITS	
Dwellings	295
% Wheelchair Units	

DENSITY (per hectare)	
Dwellings	31.1

AFFORDABLE UNITS		
	Quantity	% of All Units
Total	104.0	35%
Social rent		
Intermediate	104.0	35%

REVENUE AND COSTS	
Total scheme revenue	£ 137,654,144
Total scheme costs	£ 105,685,000

RESIDUAL VALUE	
Whole scheme	£ 31,969,144
Per hectare	£ 3,365,000
Per dwelling	£ 108,000
Per market dwelling	£ 167,000

Contribution to revenue from:	
Market housing	£ 120,040,000
Affordable Housing	£ 17,614,144
- Social rent	£ -
- New Build HomeBuy	£ 9,025,000
- Intermediate Rent	£ 8,590,000
- Discount Market	£ -
- Local Sale	£ -
Capital Contribution	£ -
Commercial Elements	£ -

PUBLIC SUBSIDY (GRANT)	
Whole Scheme	£ -
Per Social Rental dwelling	£ -
Per New Build HomeBuy dwelling	£ -
Per Intermediate Rent dwelling	£ -

Contribution to costs from:	
Market housing	£ 59,740,000
Affordable Housing	£ 13,311,000
- Social rent	£ -
- New Build HomeBuy	£ 5,334,000
- Intermediate Rent	£ 7,977,000
- Discount Market	£ -
- Local Sale	£ -
Land Finance	£ -
Planning Obligations	£ 32,055,000
Total Exceptional Costs	£ 578,000
Commercial Elements	£ -

Alternative Site Values		Against residual
Existing Use Value	£ 143,000	£ 31,827,000
Acquisition Cost	£ 3,280,000	£ 28,689,000
Alternative Use Value 1	£ 3,000,000	£ 28,969,000
Alternative Use Value 2	£ -	£ -
Alternative Use Value 3	£ -	£ -

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