Felsted Neighbourhood Plan Viability Study

Felsted Parish Council

April 2018

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Glossary

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:
a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Alternative use value (AUV) Where an alternative use can be readily identified as generating a higher value for a site, the value for that alternative use would take the existing use value (determined by the market) and apply an assumption that has regard to current development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.

Benchmark A comparator for the outputs or inputs into the appraisal, i.e. site value or developer's return, etc.

Building Cost Information Service (BCIS) A subscriber service set up in 1962 under the aegis of RICS to facilitate the exchange of detailed building construction costs. The service is available from an independent body to those of any discipline who are willing and able to contribute and receive data on a reciprocal basis.

Building costs indices A series of indices published by BCIS relating to the cost of building work. They are based on cost models of 'average building', which measure the changes in costs of labour, materials and plant which collectively cover the basic cost to a contractor.

Build to Rent: Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

Cash flow The movement of money by way of income, expenditure and capital receipts and payments during the course of the development. The impact of cash flow assumptions on viability assessments is an important consideration. While most viability appraisals include an interest rate on capital employed, such costs are frequently applied solely to building costs pending sale. Cash flow considerations should also take into account the costs of capital employed in relation to infrastructure costs, Section 106 and CIL requirements and land purchase costs, and should incorporate realistic assumptions on build and sales rates based upon local market conditions.

Comparable evidence A property used in the valuation process as evidence to support the valuation of another property. It may be necessary to analyse and adjust in order to put it in a suitable form to be used as evidence for comparison purposes.

Contingency – Contingencies are allowances that may sometimes be put within a development appraisal to cater for unexpected costs where it is considered likely that the site poses risks which cannot easily be quantified. For example, poor ground conditions may affect the foundations, the discovery of archaeological remains and/or contamination may only be confirmed once digging commences. Normally a contingency will be expressed as an estimated percentage of costs. They should only be used to reflect those aspects of a scheme where costs cannot be accurately estimated in advance of work starting on site. They are dependent upon the nature of the development, the procurement method and the perceived accuracy of the information obtained. A contingency should not to be used to cover the possibility of contract price increases which can be quantified at the time that the appraisal is carried out. Similarly, they should not be used to cover errors made in the construction phase – the latter is accounted for in the developer's margin that reflects risk.

Current use value Market value for the continuing existing use of the site or property assuming all hope value is excluded, including value arising from any planning permission or alternative use. This also differs from the existing use value. It is hypothetical in a market context as property generally does not transact on a CUV basis.

Deliverable: To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. Sites that are not major development, and sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (e.g. they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans). Sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

Developable: To be considered developable, sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged.

Development appraisal A financial appraisal of a development to calculate either:

- the residual site value (deducting all development costs, including an allowance for the developer's profit/return from the scheme's total capital value); or
- the residual development profit/return (deducting all development costs, including the site value/cost from the scheme's total capital value).

Developer's return The developer's reasonable expectation of profit reflecting development risk, having regard to the margin requirements of any investors (where relevant). It will be determined by each developer in accordance with their own business model typically in relation to either profit on value (Gross Development Value) or profit on cost (total development costs). Whilst in practice it is assessed in a variety of ways, for development viability assessment calculations, it is normally taken in relation to a percentage of GDV.

Development risk The risk associated with the implementation and completion of a development including post-construction letting and sales.

Entry-level exception site: A site that provides entry-level homes suitable for first time buyers (or equivalent, for those looking to rent), in line with paragraph 71 of this Framework.

Existing use value The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after properly marketing and where the parties had each acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause market value to differ from that needed to replace the remaining service potential at least cost. It is an accounting definition of value for business use and as such, hypothetical in a market context, as property generally does not transact on an EUV basis.

Existing use value 'plus' a premium (EUV+) The benchmark land value for the purposes of assessing the viability of development for planning purposes. The value above the EUV at which a typical willing landowner is likely to release land for development. EUV+ should be informed by comparable evidence of transactions where possible. Where transacted prices are significantly above the market norm for transactions that fully reflect planning policy conditions and constraints, they should be regarded as outliers and not used as part of EUV+. This is likely to be highest in high value urban settings but low in rural low value areas. EUV+ is not price paid and must disregard Hope Value.

Gross development value (GDV) The aggregate market value of the proposed development, assessed on the special assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date. The total of likely sales proceeds from a completed development scheme, gross of any costs of sale but taken at today's values and not inflated by the prospect of changes in market prices.

Gross development cost (GDC) The cost of undertaking a development, which normally includes the following:

- land acquisition costs
- site-specific related costs
- build costs
- fees and expenses
- interest or financing costs; and
- holding costs during the development period.

Gross external area (GEA) The aggregate superficial area of a building, taking each floor into account. As per the RICS Code of Measuring Practice this includes: external walls and projections, columns, piers, chimney breasts, stairwells and lift wells, tank and plant rooms, fuel stores whether or not above main roof level (except for Scotland, where for rating purposes these are excluded), and open-side covered areas and enclosed car parking areas, but excludes: open balconies; open fire escapes, open covered ways or minor canopies; open vehicle parking areas, terraces, etc.; domestic outside WCs and coalhouses. In calculating GEA, party walls are measured to their centre line, while areas with a headroom of less than 1.5m are excluded and quoted separately.

Gross internal area (GIA) Measurement of a building on the same basis as gross external area, but excluding external wall thicknesses.

Hope value - according to the RICS (The Valuation of Development Land 1st Edition p17 (2008)) '*Hope Value is the popular term for the element of the difference between the value of the land with the benefit of the current planning consent and the value with an enhanced, assumed, consent that is reflected in the Market Value of the land'*. It is entirely speculative and, whilst recognised in the market, is not part of the EUV+ approach or Benchmark Land Value and should not be used to define land value or the return to the landowner.

Interest rate The rate of finance applied in a development appraisal. As most appraisals assume 100 per cent financing, it is usual for the interest rate to reflect the total cost of finance and funding of a project, i.e. the combination of both equity and debt in applying a single rate.

Land Value Central to the consideration of viability is the assessment of land or site value. Land or site value will be an important input into the assessment. The most appropriate way to assess land or site value will vary from case to case but it is recommended that the starting point is an understanding of the Current Use Value (CUV) and Existing Use Value (EUV) of the land or site. The Landowner's return should normally utilise Existing Use Value 'Plus' (EUV+) in a planning context.

Landowner's Return - in all cases the landowner's return should reflect extant and emerging policy requirements and planning obligations and, where applicable, any Community Infrastructure Levy charge and any other planning conditions for extant planning consents. Practitioners should normally utilise Existing Use Value Plus (EUV+) as an approach for determining the landowners' return in the planning context.

Market risk adjusted return The discount rate as varied so as to reflect the perceived risk of the development in the market.

Market value (MV) The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Net developable area versus gross site area Many viability studies that model housing schemes assume a housing and plotting density per unit area. Such an analysis is a legitimate starting point and, provided the assumptions in relation to sales revenue and build cost are correct, produces a fully serviced land value per net developable area. However, the assumption is then made that the net developable area (i.e. income generating land) equates to the area of land that is to be acquired following the grant of planning permission. In all but the smallest redevelopment schemes, the net developable area is significantly smaller than the gross area that is required to support the development, given the need to provide open space, play areas, community facility sites, public realm, land for sustainable urban drainage schemes etc. The net area can account for less than 50%, and sometimes as little as 30% on larger sites, of the site to be acquired. Failure to take account of this difference can result in flawed assumptions and inaccurate viability studies. The HCA Development Appraisal Tool used for this study produces a residual value for the gross site area.

Net/gross ratio Refers to the percentage of usable space or land. A typical net/gross ratio on an office is 85%, whereas on a large greenfield site it is around 60% as not all land can be developed (i.e. some is used as open space, for distributor roads, community uses, infrastructure etc.)

Net internal area (NIA) The usable space within a building measured to the internal finish of structural, external or party walls, but excluding toilets, lift and plant rooms, stairs and lift wells, common entrance halls, lobbies and corridors, internal structural walls and columns and car parking areas.

Non-strategic policies: Policies contained in a neighbourhood plan, or those policies in a local plan that are not strategic policies.

Previously developed land: Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or was last occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as residential gardens, parks, recreation grounds and allotments; and land that was previously developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape.

Planning obligation Provided for under section 106 of the Town and Country Planning Act 1990, usually in connection with the grant of planning permission for a private development project. A benefit to the community, either generally or in a particular locality, to offset the impact of development, e.g. the provision of open space, a transport improvement or affordable housing. The term is usually applied when a developer agrees to incur some expenditure, surrender some right or grant some concession which could not be embodied in a valid planning condition.

Policy Compliant Development that meets the full requirements of all national and local planning policies. Those policy requirements should be tested at the plan-making stage to ensure that the total cumulative cost of meeting them does not render development in the area unviable.

Price Paid The amount paid for land by a developer. It should not be used as an element to assess viability in the planning process. Price paid should reflect the cost of being policy compliant, but this is often not the case. Price paid may include overpayment due to considerations of Hope Value or expectation of market increases to Gross Development Value or the assumed possibility of negotiating down developer contributions. For the purposes of viability assessment, the amount paid for any parcel of land by the developer is therefore irrelevant.

Red Book The RICS Valuation – Professional Standards 2012 (Formerly RICS Valuation Standards). The 'Red Book' contains mandatory rules, best practice guidance and related commentary for all RICS members undertaking asset valuations.

Residual Site Value or residual land value The amount remaining once the GDC of a scheme is deducted from its GDV and an appropriate return has been deducted.

Residual valuation A valuation/appraisal of land using a development appraisal.

Return (on capital) The ratio of annual net income to capital derived from analysis of a transaction and expressed as a percentage.

Rural exception sites: Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

Sales rates The rate at which residential units are sold (either by month, quarter or year).

Self-build and custom-build housing: Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act.

Serviced land Land where the necessary infrastructure is in place. No off-site works are required and the developer simply has to connect the development with existing infrastructure

Site Value (for financial viability assessments for scheme specific planning applications) Market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.

Site Value (for area wide financial viability assessments) Site Value (as defined above) may need to be further adjusted to reflect the emerging policy/ CIL charging level. The level of the adjustment assumes that site delivery would not be prejudiced. Where an adjustment is made, the practitioner should set out their professional opinion underlying the assumptions adopted. These include, as a minimum, comments on the state of the market and delivery targets as at the date of assessment.

Strategic infrastructure and utility costs Many models use construction cost information provided by BCIS or other sources. While this is regarded as a legitimate starting point, care is needed in understanding what is both included and excluded from such cost indices. Cost indices rarely provide data on the costs associated with providing serviced housing parcels, i.e. Strategic infrastructure costs.

Strategic policies: Policies and site allocations which address strategic priorities in line with the requirements of Section 19 (1B-E) of the Planning and Compulsory Purchase Act 2004.

Threshold land value A term developed by the Homes and Communities Agency (HCA) being essentially a land value at or above that which it is assumed a landowner would be prepared to sell. Used by some practitioners for establishing site value. The basis is as with EUV but then adds a premium (usually 10% to 40%) as an incentive for the landowner to sell.

Viability assessments/financial viability A report including a financial appraisal to establish the profit or loss arising from a proposed development. It will usually provide an analysis of both the figures inputted and output results, together with other matters of relevance. An assessment will normally provide a judgment as to the profitability (or loss) of a development.

Yield As applied to different commercial elements of a scheme, i.e. office, retail, etc. Yield is usually calculated as a year's rental income as a percentage of the value of the property. The "yield" is the rent as a proportion of the purchase price. In determining development value, there is an inverse relationship i.e. as the yield goes up, the value goes down. To calculate development value multiply the rent by 1 divided by the yield e.g. £100,000 x 1/10% (i.e. 0.1) = £1m gross value.

Sources: AECOM, RICS (Financial viability in planning), LHDG (Viability testing Local Plans), PAS

1 Introduction

1.1 Context

1.1.1 Through the Ministry of Housing, Communities & Local Government's ('**MHCLG**') Neighbourhood Planning Programme, AECOM has been commissioned to provide viability technical support to Parish Council ('**FPC**'). The support is intended to inform the group's work in producing a Neighbourhood Development Plan ('**NDP**') and to provide evidence in support for the NDP's emerging site allocations. The viability support builds upon an FPC call for sites process and AECOM Heritage and Character Assessment.

1.1.2 The Neighbourhood Area is located within Uttlesford District Council ('**UDC**'), see **Figure 1** below. Planning policy for UDC is currently made up of the National Planning Policy Framework ('**NPPF**'), the 2005 Uttlesford Local Plan prepared by the District Council and the Minerals Plan and Waste Plan prepared by Essex County Council. A revised Local Development Scheme ('**LDS**') was approved by Cabinet on 15 February 2018. The LDS envisages the New Local Plan going out for Regulation 19 (pre-submission) consultation in Summer 2018, with submission scheduled for Winter 2018/19, an examination in Summer 2019 and hopeful adoption in Autumn 2019. FPC report that the draft preferred strategy would result in growth at all Type A villages (potentially 100 units).

1.1.3 Once adopted, the NDP will form part of the overall Development Plan for UDC along with the new Local Plan. How the two documents interface is important, the Local Plan will set out the spatial vision and objectives for the District, including strategic policies. The NDP will provide more detailed neighbourhood policies in general conformity with the strategic policies.

Figure 1 Neighbourhood Area

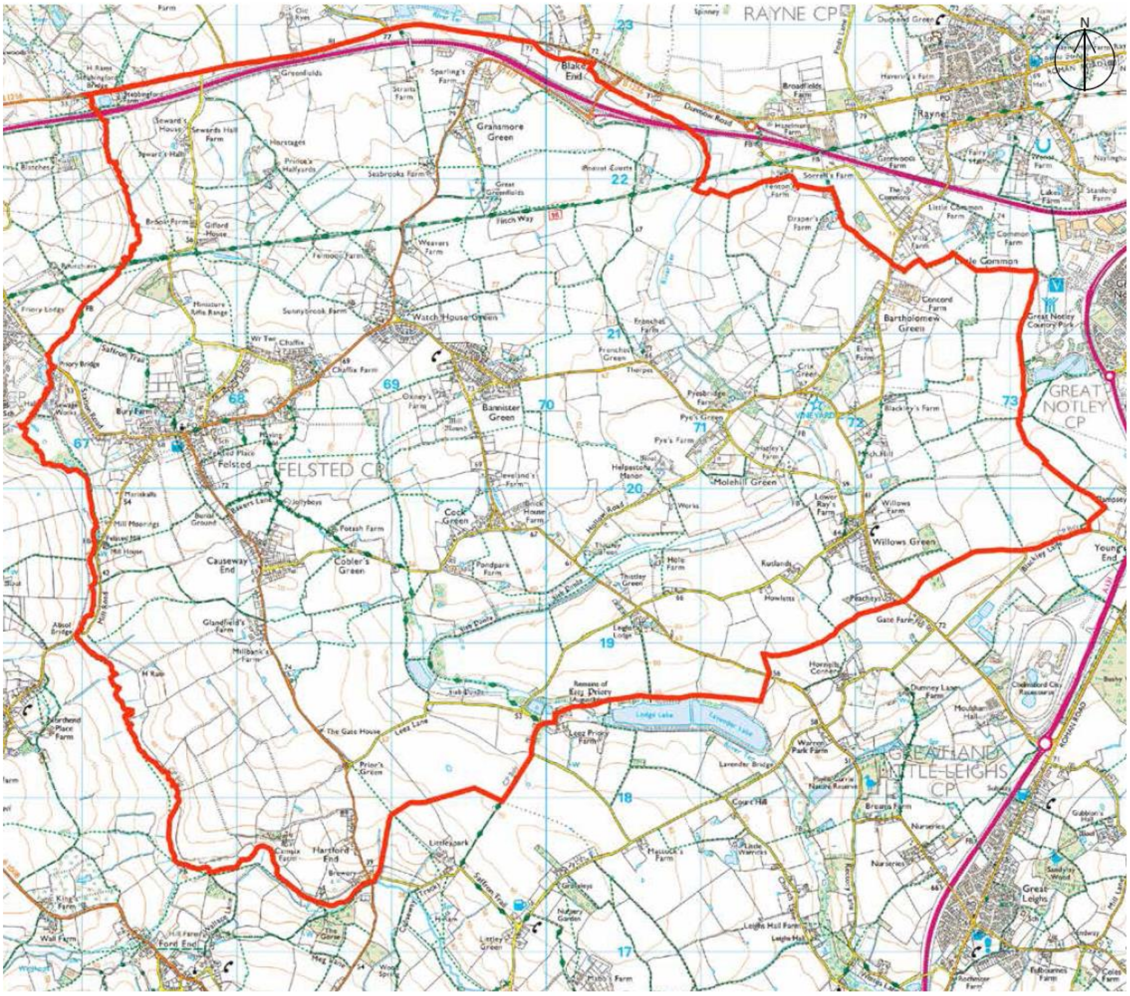

Figure 3. Study area. *© Crown copyright and database rights 2017 Ordnance Survey 0100031673*

0m 500m 1km 2km

1.1.4 In October 2017, FPC wrote to a number of landowners requesting further evidence and information on emerging proposals for sites that may be suitable for development over the plan period (2037). FPC holds a long term objective to establish a Community Hub and/or to accommodate the following facilities through the NDP:

- *A doctors' surgery and pharmacy.*
- *A village shop and post office (a commercial enterprise and not a community-led shop).*
- *Community housing for young parishioners provided in small residential flats above the surgery.*
- *Sufficient landscaped off-road parking to serve the community.*
- *Ease of access for delivery vehicles and ambulances.*
- *Space for some community activity e.g. farmers' market.*

1.1.5 An additional objective of the Plan is to fund the redevelopment of the Memorial Hall to provide a larger, more modern facility for an enlarged and growing community. A separate aspiration would be the relocation of the British Legion Club to provide a Community Square and to improve the setting of Holy Cross Church, although this might form part of a later phase in the overall NDP implementation project.

1.1.6 Some enabling development will be necessary to achieve the above aims. In addition, the emerging Local Plan is very likely to allocate a housing target for. As such this study investigates two scenarios for each site that has been put forward for modelling: (1) incorporation of a community hub (plus enabling residential development); and (2) a 100% residential scheme for each site.

1.1.7 FPC are mindful that the larger and more ambitious the NDP's proposals, the costlier they will be and the greater impact on the financial viability of schemes and the ability of developer's to pay planning obligations or to pay landowner a sufficient sum to release their land for development. FPC wish to understand how much enabling development may be required, in order to assess the growth implications for the Neighbourhood Area.

1.2 National Planning Policy Framework (July 2018)

1.1 This report has been published following publication of the National Planning Policy Framework (NPPF)[1] and the updated Planning Practice Guidance ('PPG') section on viability[2] (24th July 2018). The NPPF has transposed a number of Written Ministerial Statements relevant to neighbourhood planning and deliverability into the new Framework. For example, the Neighbourhood Planning: Written statement - HCWS346[3] has now been transposed into paragraph 14. The aim of paragraph 14 is to protect Neighbourhood Development Plans ('NDP') in circumstances where the adverse impacts of allowing development conflicts with an up to date neighbourhood plan and are likely to significantly and demonstrably outweigh the benefits:

[1] Accessed at: https://www.gov.uk/government/publications/national-planning-policy-framework--2
[2] Accessed at: https://www.gov.uk/guidance/viability
[3] Accessed at: https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-12-12/HCWS346/

'14. In situations where the presumption (at paragraph 11d) applies to applications involving the provision of housing, the adverse impact of allowing development that conflicts with the neighbourhood plan is likely to significantly and demonstrably outweigh the benefits, provided all of the following apply:

- *a) the neighbourhood plan became part of the development plan two years or less before the date on which the decision is made;*
- *b) the neighbourhood plan contains policies and allocations to meet its identified housing requirement;*
- *c) the local planning authority has at least a three year supply of deliverable housing sites (against its five year housing supply requirement, including the appropriate buffer as set out in paragraph 73); and*
- *d) the local planning authority's housing delivery was at least 45% of that required9 over the previous three years.'*

1.2 NPPF paragraph 65 is also of relevance as it sets out that developments of 10 or more should provide 10% of units as 'affordable home ownership' products:

'Where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership [As part of the overall affordable housing contribution from the site], unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions should also be made where the site or proposed development:

- *i. provides solely for Build to Rent homes;*
- *ii. provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
- *iii. is proposed to be developed by people who wish to build or commission their own homes; or*
- iv. *is exclusively for affordable housing, an entry level exception site or a rural exception site.'*

1.3 The NPPF also includes a revised definition for affordable housing within Annex 2 (see Glossary). The NPPF also emphasises the importance of viability testing at the plan making stage and provides additional guidance within the PPG which this report reflects. See the key extract below with regards to the deliverability:

NPPF reference	Extract (our *emphasis*)
2. Achieving sustainable development. The presumption in favour of sustainable development	14. In situations where the presumption (at paragraph 11d) applies to applications involving the provision of housing, the adverse impact of allowing development that conflicts with the neighbourhood plan is likely to significantly and demonstrably outweigh the benefits, provided all of the following apply8: a) the neighbourhood plan became part of the development plan two years or less before the date on which the decision is made; b) the neighbourhood plan contains policies and allocations to meet its identified housing requirement; c) the local planning authority has at least a three year supply of ***deliverable*** housing sites (against its five year housing supply requirement, including the appropriate buffer as set out in paragraph 73); and d) the local planning authority's housing delivery was at least 45% of that required9 over the previous three years.
3. Plan-making	16. Plans should: a) be prepared with the objective of contributing to the achievement of sustainable development10; b) be prepared positively, in a way that is aspirational but ***deliverable***…
3. Plan-making Non-strategic policies	29. Neighbourhood planning gives communities the power to develop a shared vision for their area. Neighbourhood plans can shape, direct and help to deliver sustainable development, by influencing local planning decisions as part of the statutory development plan. Neighbourhood plans should not promote less development than set out in the strategic policies for the area, or undermine those strategic policies.
3. Plan-making Development contributions	34. Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the ***deliverability*** of the plan.
3. Plan-making Examining plans	35. Local plans and spatial development strategies are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. Plans are 'sound' if they are: a) **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs19; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

	b) **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence; c) **Effective** – ***deliverable*** over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and d) **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in this Framework.
3. Plan-making Examining plans	36. These tests of soundness will be applied to non-strategic policies in a proportionate way, taking into account the extent to which they are consistent with relevant strategic policies for the area.
3. Plan-making Examining plans	37. Neighbourhood plans must meet certain 'basic conditions' and other legal requirements before they can come into force. These are tested through an independent examination before the neighbourhood plan may proceed to referendum.
4. Decision-making Planning conditions and obligations	57. Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be ***viable.*** It is up to the applicant to demonstrate whether particular circumstances justify the need for a ***viability*** assessment at the application stage. The weight to be given to a ***viability*** assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the ***viability*** evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All ***viability*** assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.
5. Delivering a sufficient supply of homes	63. Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.
5. Delivering a sufficient supply of homes	64. Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership [As part of the overall affordable housing contribution from the site], unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development: a) provides solely for Build to Rent homes; b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students); c) is proposed to be developed by people who wish to build or commission their own homes; or d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.
5. Delivering a sufficient supply of homes Identifying land for homes	67. Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic ***viability***. Planning policies should identify a supply of: a) specific, ***deliverable*** sites for years one to five of the plan period; and b) specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.
5. Delivering a sufficient supply of homes - Footnote 32	[32] With an appropriate buffer, as set out in paragraph 73. See glossary for definitions of ***deliverable*** and ***developable***.
5. Delivering a sufficient supply of homes Identifying land for homes	72. The supply of large numbers of new homes can often be best achieved through planning for larger scale development, such as new settlements or significant extensions to existing villages and towns, provided they are well located and designed, and supported by the necessary infrastructure and facilities. Working with the support of their communities, and with other authorities if appropriate, strategic policy-making authorities should identify suitable locations for such development where this can help to meet identified needs in a sustainable way. In doing so, they should: a) consider the opportunities presented by existing or planned investment in infrastructure, the area's economic potential and the scope for net environmental gains; b) ensure that their size and location will support a sustainable community, with sufficient access to services and employment opportunities within the development itself (without expecting an unrealistic level of self-containment), or in larger towns to which there is good access; c) set clear expectations for the quality of the development and how this can be maintained (such as by following Garden City principles), and ensure that a variety of homes to meet the needs of different groups in the community will be provided; d) make a realistic assessment of likely rates of delivery, given the lead-in times for large scale sites, and identify opportunities for supporting rapid implementation (such as through joint ventures or locally-led development corporations)35; and e) consider whether it is appropriate to establish Green Belt around or adjoining new developments of significant size.
5. Delivering a sufficient supply of homes - Footnote 35	[35] The delivery of large scale developments may need to extend beyond an individual plan period, and the associated infrastructure requirements may not be capable of being identified fully at the outset. Anticipated rates of delivery and infrastructure requirements should, therefore, be kept under review and reflected as policies are updated.
5. Delivering a sufficient supply of homes Maintaining supply and delivery	73. Strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites. Local planning authorities should identify and update annually a supply of specific ***deliverable*** sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies36, or against their local housing need where the strategic

	policies are more than five years old37. The supply of specific ***deliverable*** sites should in addition include a buffer (moved forward from later in the plan period) of: a) 5% to ensure choice and competition in the market for land; or b) 10% where the local planning authority wishes to demonstrate a five year supply of ***deliverable*** sites through an annual position statement or recently adopted plan38, to account for any fluctuations in the market during that year; or c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply39.
5. Delivering a sufficient supply of homes Maintaining supply and delivery	76. To help ensure that proposals for housing development are implemented in a timely manner, local planning authorities should consider imposing a planning condition providing that development must begin within a timescale shorter than the relevant default period, where this would expedite the development without threatening its ***deliverability*** or ***viability***. For major development involving the provision of housing, local planning authorities should also assess why any earlier grant of planning permission for a similar development on the same site did not start.
5. Delivering a sufficient supply of homes Rural housing	79. Planning policies and decisions should avoid the development of isolated homes in the countryside unless one or more of the following circumstances apply: a) there is an essential need for a rural worker, including those taking majority control of a farm business, to live permanently at or near their place of work in the countryside; b) the development would represent the optimal ***viable*** use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets; c) the development would re-use redundant or disused buildings and enhance its immediate setting; d) the development would involve the subdivision of an existing residential dwelling; or e) the design is of exceptional quality, in that it: - is truly outstanding or innovative, reflecting the highest standards in architecture, and would help to raise standards of design more generally in rural areas; and - would significantly enhance its immediate setting, and be sensitive to the defining characteristics of the local area.
11. Making effective use of land	120. Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan: a) they should, as part of plan updates, reallocate the land for a more ***deliverable*** use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and b) in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area.
11. Making effective use of land	121. Local planning authorities should also take a positive approach to applications for alternative uses of land which is currently developed but not allocated for a specific purpose in plans, where this would help to meet identified development needs. In particular, they should support proposals to: a) use retail and employment land for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and ***viability*** of town centres, and would be compatible with other policies in this Framework; and b) make more effective use of sites that provide community services such as schools and hospitals, provided this maintains or improves the quality of service provision and access to open space.
11. Making effective use of land Achieving appropriate densities	122. Planning policies and decisions should support development that makes efficient use of land, taking into account: a) the identified need for different types of housing and other forms of development, and the availability of land suitable for accommodating it; b) local market conditions and ***viability***; c) the availability and capacity of infrastructure and services – both existing and proposed – as well as their potential for further improvement and the scope to promote sustainable travel modes that limit future car use; d) the desirability of maintaining an area's prevailing character and setting (including residential gardens), or of promoting regeneration and change; and e) the importance of securing well-designed, attractive and healthy places.
11. Making effective use of land Achieving appropriate densities	153. In determining planning applications, local planning authorities should expect new development to: a) comply with any development plan policies on local requirements for decentralised energy supply unless it can be demonstrated by the applicant, having regard to the type of development involved and its design, that this is not feasible or ***viable***; and b) take account of landform, layout, building orientation, massing and landscaping to minimise energy consumption.

1.4 Section 7 (Ensuring the vitality of town centres) and 16 (Conserving and enhancing the historic environment) of the NPPF also explicitly references deliverability and viability factors, but specifically in the context of guiding retail and heritage planning.

1.5 Should the Neighbourhood Plan be submitted prior to January 2019 then the old 2012 NPPF policies will apply for the purposes of considering the basic conditions have been met[4]. For the purposes of this viability report, the methodology employed is compliant with both the 2012 NPPF and 2018 NPPF sections on viability and has been prepared in accordance with the PPG, Harman Guidance and RICS guidance.

[4] Having regard to national policies and advice contained in guidance issued by the Secretary of State it is appropriate to make the order (or neighbourhood plan)

1.3 Objective

1.3.1 Only a NDP that meets each of the basic conditions[5] can progress to a referendum. Plans should have regard to national policies and guidance; and be in general conformity with the strategic policies contained in the development plan of local planning authorities. The NPPF and PPG require plan makers to consider viability and deliverability. Neighbourhood plans also need to be in general conformity with the strategic policies in the corresponding Local Plan, such as affordable housing targets (unless evidence and strategy points to a different approach). Neighbourhood groups introducing: new policy requirements (that may carry costs to development over and above national and local requirements); allocating sites in an NDP; and/or bringing forward Neighbourhood Development Orders ('NDO') should consider viability. The Qualifying Body should: consider whether sites are deliverable or developable[6] during the plan period (or the timeframe stipulated for the NDO); be satisfied that their approach does not put implementation of the Development Plan at serious risk; and facilitate development throughout the economic cycle.

1.3.2 The PPG is clear that viability must be considered when preparing statutory plans:

The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan…Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.[7]

1.3.3 This report is concerned with development viability for proposed sites within an emerging NDP and is only one element of the NDP's wider evidence base. This document sets out the methodology used; the key assumptions made; and a high-level assessment of the proposed sites.

1.3.4 The NPPF (paragraphs 35 and 36) emphasise that a proportionate evidence base should inform plans. In addition, the PPG emphasises that viability evidence should be based on a 'proportionate assessment of viability'.

1.3.5 As such the assumptions in this study have drawn upon existing available viability evidence produced by UDC in support of their emerging Local Plan:

- *West Essex and East Hertfordshire Strategic Housing Market Assessment - Report of Findings (September 2015)*
- *West Essex and East Hertfordshire Strategic Housing Market Assessment - Affordable Housing Update July 2017*
- *Strategic Land Availability Assessment - Housing And Employment Land (Site Assessments for and Methodology report – February and December 2015)*
- *Economic Viability Study - In relation to Local Plan Residential Allocations in Towns and Villages (October 2016)*
- *Local Plan - Sites Viability Assessment (March 2014)*

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[5] The basic conditions are set out in paragraph 8(2) of Schedule 4B to the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004.
[6] See Glossary for NPPF definitions
[7] Paragraph: 002 Reference ID: 10-002-20180724 Revision date: 24 07 2018
Accessed at: https://www.gov.uk/guidance/viability#viability-and-plan-making

1.3.6 Viability testing is an assessment of the financial viability of development. The study is purely concerned with whether or not the proposals for a site (and any relevant policy requirements within an emerging NDP) would render development unviable. Viability assessment outputs can be used (if necessary) to amend proposals or policies to help facilitate development and to ensure the cumulative impact of proposals and policies do not threaten the delivery of the NDP and Local Plan's vision, objectives and strategic policies.

1.3.7 The NPPF includes requirements to assess the viability and the impact on development of policies contained within plans – 'Such policies should not undermine the deliverability of the plan' (paragraph 34). It is not a requirement of the NPPF that every site should be able to bear all of the Local Plan and neighbourhood plan requirements. However it is necessary for a site to bear the NDP policy considerations if it has been appraised, and policy drafted, to reflect site specific requirements

1.3.8 There are some types of development where viability will not be at the forefront of the developer's mind and they will proceed even if a development is 'unviable' in a conventional real estate sense. For example, an end user of an industrial or logistics building may build a new factory or depot that will help it to grow its business or improve its operational efficiency.

1.3.9 Similarly some development sites will simply not be viable even without any additional requirements imposed upon them due to the prevailing market conditions and/or site constraints. The typical site should be able to bear whatever target or requirement is set and plan makers should be able to show, with a reasonable degree of confidence, that the plan is deliverable and facilitates development. Only sites with good prospects for development should be subject to viability testing (i.e. potentially deliverable or developable[8] sites usually identified through an earlier site assessment process).

1.4 Metric or imperial

1.4.1 The property industry uses both imperial and metric data - often working out costings in metric (£/m2) and values in imperial (£/acre and £/sqft). This is confusing so, on the whole, we have used metric measurements throughout this report. The following conversion rates may assist readers.

1m	=	3.28ft (3' and 3.37")	1ft	=	0.30m
1m2	=	10.76sqft	1sqft	=	0.093m²

1.4.2 A useful broad rule of thumb to convert m2 to sqft is simply to add a final zero.

1.5 Site concept plans

1.5.1 **PLEASE NOTE:** All site plans accompanying this report are for illustrative purposes only. They do not represent schemes that would either be endorsed by FPC/UDC or promoted by local landowners or developers. Their primary purpose for this study is to help inform realistic assumptions for the viability modelling exercise. Future planning applications will have to accord to with the draft NDP policies and extant UDC strategic policies, as such future schemes shall be informed by more detailed site investigations and a detailed design stage (including community engagement).

[8] See Glossary

2 Viability Testing

2.1 Methodology

2.1.1 For plan making the assessment of viability is a largely high-level quantitative process based on professional judgements and development appraisals at a snapshot in time. It is not the same level of detail used for viability appraisals accompanying a planning application nor does it constitute a market valuation of a site on the basis of the rules and practice guidance set out in the RICS 'Red Book' (see Glossary).

2.1.2 Whilst viability testing in the plan making context has limitations, it can help to de-risk the planning and development process by providing an indication on whether a plan (including its policies and/or site allocations) is deliverable. 'Viability Testing in Local Plans – Advice for planning practitioners' (2012)[9] prepared by the Local Housing Delivery Group[10] (sometimes referred to as the 'Harman Guidance') defines viability as follows (p6):

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. If these conditions are not met, a scheme will not be delivered.

[9] Accessed at: http://www.nhbc.co.uk/NewsandComment/Documents/filedownload,47339,en.pdf

[10] Viability Testing in Local Plans has been endorsed by the Local Government Association and forms the basis of advice given by the, MHCLG funded, Planning Advisory Service (PAS).

2.1.3 Put simply the process of the appraisal involves adding up all the potential income from a scheme (total sales and/or capitalised rental income from housing and/or commercial developments – including subsidy) and then subtracting all the costs associated with the creation of the product (i.e. building the houses and/or commercial property plus any associated infrastructure and external works, fees, finance costs etc.) The Residual Valuation Method (see Glossary) employed for this also incorporates a cash flow to account for the movement of money by way of income, expenditure and capital receipts and payments during the course of the development. The residual valuation method is the typical valuation method widely used by developers and is the recommended method for use when testing viability at the plan making stage due to its relative simplicity (see illustration below).

Residual Valuation Method
Gross Development Value (The combined value of the complete development) **LESS** Cost of creating the asset, including a profit margin for the developer (Construction + fees + finance charges etc.) **=** **RESIDUAL VALUE** The Residual Value is compared to the Existing Use Value ('EUV') of the land to determine if the premium (uplift) above the EUV would induce the landowner to sell. This is known as the Threshold Land Value ('TLV') or Benchmark Land Value

2.1.4 The Residual Value is the output and the theoretical top limit of what a developer could offer to pay a landowner for their site and still make a satisfactory profit margin (where the developer's return is included as a cost in the calculation). The availability and cost of land are matters at the core of viability for any development. The Residual Valuation requires the inputting of many variables and is often regarded as subjective. However, it does attempt to represent a realistic 'market' perspective (based on today's costs and values) and takes no account of the individual circumstances of any particular developer. Whilst a developer may have regard to a Residual Valuation, when assessing an offer price, they will typically undertake a more complex and detailed Development Appraisal using a Discounted Cash Flow (DCF) / Internal Rate of Return (IRR) model, either bespoke to them or an industry model (e.g. Argus).

2.1.5 The bar below represents all the income from a scheme – the Gross Development Value ('**GDV**'). This is set by the market (rather than by the developer or local authority) and so is, largely, fixed. The developer has relatively little control over the costs of development (construction costs, fees etc.) and whilst there is scope to build to different standards and with different levels of efficiency, the costs are largely out of the developer's direct control – they are what they are, depending on the development proposed (costs of labour and materials). The developer's profit is included as a cost as developers need to be rewarded for taking on the risk of development. The level of profit is typically between 15-25% of GDV or of total costs (in all cases it should reflect the risk of the development). The more policy requirements and planning obligations loaded onto a scheme, the higher the likelihood that the land value of the site will be suppressed (as shown by the arrows below).

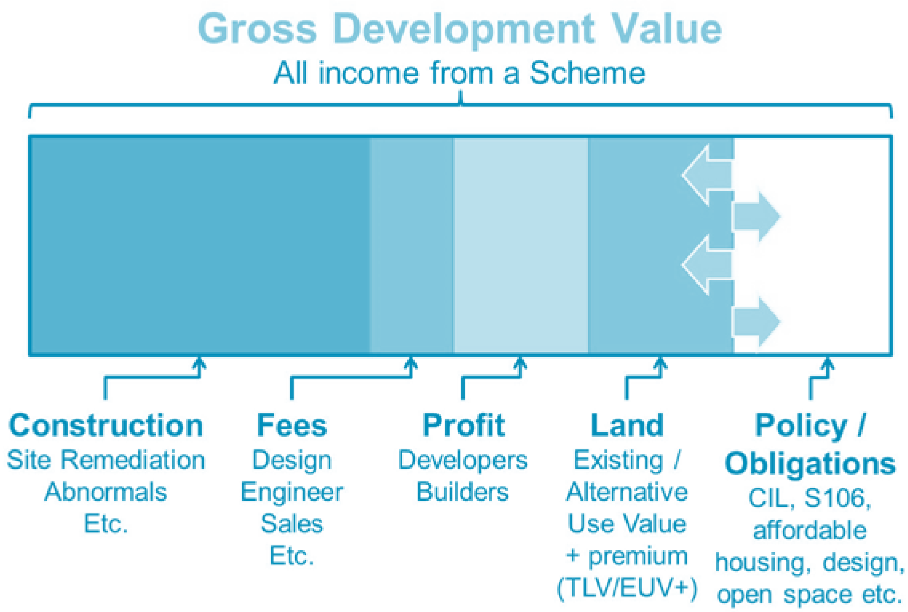


Figure 2. The residual valuation method (Source: HDH Planning and Development)

2.1.6 Therefore the essential balance in viability testing is whether the land value is sufficient to induce a landowner to release their land for development. The more policy requirements and planning obligations the plan asks for the less the developer can afford to pay for the land. Similarly site specific abnormal costs may impact the viability of development. The landowner will only agree to sell their land to the developer if they receive a return sufficient to release their land.

2.1.7 The return for the landowner and developer, are controversial matters and it is clear that different landowners and developers will have different views depending on their personal and corporate priorities. The Residual Value generated by the development appraisals must be compared to the Existing Use Value ('**EUV**') or an Alternative Use Value ('**AUV**') of the site. The size of the uplift or premium above the EUV/AUV must be enough to incentivise a landowner to sell. The amount of the uplift/premium over and above the EUV is central to the assessment of viability. It must be at a level to a sufficient return to the landowner so that land comes forward. This concept is known as the Existing Use Value 'Plus' a premium ('**EUV+**'), also referred to as the Threshold Land Value ('**TLV**'). Other terms to describe the landowner's return include: Benchmark Land Value ('**BLV**') or Viability Threshold. The EUV+ approach is accepted by PINS and propounded in the PPG[11].

2.1.8 The EUV+, or TLV, is the point at which a 'reasonable' landowner will be induced to sell their land. This concept is difficult since a landowner is unlikely to be entirely frank about the price that would be acceptable to them. This is one of the areas where an informed assumption has to be made. If a landowner owns a field in agricultural use they will expect a large premium above the EUV to release it for residential development as agricultural land is typically worth tens of thousands of pounds per hectare whereas as residential land it is worth hundreds of thousands of pounds per hectare.

2.1.9 The PPG makes it clear that when considering land value it should be in the context of current and emerging policies and based on today's costs and values disregarding any hope value or the price paid for the land. In other words, land value should be reduced to reflect policy requirements. Historical transactions recorded under a different policy framework or less favourable market conditions (such as a recessionary period) will be less useful as comparable market data for informing assumptions for the EUV+/landowners return.

2.1.10 The value of land relates closely to the use to which it can be put and will range considerably from site to site; however, high level studies will typically look at three main uses, being: agricultural/greenfield, residential and industrial/commercial uses. Consideration of what constitutes the EUV+ locally incorporates, wherever available, a review of pre-existing Local Authority research. If the Residual Value does not exceed the EUV, then the development is not viable. If it exceeds the EUV but does not exceed the EUV+ then it is still not viable as it would not induce the landowner to sell. However, it may be closer to being a viable scheme with amendments to policy or the development scheme itself

[11] Paragraphs 7 To 9 of Report On The Examination of the Draft Mayoral Community Infrastructure Levy Charging Schedule By Keith Holland Ba (Hons) DIPTP MRTPI ARICS The Examiner Appointed By The Mayor Date: 27th January 2012

if it is producing a large positive Residual Value. Only a Residual Value equal to or in excess of the EUV+ would represent a viable scheme (see illustration below).

Existing Use Value Plus (EUV+)	*The benchmark or threshold land value for the purposes of assessing the viability of development for planning purposes. The value above the EUV at which a reasonable and willing landowner is likely to release land for development (the 'landowner's return').*
Existing Use Value (EUV)	*The value of the land in its existing use together with the right to carry out any development for which there are extant planning consents, including realistic deemed consents, but without regard to other possible uses that require planning consent, technical consent or unrealistic permitted development.*
Current Use Value (CUV)	*The value of land in the use to which it is currently being put. It excludes any consented use including deemed consents and any element of Hope Value.*

2.1.11 In practice, a wide range of considerations could influence the precise EUV and EUV+ that should apply in each case, and at the end of extensive analysis the outcome might still be contentious. One type of approach is outlined below:

- For sites previously in agricultural use, then agricultural land represents the existing use value.
- For paddock and garden land on the edge of or in a smaller settlement you should adopt a 'paddock' value.
- Where the development is on brownfield land you assume an industrial value.
- Where the site is currently in residential use you assume a residential value.

2.1.12 For greenfield sites it is incredibly difficult to get agreement from the development industry on what the premium or uplift (EUV+) above greenfield values should be. Whatever the EUV+, it will always be a simplification of the market; however in a high level study of this type general assumptions need to be made. Landowners selling a greenfield site, in the event of the grant of planning consent, usually receive over between 10-20 times the value compared with before consent was granted.

2.1.13 The high level and broad brush viability testing that is appropriate to be used to assess Local Plans and Neighbourhood Plans does have limitations. It should be noted that this study is about the economics of development. Viability brings in a wider range than just financial factors.

2.1.14 The PPG and Harman Guidance both emphasise the importance of the non-financial factors, viability is an important factor in the plan making process, but it is one of many planning considerations set down in national policy that needs to be considered as part of plan making. It is not viability at any cost.

3 Market research

3.1 Overview

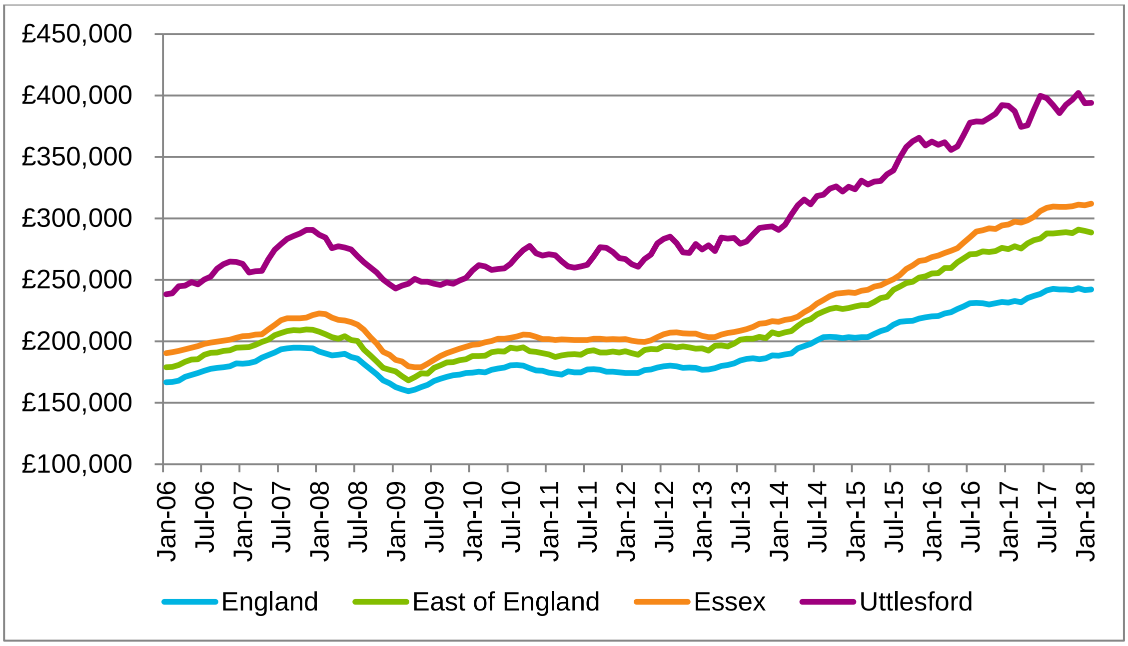
3.1.1 This study is primarily concerned with the viability of new build residential property. Key inputs for the appraisals are the price assumptions for new development. We have reviewed new build prices paid from the Land Registry[12] from January 2015 to April 2018 and have conducted a survey of property being marketed in November 2017. Our survey also incorporates a snapshot of the second hand market, to triangulate the data and assist in forming judgements for the modelling.

3.1.2 Although development schemes have similarities, every scheme is unique, even schemes on neighbouring sites. Market conditions broadly reflect a combination of national economic circumstances and local supply and demand factors, however even within a Parish like there will be particular localities, and ultimately site specific factors, that generate different values and costs. For the purposes of this study we have used up to date market evidence to inform the price assumptions.

3.1.3 In 2014, the UDC Local Plan - Sites Viability Assessment[13] placed values at between ***£2,885*** and ***£3,450 per sqm***, drawn from comparable evidence of transacted properties in the area and also properties on the market. The same study states that affordable housing products would be capitalised at a yield of 5% in order to arrive at a value (and building in reductions to account for management costs and voids etc.) A later 2016 viability study does not include information on sales values in the body of the report.

3.1.4 The current direction and state of the housing market has improved markedly since the housing market peaked late in 2007 (see **Figure 4**) and then fell in the 2007/2008 recession during what became known as the ‘Credit Crunch’. Average house prices across England and Wales have recovered to their pre-recession peak; however, this is strongly influenced by London. Prices in London are now well in excess of the 2007/2008 peak but there is evidence of a slowing market in 2018. Uttlesford average house prices are above the national, regional and county averages.

Figure 3 Average House Prices (Source: Land Registry)



[12] Prices paid data generally takes a few months to become available on the Land Registry database. The Price Paid Data excludes: sales that have not been lodged with HM Land Registry; sales that were not for market value; transfers, conveyances, assignments or leases at a premium with nominal rent (which are: ‘Right to buy’ sales at a discount, subject to an existing mortgage, to effect the sale of a share in a property, for example, a transfer between parties on divorce, by way of a gift, under a compulsory purchase order, under a court order, to Trustees appointed under Deed of appointment); and Vesting Deeds Transmissions or Assents of more than one property

[13] Accessed at: http://www.uttlesford.gov.uk/CHttpHandler.ashx?id=3011&p=0

3.1.5 The RICS February 2018: UK Residential Market Survey[14], reports that activity indicators continue to weaken. New buyer enquiries fell for the eleventh month in succession, average inventory on estate agents books have hit a record low and results continue to signal significant regional variation across the country. The survey further reports that:

> *"…respondents were asked about the key factors driving demand for new build properties. At the national level, the main driver appears to be the lack of stock in the secondhand market. This is followed by the appeal of the Help to Buy scheme with developer incentives and the 'quality' of new homes scoring more lowly. The one region where the results are a little different is London; the shortage of existing stock is viewed as a major influence but Help to Buy is viewed as even more important.*
>
> *The longer term indicators for sales prices and rents (over the next five years) continue to suggest that the former will increase at a slightly slower pace than the latter although in both cases, they point to growth of around 15% which would suggest an acceleration towards the end of this period given other readings from the survey."*

3.2 New build prices paid

3.2.1 The Land Registry publishes data of all homes sold. There were 99 new homes sold between January 2015 and April 2018[15] in the vicinity of (using post-code areas to narrow the search area[16]). This study tests a scenario that includes apartments as part of a mixed use scheme; as such it was necessary to search further afield to gather a sufficient number of transactions on flats. For houses the search area concentrated on the 'Locality' of Felsted. These transactions are summarised as follows (and included in full at Appendix A):

Table 1 Prices paid summary (January 2014 - December 2016)

New build Sales 2015-18 (£)					
	Detached	Semi-detached	Terraced	Flats	All
Count	40	4	1	54	99
Max	1,518,000	352,500	375,000	405,000	1,518,000
Min	325,000	308,000	375,000	115,000	115,000
Mean ^	502,025	327,000	375,000	274,594	369,617
Median *	375,000	323,750	375,000	262,500	330,000

Source: Land Registry (2014-2016)

^ The mean is the total of the numbers divided by how many numbers there are

** The median is the middle value of a set of numbers (e.g. 1 2 **3** 4 5)*

3.2.2 We have calculated the values on a pounds per square metre basis (£/m2) for each property by comparing prices paid with the total unit size (Gross Internal Area) of each unit sold, acquired from the Government's Domestic Energy Performance Certificate Register[17]. The mean and median £/m2 for each broad house type are summarised overleaf in **Table 2** and **Figure 5**.

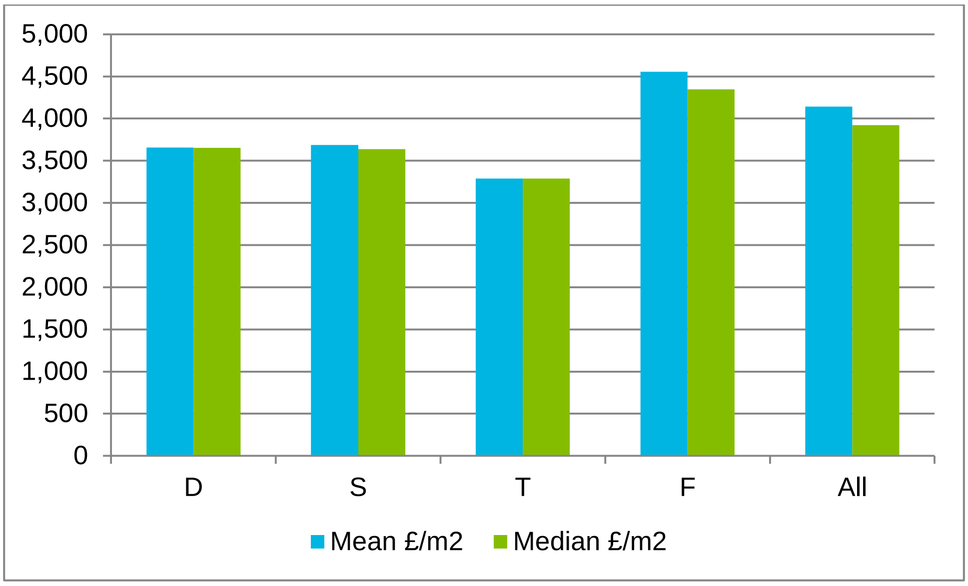
[14] Accessed at: https://www.rics.org/Global/2. WEB %20February 2018 RICS UK Residential Market Survey tp.pdf
[15] Research was undertaken in October 2017 and again in March 2018. There has been no new build property transactions recorded in the database since 2016.
[16] CM3, CM6 and CB11
[17] Accessed at: https://www.epcregister.com/reportSearchAddressByPostcode.html

Table 2 Prices paid (median and mean) by type

New build Sales 2015-18 (£/m²)		
	Mean £/m²	**Median £/m²**
Detached	3,657	3,652
Semi-detached	3,685	3,638
Terraced	3,289	3,289
Flats	4,553	4,348
All	£4,143	£3,920

Source: Land Registry (2015-2018)

Figure 4 Prices Paid (median and mean) Comparison



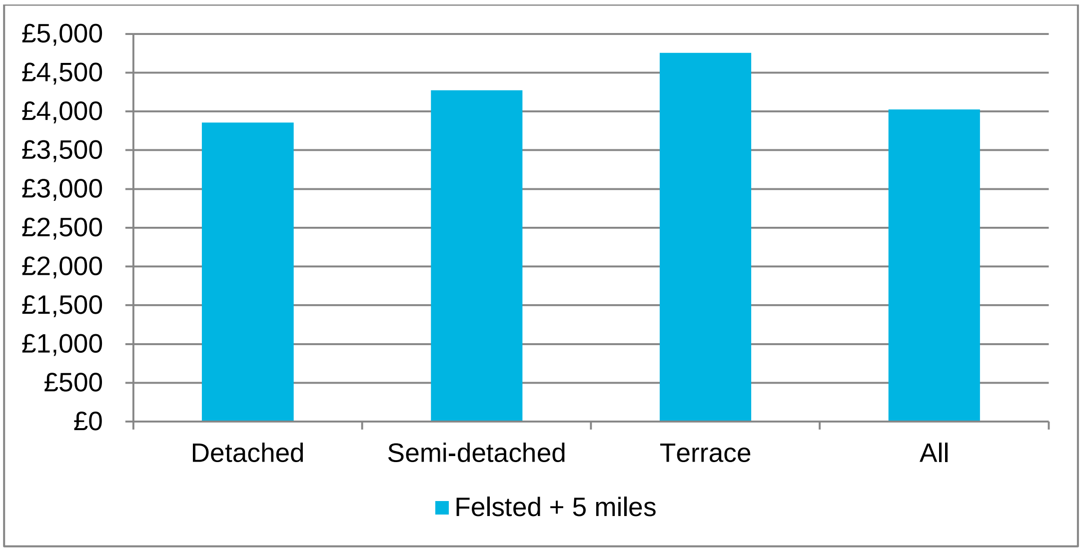
3.3 New build properties for sale

3.3.1 In addition to collecting price paid data we have collected information on new build properties that were being marketed in November 2017. Schemes within a 5 mile (8km) radius of the neighbourhood area were included to gather a larger sample. Asking prices varied very considerably across the wider housing market area ranging from between ~£3,007/m2 for a 4-bed detached house from Crest Nicholson in Great Notley to a ~£5,323/m2 for a 3-bed terraced house from Taylor Wimpey in Little Dunmow. The average house for sale was priced at £4,024/m2 and a median of £4,117/m2 (where total floor area data was available). This data is set out in full in Appendix B.

Table 3 For Sale Mean Prices £/m2 Summary (November 2017)

	+ 5 miles
Detached	£3,856
Semi detached	£4,274
Terrace	£4,753
All	£4,025

Figure 5 For Sale Mean Prices £/m2 Summary (November 2017)

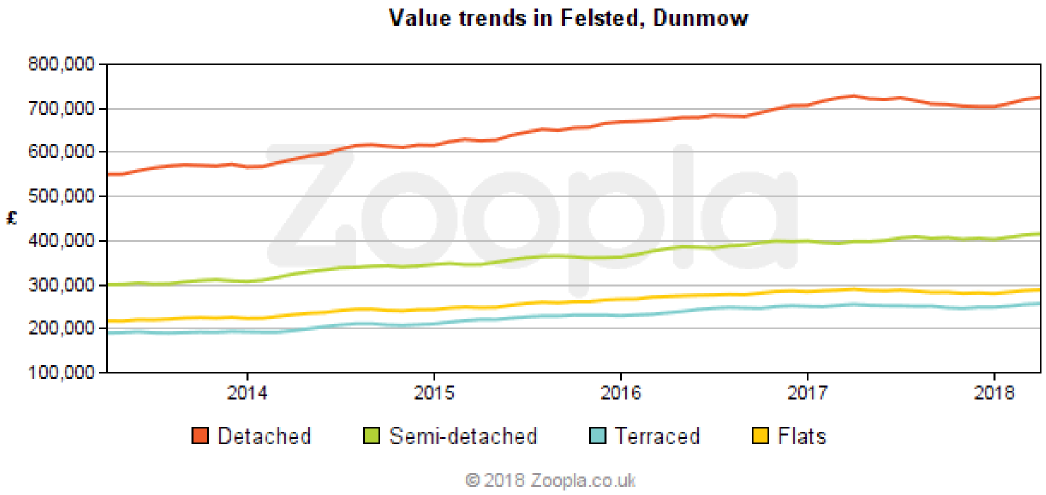


3.4 Second hand market

3.4.1 In addition to Land Registry price paid data and a survey of for sale prices, we have reviewed the second hand market using websites such as Zoopla and Rightmove (April 2018). This provides a useful benchmark and enables the collection of local marketing/sold data for (+3 miles), to help inform the price assumptions. Over the past 5 years the average price paid for property in has been £488,213 (source: Zoopla house prices tool) with an average value change of +£150,491 (+32.56%), based upon a sample of 194 sales. The current average value for property in Felsted is estimated to be £612,622. Since April 2017 Zoopla reports a -1.25% price change decrease across all property types.

3.4.2 **Figure 7** shows value trends for ', Dunmow' from 2013.

Figure 6 Values trends for Felsted (April 2018)



3.4.3 Properties for sale on the open market within (+3 miles) in April 2018 are summarised below (**Table 44**). Of the 13 homes advertised for sale, prices ranged from a £965,000 5-bed detached house for sale on Braintree Road, Essex (CM6) to a £260,000 2-bed flat for sale at Chantry Court, (CM6).

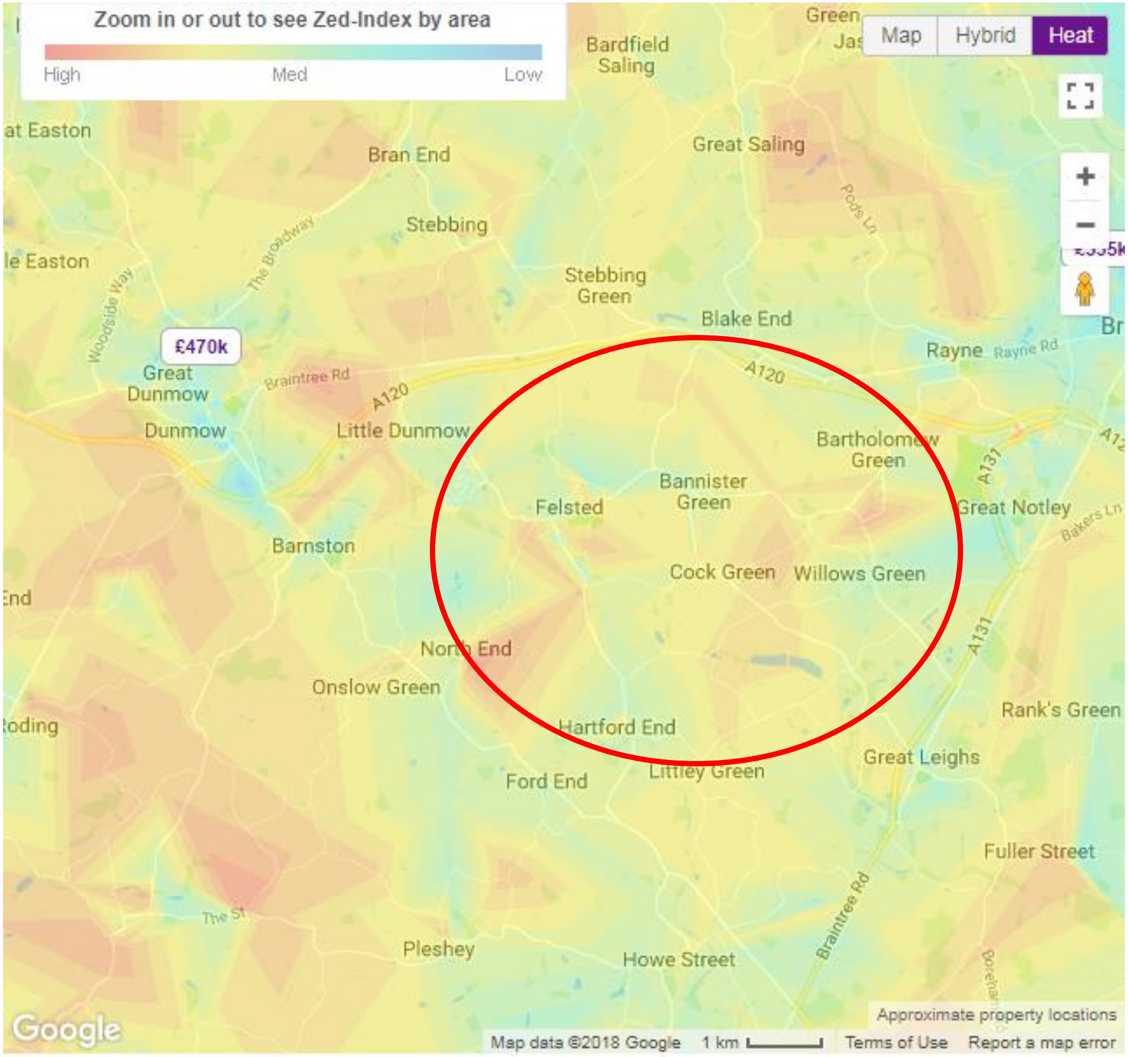
Table 4 second hand market current asking prices March 2018

Property type	1 bed	2 beds	3 beds	4 beds	5 beds
Houses	-	-	£400,000	£631,428	£400,000
No.	-	-	2	7	2
Flats	-	£270,000	-	-	-
No.	-	2	-	-	-

Source: Zoopla (2018)

3.4.4 The Zoopla heat mapping tool[18] shows that house values in Felsted are some of the highest in the local area.

Figure 7 Felsted Values Heat Map (April 2018)



[18] Zoopla use their current value estimates to generate a colour gradient overlay. Higher value areas tend towards red, and lower value areas tend towards blue. The value scale is dynamic and relative: Red in one locality may not have the same value as red in another locality, but on any given map, red is always higher value than blue.

3.5 Affordable Housing Values

3.5.1 In arriving at prices for the affordable housing elements we have reviewed market rents (and then applied a notional 80% discount to establish a theoretical affordable rent maximum); the HCA's Statistical Data Return 2016 to 2017[19] (which provides average affordable rent and social rents received from Registered Providers/Housing Associations within Uttlesford); and the Valuation Office Agency's Local Housing Allowance rates for the Harlow and Stortford Broad Rental Market Area (which includes Felsted) – see Table 5 Uttlesford Rents Analysis below.

Table 5 Uttlesford Rents Analysis

	1 bed	2 bed	3 bed	4 bed
Market Rent (Rightmove Median)	575	813	1,095	1,850
80% Market Rent	£460.00	£650.00	£876.00	£1,480.00
HCA SDR Affordable Rent	£488.75	£567.66	£754.00	£931.66
VOA LHA Harlow & Stortford	£595.05	£735.50	£884.22	£1,248.35
HCA SDR Social Rent	£392.60	£474.06	£533.00	£546.00

3.5.2 Based upon the above data our modelling assumes that the rented affordable housing is provided as Affordable Rent, at rent levels that do not exceed the Local Housing Allowance. This reflects a cautious approach in light of the fact that units can be let at rents of up to 80% of market rents. Affordable rent at higher rent levels than those we have assumed could potentially be considered where the viability of sites is more marginal.

3.5.3 In order to translate the above rental information into values (£/m2) for the purposes of the model, it is necessary to calculate the annual rent (net of management costs, voids, repairs etc.) and then capitalise the net annual rent assuming an appropriate yield. The below figures reflect yields of 5% (as per the UDC 2014 Viability Study assumption):

Table 6 Capitalisation of Affordable Rented Products using VOA LHA

VOA LHA	Per Week	Per Month	Per Year
1 Bedroom	£137.32	£595.05	£7,140.64
2 Bedroom	£169.73	£735.50	£8,825.96
3 Bedroom	£204.05	£884.22	£10,610.60
4 Bedroom	£288.08	£1,248.35	£14,980.16

	1 bed	2 bed	3 bed	4 bed
Assumed AR	£7,140.64	£8,825.96	£10,610.60	£14,980.16
Net Rent	£5,712.51	£7,060.77	£8,488.48	£11,984.13
Value	£114,250.24	£141,215.36	£169,769.60	£239,682.56
m^2	70	74.5	93	106
£/m^2	£1,632.15	£1,895.51	£1,825.48	£2,261.16

[19] Accessed at: https://www.gov.uk/government/statistics/statistical-data-return-2016-to-2017

3.5.4 On the basis of the above analysis we have assumed an Affordable Rent value of £1,900/m^2. For the shared ownership products we have assumed 65% of open market value of the market units (see Table 7 Price assumptions (2018)).

3.6 Price Assumptions for Financial Appraisals

3.6.1 The preceding analysis does not reveal simple clear patterns with sharp boundaries for particular areas found in and around the neighbourhood area.

3.6.2 We have used the current asking prices from active new build developments, the general pattern of all house prices across the study area (including analysis of prices paid and the second hand market) and existing research from UDC to form a view on the price assumptions to be used in the appraisal to calculate a Gross Development Value. The prices are reflective of today's values for UDC and comparable surrounding areas and have been informed by market values to reality check the assumptions. It is important to note at this stage that these professional judgements are broad brush for the purposes of a high level study to test the site/scheme being considered by FPC, as required by the NPPF, and to inform the emerging NDP. The values between new developments and within new developments will vary considerably in reality based on location, situation, unit type and the state of the market at the point of marketing the properties.

3.6.3 The Harman Guidance advises that viability testing should use current prices; we have used the following price assumptions for this study:

Table 7 Price assumptions (2018)

Type	Price £/m2	m^2	Price £/unit
1 bed Flat - Market	4,300	46	£197,800
2 bed Flat - Market	4,300	55	£236,500
2 bed House - Market	3,700	74	£273,800
3 bed House - Market	3,700	85	£314,500
4 bed+ House - Market	3,700	130	£481,000
1 bed Flat - Affordable Rent	1,900	50	£95,000
2 bed Flat - Affordable Rent	1,900	70	£133,000
2 bed House - Affordable Rent	1,900	79	£150,100
3 bed House - Affordable Rent	1,900	93	£176,700
4 bed+ House - Affordable Rent	1,900	106	£201,400
1 bed Flat - Shared Ownership	2,795	50	£139,750
2 bed Flat - Shared Ownership	2,795	70	£195,650
2 bed House - Shared Ownership	2,405	79	£189,995
3 bed House - Shared Ownership	2,405	93	£223,665
4 bed+ House - Shared Ownership	2,405	106	£254,930

3.6.4 Due to the lack of recent new build transactions recorded for Felsted on the Land Registry database the more recent marketing data and second hand market data has been factored into the final assumptions. The above prices broadly reflect a blend of the prices assumed for Felsted and the surrounding area (+5 miles). The price assumptions do not exceed what is being achieved in the highest value areas in the Neighbourhood Area. The prices represent an approximate 10% increase over the prices paid median and mean values (Appendix A) and ~10% increase on the values assumed in the CIL Viability Study Addendum (2015). It is considered that values of £2,700 could be achievable set against the evidence in Appendix B (inclusive of a 2.5% allowance for discounts).

3.6.5 The CIL Viability Study Addendum (2015) assumed that affordable rent properties were valued at 55% of capital market value and intermediate products were 65% of capital market value. Consultation with Registered Provider's as part of the CIL Viability Study established that social rent in the area was now being delivered as affordable rent. This approach is replicated in the appraisals.

4 Modelling Assumptions

4.1.1 This chapter considers the main assumptions required to produce financial appraisals for the modelled sites.

4.1 Affordable housing and site mix

4.1.1 The emerging Local Plan includes a 40% affordable housing target for schemes of 11 or more units. Currently the tenure split is 70% affordable rent or social rented tenure and 30% intermediate housing tenure e.g. shared ownership and intermediate rent.

4.1.2 The draft Local Plan also includes a housing mix policy which envisages: *'a significant proportion of 3 and 4+ bedroom market housing and 2 and 3 bedroom affordable housing to meet the needs of families as evidenced by the most recent Strategic Housing Market Assessment having regard to local character and the viability of the development which will be assessed on a site by site basis.'*[20] We have applied the SHMA (2015)[21] and SHMA affordable housing update (2017)[22] assumptions for the size and tenure mix of the modelled sites, see below:

Table 8 Modelled site mix

Indicative Housing Mix					
	1 bed flat	**2 bed flat**	**2 bed house**	**3 bed house**	**4 bed house**
Market Units					
Owner Occupied	1.0%	1.0%	7.0%	44.0%	47.0%
Affordable Units					
Affordable Rent	16.0%	12.0%	31.0%	32.0%	9.0%
Shared Ownership	6.0%	14.0%	36.0%	39.0%	5.0%

4.2 Non-residential assumptions

4.2.1 The sites are modelled incorporating the following uses: doctors' surgery, pharmacy, shop and post office and village hall. For each non-residential use the model requires an assumed rent and yield to calculate the income from non-residential uses.

4.2.2 To provide an indication of values for the healthcare elements we have reviewed Estates Gazette Interactive Property Link (a specialist commercial property listing site). In April 2018, five 'Healthcare' properties were being advertised for sale/rent (including second hand D1 doctor's surgeries) in Essex and Cambridgeshire. In addition, we have collected auction results from allsop auctioneers for all medical facilities sold in the past 5 years in East Anglia – findings sumamrised overleaf:

[20] Policies H2 and H6 of the Regulation 18 (Draft) Local Plan consultation (July 2017). Accessed at: https://www.uttlesford.gov.uk/draftplan2017
[21] Figure 76: Market and affordable housing mix by LA
[22] Figure 22: Assessing affordable housing mix for West Essex and East Herts by local authority

Table 9 Doctors surgery survey (April 2018)

Description	Address	Size m^2	Rent pa (Rent/£m^2)	For Sale/Sold Price	Yield
D1 Doctors Surgery	Unit 409 Long Road, Canvey Island SS8 0JH	138	£25,000 (£181)	£350,000	-
D1 Doctors Surgery	8 Sutherland Boulevard, Leigh-on-sea SS9 3PS	184	£30,000 (£163)	-	-
Healthcare	Unit 72/74 72/74 London Road, Wickford SS12 0AN	201	£32,000 (£159)	-	-
D1 use (dentist)	151 Kings Road, Westcliff-on-Sea SS0 8PP	94	£15,000 (£160)	-	-
Healthcare	Newton Hall, Town Street, CB22 7ZE	111	£26,640 (£240)	-	-
D1 use (dentist)	East Harling The Old Court House, Church Road, Norfolk, NR16 2NB	133	£14,000 (£105)	£245,000	5.71%
D1 use (vet)	Great Yarmouth, 221 Beccles Road, Gorleston-on-Sea, Norfolk, NR31 8BZ	179	£15,250 (£85)	£190,000	8.03%
D1 Health Centre and Chemist	Norwich, Lawson Road Health Centre, Lawson Road, Norfolk, NR3 4LE	713 (GP surgery = 239 / Pharmacy = 71)	£159,896 (£224)	£2,900,000	5.51%
D1 use (dentist)	Sudbury, 178 Bures Road, Great Cornard, Suffolk, CO10 0JQ	90	£17,000 (£189)	£311,000	5.47%
D1 use (dentist)	Aylsham, Burgh Road, Norwich, Norfolk, NR11 6AJ	137	£12,000 (£88)	£205,000	5.85%

4.2.3 Based on the above particulars, we have assumed that a doctor's surgery and pharmacy would generate £200/m^2 in rent at an 8% yield. For the shop and Post Office unit we have assumed the same rent and yield level. The 2014 Viability Study (2014) assumed £200/m2 on a 7% yield for a medium sized store in Saffron Walden. In village locations, such as Felsted, you would expect the yield to be higher. The Village Hall is assumed to generate a nominal rent from hire with community groups; as such the construction costs are included in a number of the scenarios with a nil rent and 0% yield inputted into the model.

4.2.4 The Rural Shop Report 2017[23], prepared by the Association of Convenience Stores, reports that in rural areas over half (57%) of all independent shops are smaller than 999 sq ft (~93m^2). Shops owned by multiples are generally larger (40% 1,000-1,999 sq ft and 36% 2,000-3,000 sq ft). We have assumed that a village shop incorporating a small Post Office service and a pharmacy will both be 100m^2 Gross Internal Area (GIA). The Village Hall is assumed to be 600m^2 GIA and the new Doctors surgery is assumed to be 250m^2 GIA with a rent of £200/m^2 and yield of 7%.

4.3 Policy costs

4.3.1 The Regulation 14 draft of the NDP includes a series of policy requirements over and above the extant Development Plan. The table below assesses whether any of the policies would incur additional development costs over and above building regulations applying a RAG score:

Table 10 NDP policy analysis

NDP Policy	Policy Cost
HVC1 Historic Village Centre	Good design sensitive to the historic environment will not result in additional costs to development
HVC2 Existing Village Shop and Post Office	Ibid
HVC3 Royal British Legion Site	Ibid
HVC4 Additional Car Parking in the Village Centre	Porvision of car parking spaces carries a cost to development. £110/m^2 is assumed in this study
HVC5 Managing Congestion at the T Junction in Felsted Village	Transport assessments are covered under professional fees
VA1 Doctors' Surgery	Cost neutral
VA2 Memorial Hall	Refurbishment could involve higher build costs dependent of specification.
VA3 Infrastructure Priorities	Cost neutral – it's assumed s106/CIL is prioritised on these projects (in partnership with UDC)
VA4 Burial Ground	Good design is cost neutral
SC1 Supporting our Schools	Porvision of car parking spaces carries a cost to development. £110/m^2 is assumed in this study
SC2 Felsted School	Cost neutral
SC3 Felsted School Follyfield Site	Cost neutral
SC4 Felsted School Facilities off Braintree Road and Garnetts Lane	Cost neutral
SC5 Felsted Primary School – Modernisation	Cost neutral
SC6 Felsted Primary School - Expansion	Porvision of car parking spaces carries a cost to development. £110/m2 is assumed in this study
SC7 Felsted Primary School – Relocation	Cost neutral
HN1 Meeting Housing Needs	Cost neutral
HN2 Land At Braintree Road (Sunnybrook Farm)	Porvision of car parking spaces carries a cost to development. £110/m2 is assumed in this study
HN3 Land At Station Road (Bury Farm)	Community and social infrastructure (including associated car parking) will carry additional costs
HN4 Residential Development within Development Limits	Good design is cost neutral

[23] Accessed at: https://www.acs.org.uk/sites/default/files/imported_images/2017/01/ACS-Rural-Shops-Report-2017.pdf

HN5 Residential Development outside Development Limits	Housing assessments are covered under professional fees
HN6 Supplemental Dwellings	Cost neutral
HN7 Housing Mix	Housing assessments are covered under professional fees
ICH1 High Quality Design	Good design is cost neutral
ICH2 Heritage Assets	Good design sensitive to the historic environment will not result in additional costs to development
ICH3 Signage	Cost neutral
ICH4 Light Pollution	Cost neutral
ICH5 Avoiding Coalescence	Cost neutral
RE1 Start Up and Small Businesses	Cost neutral
RE2 Loss of Employment Uses	Cost neutral
RE3 Re-use of Rural Buildings	Cost neutral
RE4 Home Working	Cost neutral
RE5 Opportunities for Small Businesses	Cost neutral
CW1 Landscape and Countryside Character	Cost neutral
CW2 Felsted Fen	Likely to require a portion of s106/CIL
CW3 Footpaths, Bridleways and Cycleways	Likely to require a portion of s106/CIL

4.4 Construction costs

4.4.1 The appraisals assume costs of £1,220/m^2 for houses and £1,350/m^2 for flats. This is based on data from the Building Cost Information Service (BCIS). Specifically, rounded figures drawn from the BCIS median costs for 2-3 storey estate houses/flats, rebased to UDC (see **Appendix C**). An additional 10% net to gross assumption is made for flats to account for common areas.

4.4.2 In addition to the BCIS £/m^2 build cost figures, allowance needs to be made for a range of site costs (roads, drainage and services within the site, parking, footpaths, landscaping and other external costs). Many of these external items will depend on individual site circumstances and can only accurately estimated following a more detailed scheme design and assessment of each site (including ground investigations). This is not practical within this study unless estimates are readily available for site specific issues or abnormals and so we have adopted the same assumptions from the 2016 Viability Study.

4.4.3 For external works and infrastructure we have assumed 10% of construction costs. The approach taken in this study is in line with the PPG and the Harman Guidance.

4.4.4 For the non-residential uses we have assumed the following costs £/m2 drawn from the BCIS:

- Retail (pharmacy, shop/Post Office) £1,050
- Village Hall £1,900
- Doctors Surgery £2,100

4.4.5 The modelling includes an estimated cost for the proposed car park. This figure is drawn from the approximate estimating rates for ancillary building works contained within SPON's Civil Engineering and Highway Works Price Book (2018). Section 8 (page 147) sets out that surface parking (include drains, kerbs, lighting surface level parking) is estimated to cost £96 - 120/m². The estimates in SPON's are based on information from a number of sources including engineer's estimates, tenders, final account values etc. on a large number of contracts. Prices given in this section of SPON's also include for all the incidental items and labours which are normally measured separately in Bills of Quantities. They include overheads and profit but do not include for preliminaries. Whilst every effort is made to ensure the accuracy of these figures, they have been prepared for approximate estimating purposes only and on no account should they be used for the preparation of tenders. Prices do not include Value Added Tax. The proposed car park is assumed to be 1,500m2. The modelling assumes the approximate midpoint cost of £110/m2 for the car park, which produces an over extra cost of approximately £150,000 (once rebased to the Eastern region).

4.5 Professional Fees

4.5.1 The 2016 Viability Study assumed professional fees of 7% of costs. This has been adopted in the modelling.

4.6 Contingencies

4.6.1 The 2016 Viability Study assumed a generic average of 5% contingency (see Glossary). This is to account for risk relating to a specific scheme and will vary from site to site. This level of contingency is reflective of the risks related to drainage and flooding in the village.

4.7 S106 Contributions

4.7.1 The 2014 Viability Study assumed planning obligations of £10,000/unit for site specific s106 and s278 contributions. This is adopted in the modelling.

4.8 VAT

4.8.1 For simplicity it has been assumed throughout, that either VAT does not arise, or that it can be recovered in full. Costs in this report are deemed net of vat as all vat on new build is recoverable including for site clearance and demolition if let as part of the development contract.

4.9 Interest rate

4.9.1 Our appraisals assume 6% per annum for debit balances (the cost of borrowing money from the lender). This may seem high given the very low base rate figure (0.5% April 2018), but reflects banks' view of risk for housing developers. In the appraisal we have prepared a simple cash flow to calculate interest. We accept that is a simplification however, due to the high level and broad brush nature of this analysis, we believe that it is appropriate.

4.10 Voids

4.10.1 On a scheme comprising mainly of individual houses one would normally assume only a nominal void period (the time that elapses before income is accrued by the developer) as the housing would not be progressed if there was no demand. In the case of apartments in blocks this flexibility is reduced. Whilst these may provide scope for early marketing, the ability to tailor construction pace to market demand is more limited. For the purpose of the present study a three month void period is assumed for all residential.

4.11 Phasing and timetable

4.11.1 Each dwelling is assumed to be built over a nine month period. The phasing programme for an individual site will reflect market take-up and would, in practice, be carefully estimated taking into account the site characteristics and, in particular, the size and the expected level of market demand. We have developed a suite of modelled assumptions to reflect site size and development type.

4.11.2 Average sales rate for each site of between 2 and 4 per month, depending on the size of the development and location, with the first sales taking place 5 months after a start on site.

4.11.3 It is assumed a maximum delivery rate of 30-50 market units per year per outlet. On smaller sites slower rates are assumed to reflect the nature of the developer likely to bring smaller sites forward.

4.11.4 We believe that these are conservative and do, properly, reflect current practice. This is the appropriate assumption to be in line with the PPG and Harman Guidance.

4.12 Site holding costs and receipts

4.12.1 Each site is assumed to proceed immediately and so, other than interest on the site cost during construction, there is no allowance for holding costs, or indeed income, arising from ownership of the site.

4.13 Site purchase costs

4.13.1 Site purchase costs and legal fees are set at 2.00%. Stamp Duty Land Tax is calculated at the prevailing rates (as at April 2018).

4.14 Sales and marketing costs

4.14.1 For the market and the affordable housing, sales agents fees are assumed at 2% of private sale values; and legal fees of £600 per unit. Disposal costs of affordable housing can be reduced significantly in the real world depending on the type of product so in fact the marketing and disposal of the affordable element is probably less expensive than this in reality. This is not represented in the modelling but is one contributing factor to the lower developer's return assumption for affordable housing.

4.15 Developer's profit

4.15.1 An allowance needs to be made for developers' profit / return and to reflect the risk of development. We have considered the RICS's 'Financial Viability in Planning' (August 2012)[24], the Harman Guidance Viability Testing Local Plans, Advice for planning practitioners

[24] Accessed at: http://www.rics.org/Documents/Financial%20viability%20in%20planning.pdf

(June 2012), and referred to the HCA's Economic Appraisal Tool. None of these documents are prescriptive, but they do set out some different approaches.

4.15.2 The Harman Guidance says:

Return on development and overhead

The viability assessment will require assumptions to be made about the average level of developer overhead and profit (before interest and tax).

The level of overhead will differ according to the size of developer and the nature and scale of the development. A 'normal' level of developer's profit margin, adjusted for development risk, can be determined from market evidence and having regard to the profit requirements of the providers of development finance. The return on capital employed (ROCE) is a measure of the level of profit relative to level of capital required to deliver a project, including build costs, land purchase, infrastructure, etc.

Appraisal methodologies frequently apply a standard assumed developer margin based upon either a percentage of Gross Development Value (GDV) or a percentage of development cost. The great majority of housing developers base their business models on a return expressed as a percentage of anticipated gross development value, together with an assessment of anticipated return on capital employed. Schemes with high upfront capital costs generally require a higher gross margin in order to improve the return on capital employed. Conversely, small scale schemes with low infrastructure and servicing costs provide a better return on capital employed and are generally lower risk investments. Accordingly, lower gross margins may be acceptable.

This sort of modelling – with residential developer margin expressed as a percentage of GDV – should be the default methodology, with alternative modelling techniques used as the exception. Such an exception might be, for example, a complex mixed use development with only small scale specialist housing such as affordable rent, sheltered housing or student accommodation.

4.15.3 At the Shinfield appeal[25] (January 2013) the inspector considered this specifically saying:

Developer's profit

43. The parties were *agreed that costs* [i.e. developer profit] *should be assessed at 25% of costs or 20% of gross development value (GDV). The parties disagreed in respect of the profit required in respect of the affordable housing element of the development with the Council suggesting that the figure for this should be reduced to 6%. This does not greatly affect the appellants' costs, as the affordable housing element is 2%, but it does impact rather more upon the Council's calculations.*

44. The appellants *supported their calculations by providing letters and emails from six national housebuilders who set out their net profit margin targets for residential developments. The figures ranged from a minimum of 17% to 28%, with the usual target being in the range 20-25%. Those that differentiated between market and affordable housing in their correspondence did not set different profit margins. Due to the level and nature of the supporting evidence, I give great weight [to] it. I conclude that the national housebuilders' figures are to be preferred and that a figure of 20% of GDV, which is at the lower end of the range, is reasonable.*

4.15.4 Broadly there are four different approaches that could be taken:

- To set a different rate of return on each site to reflect the risk associated with the development of that site. This would result in a lower rate on the smaller and simpler sites – such as the greenfield sites, and a higher rate on the brownfield sites.

[25] APP/X0360/A/12/2179141 (Land at The Manor, Shinfield, Reading RG2 9BX)

- To set a rate for the different types of unit produced – say 20% for market housing and 6% for affordable housing, as suggested by the HCA.
- To set the rate relative to costs and thus reflect risks of development.
- To set the rate relative to the development's Gross Development Value (as normally preferred by developers).

4.15.5 In deciding which option to adopt, it is important to note that we are not trying to re-create any particular developer's business model. Different developers will always adopt different models and have different approaches to risk. The Viability Study (2016) adopted an overall profit level based of 20% of GDV (inclusive of overheads) for market housing and 6% for affordable housing - our modelling uses the same agreed approach. For non-residential development we have assumed 15% of GDV.

4.16 Landowner's return (EUV+)

4.16.1 In order to assess development viability, it is necessary to analyse Existing Use Values (EUV) i.e. the value of the land in its current use before planning consent is granted, for example, as agricultural land. Alternative Use Values (AUV) refers to any other potential use for the site that doesn't require planning permission. For example, a greenfield site may have an alternative use as a paddock.

4.16.2 For the purpose of the study, it is necessary to take a comparatively simplistic approach to determining the EUV/AUV. In practice, a wide range of considerations could influence the precise value that should apply in each case, and at the end of extensive analysis the outcome might still be contentious. For sites previously in agricultural use, then agricultural land represents the existing use value.

4.16.3 A number of greenfield development sites either infill or outside the existing built-up areas could be developed over the plan period. At the present time, these sites will normally be used for recreation, agricultural and grazing purposes or informal open space with site values on this basis typically in the region of £20,000 - £50,000 per hectare.

4.16.4 The results from appraisals are compared with the EUV set out above in order to form a view about the sites' viability. This is a controversial part of the viability process and the area of conflicting guidance between the Harman Guidance and the RICS Guidance. In the context of this report it is important to note that it does not automatically follow that, if the Residual Value produces a surplus over the EUV, the site is viable. The land market is more complex than this, the landowner and developer must receive a sufficient return in reward for taking on risk. The PPG includes a definition of land value as follows:

Land Value

To define land value for any viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'existing use value plus' (EUV+).

In order to establish benchmark land value, plan makers, landowners, developers, infrastructure and affordable housing providers should engage and provide evidence to inform this iterative and collaborative process.

Paragraph: 013 Reference ID: 10-013-20180724 Revision date: 24 07 2018

4.16.5 It is clear that for land to be released for development, the Plus/uplift/premium over the EUV needs to be sufficiently large to provide an incentive to the landowner to release the site and cover any other appropriate costs required to bring the site forward for development. It is therefore appropriate and an important part of this assessment to have regard to the market value of land.

4.16.6 The reality of the market is that each and every landowner has different requirements and different needs and will judge whether or not to sell by their own criteria. We therefore have to consider how large such an 'uplift' or 'premium' (above EUV) should be to broadly provide a return to incentivise the landowner to release their land for development. The assumptions must be a generalisation as in practice the size of the uplift will vary from case to case depending on how many landowners are involved, each landowner's attitude and their degree of involvement in the current property market, the location of the site and so on. Nationally it is typical that a 20-30% increase about the EUV for industrial/residential land would be sufficient to induce a landowner to sell their site. A 20-30% uplift above the greenfield EUV will not be sufficient to induce a landowner to sell.

4.16.7 The approach adopted aligns with the Harman Guidance and Planning Advisory Service (PAS) advice and has been subject to scrutiny at examination hearings. The EUV+ approach was endorsed by the Planning Inspector who approved the London Mayoral CIL Charging Schedule in January 2012[26] and continues to be accepted by the Inspectorate for the purposes of plan making.

4.16.8 The 2016 Viability Study includes a Benchmark Land Value (EUV+) of £1,270,000 per net developable hectare. The report states that depending on the location the benchmark may be 10% higher or lower (£1,143,000 to £1,397,000). These figures reflect a very considerable uplift for a landowner selling a greenfield site with consent for development. In the event of the grant of planning consent they would receive over twenty times the value compared with before consent was granted.

4.16.9 Care has to be taken drawing on general figures without understanding the wider context and other assumptions but generally the assumptions used in this work are within the range expected for UDC. Felsted has comparatively high values within UDC and its village situation makes it an attractive area for house buyers and developers. It is important to appreciate that assumptions on EUV+ 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 and the appraisals.

4.16.10 In addition to this local evidence, the Department for Communities and Local Government (now MHCLG) published *Land value estimates for policy appraisal* (December 2015)[27]. This states that estimated value of a typical residential site in Uttlesford is £3,315,000 /hectare (on the basis of post permission residential land value estimates). The valuations have been undertaken using a truncated residual valuation model. The purpose of these values is to use in appraising public sector land projects from a social perspective, in line with HM Treasury Green Book principles. The values assume nil Affordable Housing provision, CIL or s106/s278. This means that they should not be seen as estimates of market values. The figures provided are appropriate to a single, hypothetical site and should not be taken as appropriate for all sites in the locality. However, this data is a useful for benchmarking purposes.

4.16.11 The same publication provides an estimated value of a typical agricultural site in the East is £24,000/hectare. The estimated value of a typical industrial site in the East is £675,000. The value estimates for industrial land can be used to proxy alternative use value for developments on brownfield land. These are provided for hypothetical sites in England assuming:

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

4.16.12 The *RICS/Royal Agricultural University (RAU) Rural Land Market Survey H2 2017* (March 2018)[28] reports that in the Eastern region arable land prices are estimated to be £21,300/hectare (£8,620/acre) and pasture land is estimated to be £11,120 (£4,500/acre). The RICS/RAU Rural Land Market Survey is the leading survey on demand, supply and prices in the farmland market. The statistics provided by RICS members in England, Wales and Scotland, are collated by the Royal Agricultural University, Cirencester. Regional figures for each category are based upon the average response of surveyors responding. We have

[26] Paragraphs 7 to 9 of Report On The Examination Of The Draft Mayoral Community Infrastructure Levy Charging Schedule by Keith Holland BA (Hons) DipTP MRTPI ARICS an Examiner appointed by the Mayor Date: 27th January 2012

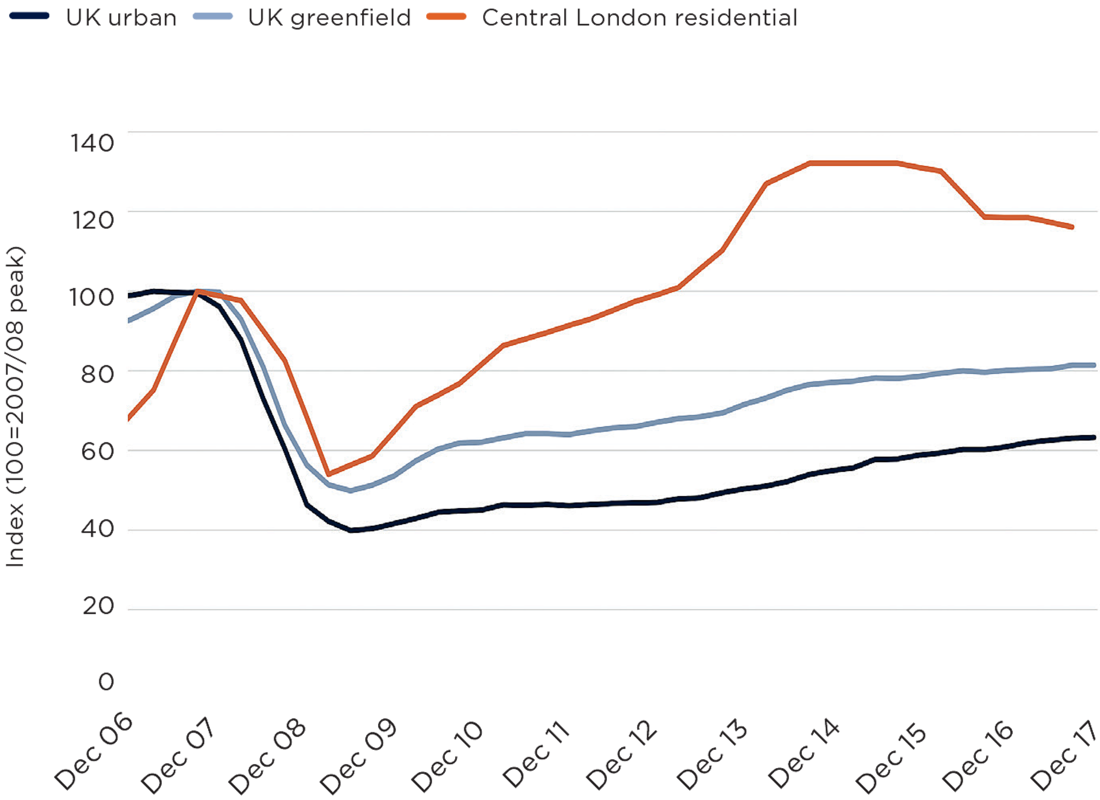
[27] Accessed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/488041/Land_values_2015.pdf

[28] Accessed at: https://www.rics.org/Global/RICS%20RAU%20Rural%20Land%20Market%20Survey%20H2%202017%20-%20FULL.pdf

assumed £35,000/hectare as the EUV for greenfield land in this study (representing a midpoint between arable land and a paddock).

4.16.13 In order to assess whether the greenfield premium of £1,143,000 per net hectare is still appropriate, real estate reports have been analysed to understand trends in land values nationally. Savills', in their *Market in Minutes - UK residential development land* (January 2018)[29], report that nationally: *'greenfield land values remain relatively flat. Values rose 0.1% in the last quarter of 2017, taking annual growth to 1.7% – in line with 2016 growth of 1.8%. The land market therefore remains benign, with land value growth remaining below house price growth on average.'* Savills produced a land value growth chart plotting land value growth for UK greenfield land since the 2007/08 peak (**Figure 9** overleaf).

Figure 8 Savills land value growth since 2007/08 peak



4.16.14 On the basis of the evidence available it is considered that £1,143,000/net developable hectare of fully serviced sites with no planning permission is a reasonable assumption for a Benchmark Land Value in this study (reflecting the fact that the neighbourhood plan envisages community/social infrastructure to accompany the emerging land allocations). A number of the sites modelled in this study are not serviced and so this is factored in to the conclusion section. In addition, the residual values produced by the HCA Development Appraisal Toolkit are on the basis of the gross site i.e. the developer is required to purchase all of the land including land that would be required for public open space, SUDs, social infrastructure etc.

[29] Accessed at: http://pdf.euro.savills.co.uk/uk/market-in-minute-reports/uk-residential-development-land-january-2018.pdf

5 Site assumptions

5.1 Modelled sites

5.1.1 This section details the broad assumptions used to test the following sites 'Chaffix Farm'; 'Land North East of Station Road'; and 'Memorial Hall' (see Figure 9). The assumptions have been informed by discussions with FPC, landowner submissions and information contained with the SLAA and emerging Local Plan.

Figure 9 Felsted NDP sites subjected to viability testing

5.1.2 The following sites and assumptions in **Table 8** (overleaf) have been subject to viability testing. The modelling assumes two base scenarios: (1) 100% residential (based upon an appropriate density assumption); and (2) a mixed use scheme incorporating

Table 11 Site capacity assumptions

Site Reference	Gross Site Area (Ha)	Net to Gross ratio	Net Developable Area (Ha)	Dwellings per hectare (dph)	Indicative No. Units – Residential Only	Approx. Units – Residential /Community Hub Uses
HN2 Sunny-brook Farm	2.1	65% (reflect-ing car park)	1.39	20-30	~27-42	~24 units
HN3 Bury Farm Site	2.98	80%	2.38	20-30	~48-72	~39 units
Chaffix Farm – Option 1	1.9	80%	1.52	20-30	~30-46	~20-25 units
Chaffix Farm – Option 2	2.23	80%	1.78	20-30	~36-53	~30-35 units
Memorial Hall – Option 1	0.94	90%	0.85	N/A	N/A	N/A
Memorial Hall – Option 2	2.4	80%	1.92	20-30	~38-58	~37 units

5.2 HN2 Sunnybrook Farm Site

Figure 10 Sunnybrook Farm Site

5.2.1 The proposal at Sunnybrook farm includes 24 dwellings (red shaded area) and new access road, a kiss and drop facility and significant off-road landscaped car parking provision (green shaded area) serving the primary school. The appraisals assume an over extra costs for ~7,000m^2 @ £110/m^2 (£770,000).

5.3 HN3 Land at Station Road to the west of Bury Farm

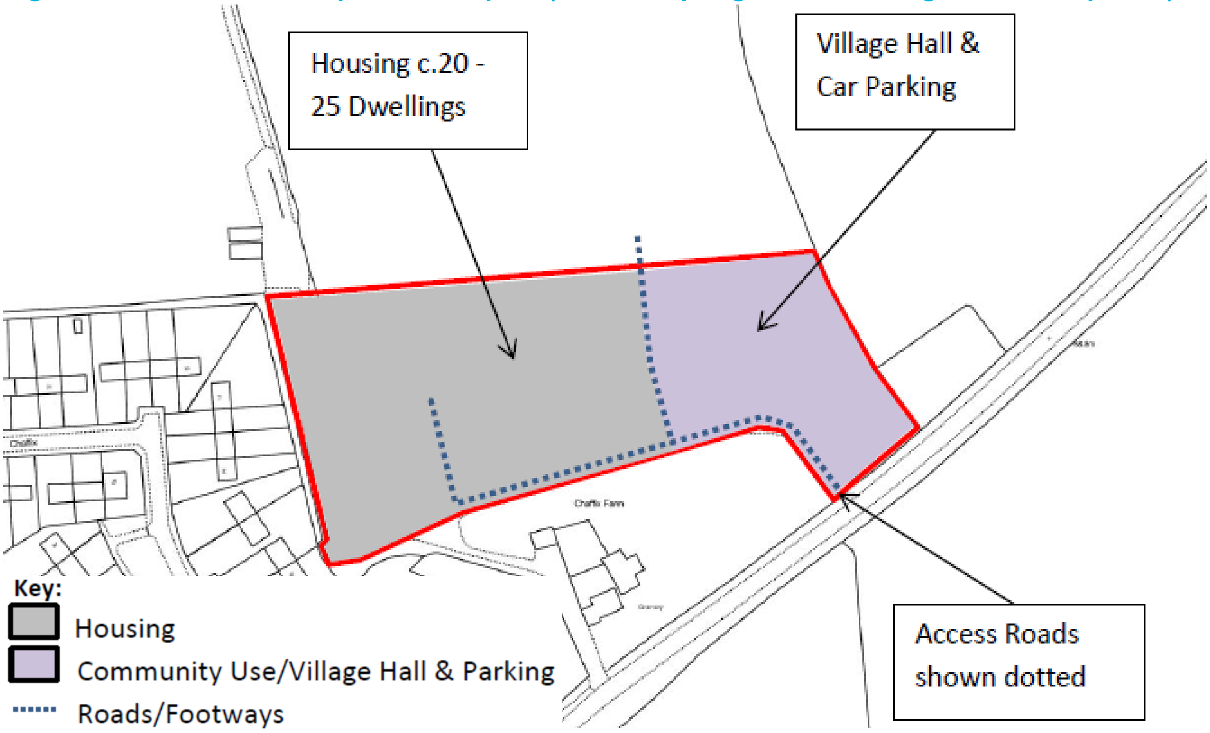
Figure 11 Land at Station Road to the west of Bury Farm

5.3.1 Policy HN2 for the Land at Station Road to the west of Bury Farm (SLAA reference 01Fel15 – part of) envisages delivery of ~39 dwellings, alongside the Community Hub uses (doctor's surgery, car parking, and public open space). The Community Hub would likely be located on the east of the site and include higher density housing; and lower density housing to the west of the site. The appraisals assume a ~1,500m^2 car park (costing £110/m^2)[30].

4.1.1 [30] . Source: SPON's Civil Engineering and Highway Works Price Book (2018)[30]. Section 8 (page 147) - surface parking (including drains, kerbs, lighting surface level parking) is estimated to cost £96 - 120/m². Estimates based on engineer's estimates, tenders, final account values etc. on a large number of contracts. Whilst every effort is made to ensure the accuracy of these figures, they have been prepared for approximate estimating purposes only and on no account should they be used for the preparation of tenders. Prices do not include Value Added Tax and are rebased to the Eastern region.

5.4 Chaffix Farm - Option 1

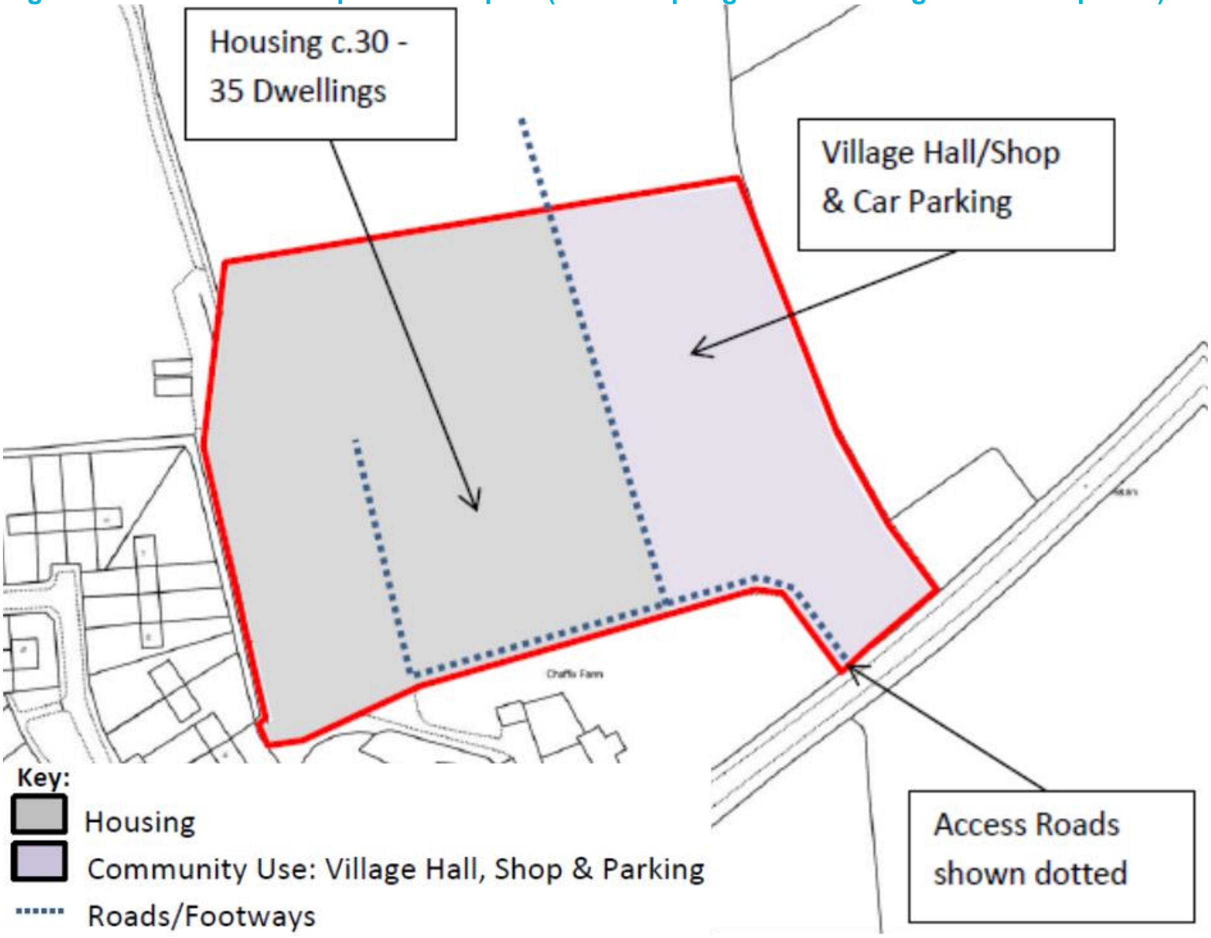
Figure 12 Chaffix Farm - Option 1 site plan (Source: Springfields Planning and Development)



5.4.1 Chaffix Farm Option 1 (SLAA reference 06Fel15) envisages delivery of ~20-25 dwellings (the modelling assumes 25 units), a Village Hall and car parking. The landowners have informed FPC that the location may not be suitable for the GPs surgery based on initial feedback from the GP practice. Access would need to be reserved for the adjacent farmland and consideration given to infrastructure laying.

5.5 Chaffix Farm - Option 2

Figure 13 Chaffix Farm - Option 2 site plan (Source Springfields Planning and Development)



5.5.1 Chaffix Farm Option 2 envisages delivery of ~30-35 dwellings (the modelling assumes 35 units), a Village Hall, shop and car parking on an expanded site with additional land to the north of SLAA reference 06Fel15.

5.6 Memorial Hall

Figure 14 Memorial Hall site plan (Source: Gordon Crawford Farms)

5.6.1 The landowner has assumed that the Community Hub would require between 0.5 to 3 acres of land. The site plan above envisages a new village hall located adjacent to the remaining playing fields but pushed back further south within the site.

5.6.2 In order to meet the capital cost to construct the community facilities, the landowner has suggested that residential enabling development (37 units) could be explored on a nearby site located adjacent to the Chelmsford Road (SLAA reference 14Fel15 – see Figure 15 overleaf). This alternative site has not been tested. For the purposes of this study an enabling development scenario has been modelled (see option 2 – Figure 16 overleaf). Figure 14 above (option 1) is assumed to deliver no residential units; and a second option incorporates 37 units (across an enlarged site, including land to the west of the Community Hub) – see overleaf. The second option provides an indication of what may be possible with residential development cross subsidising community facilities (and is entirely theoretical at this juncture given that it would be unlikely to be acceptable to deliver the entirety of the playing field). Both appraisals assume a ~3,000m^2 car park (costing £110/m^2).

5.6.3 The wider extent of SLAA site 14Fel15 was adjudged by UDC to be: 'available and development is considered achievable. The site is however considered unsuitable as it would lead to a coalescence of Felsted and Causeway End and would not contribute to a sustainable pattern of development.' This report does not comment on the suitability of a smaller portion of 14FEL15 used for enabling development of Memorial Hall.

Figure 15 UDC Strategic Land Availability Assessment (Site Reference No. 14Fel15)

Figure 16 Memorial Hall (option 2)

5.7 Assumptions summary

5.7.1 Below is snapshot of the main assumptions discussed throughout the report.

Table 12 Modelling and site assumptions summary sheet

<table>
<tr><th>Input</th><th>Value / Cost</th></tr>
<tr><td>Sales values per square metre</td><td>£4,300– Market Flat
£3,700 – Market House
£1,900 – Affordable Rent
£2,795 – Shared Ownership Flat
£2,405 – Shared Ownership House</td></tr>
<tr><td>Site mix</td><td><table>
<tr><th colspan="6">Indicative Housing Mix</th></tr>
<tr><td></td><td>1 bed flat</td><td>2 bed flat</td><td>2 bed house</td><td>3 bed house</td><td>4 bed house</td></tr>
<tr><td colspan="6">Market Units</td></tr>
<tr><td>Owner Occupied</td><td>1.0%</td><td>1.0%</td><td>7.0%</td><td>44.0%</td><td>47.0%</td></tr>
<tr><td colspan="6">Affordable Units</td></tr>
<tr><td>Affordable Rent</td><td>16.0%</td><td>12.0%</td><td>31.0%</td><td>32.0%</td><td>9.0%</td></tr>
<tr><td>Shared Ownership</td><td>6.0%</td><td>14.0%</td><td>36.0%</td><td>39.0%</td><td>5.0%</td></tr>
</table></td></tr>
<tr><td>Unit sizes</td><td>Houses and Flats as per Viability Study 2016 (see Table 7 Price assumptions (2018))
GP surgery 250m2
Pharmacy 100m2
Village Shop with Post Office 100m2
Village Hall 600m2</td></tr>
<tr><td>Build costs</td><td>Houses £1,220/m2
Flats £1,350/m2
Retail (pharmacy, shop/Post Office) £1,050
Village Hall £1,900
Doctors Surgery £2,100</td></tr>
<tr><td>Site preparation / External Costs</td><td>10% of build costs</td></tr>
<tr><td>Professional fees</td><td>7% of build costs</td></tr>
<tr><td>Contingency</td><td>5% of build costs</td></tr>
<tr><td>Over extras</td><td>N/A</td></tr>
<tr><td>Site purchase costs (based on residual land value)</td><td>Agents fees 1.00%
Legal fees 0.75%
SDLT at HMRC rate</td></tr>
<tr><td>Sales fees</td><td>1.25% of private sale values
Legal fees of £500 per unit
Marketing costs of £1,000 per private unit</td></tr>
<tr><td>Developer's profit</td><td>20% of Gross Development Value of Market Units
6% of Gross Development Value of Affordable Units
15% of Gross Development Value of Non-residential Uses</td></tr>
<tr><td>Finance costs</td><td>6% per annum</td></tr>
<tr><td>Phasing and timetable</td><td>30-50 units per year
Average sales rate of between 2 and 4 per month
First sales 5 months after start</td></tr>
<tr><td>S106 / CIL costs</td><td>£10,000 per unit</td></tr>
<tr><td>Affordable housing %</td><td>40% for 11 or more units</td></tr>
<tr><td>Affordable housing tenure</td><td>70% Affordable Rent / 30% Shared Ownership</td></tr>
<tr><td>EUV+ / Benchmark</td><td>£1,143,000 per net hectare</td></tr>
</table>

6 Conclusions

6.1.1 This chapter presents the results of residual appraisal (the detailed appraisal summary sheets are provided in **Appendix D** to this report). Development appraisals for the modelled sites have utilised the HCA's Development Appraisal Tool, a spread sheet-based financial analysis package publicly available online[31].This is also the required tool in the UDC validation checklist and the supplementary Suffolk developer Guidance[32].

6.1.2 The appraisals use the residual valuation approach – that is, they are designed to assess the value of the land after taking into account the costs of development, the likely income from sales and/or rents and an appropriate amount of developers' profit. The payment would represent the sum paid in a single tranche on the acquisition of a site. In order for the proposed development to be described as viable, it is necessary for this value to exceed the EUV+.

6.1 Appraisal results

6.1.1 The development appraisal model builds in the build costs, abnormal costs, and infrastructure costs and financial assumptions for the scheme. The results are summarised in this section deploying a colour coded Red, Amber, Green scoring:

- **Green Viable** – where the Residual Value per hectare exceeds the indicative EUV+ (Threshold Land Value) per hectare (being the Existing Use Value plus the appropriate uplift or premium to provide a competitive return for the landowner).
- **Amber Marginal** – where the Residual Value per hectare exceeds the Existing Use Value or Alternative Use Value, but not the EUV+ per hectare. These sites should still be considered unviable when measured against the test set out – however depending on the nature of the site and the owner it may come forward with some amendments if it is close to the EUV+.
- **Red Non-viable** – where the Residual Value does not exceed the EUV or EUV+. These sites should not be considered deliverable and the Qualifying Body should consider carefully it if it developable during the entire plan period.

6.1.2 Plan-wide viability testing is not an exact science. The process is based on high level modelling and assumptions and development costs and assumptions. The process adopted by many developers is similar, hence the use of contingency sums, external site cost allowances, the competitive return assumptions for the developer (20% of GDV) and the generally cautious approach e.g. 5% contingency. The landowner's return of £1,270,000/per net hectare is appropriate based on the values found in Felsted.

6.1.3 Whilst a scheme may be shown as viable, a change in construction costs or drop in prices could make the scheme unviable. Tenure balancing, densification and/or lower policy requirements could potential be used to provide an additional viability cushion. It is our view that the NDP can be adjudged to be deliverable in the plan making context on the basis of the results. The results are shown on the basis of the gross site residual value (the maximum that could theoretically be paid to the landowner); and per hectare basis (for the purposes of testing it against the UDC EUV+ and comparison between sites).

[31] Accessed at: https://www.gov.uk/government/publications/development-appraisal-tool
[32] Accessed at: https://www.suffolk.gov.uk/assets/planning-waste-and-environment/planning-and-development-advice/2014-12-08-FINAL-Section-106-Developers-Guide.pdf

Site	EUV /Ha	EUV+/Per Net Ha	Gross Site Residual Value	Residual Vale/Per Net Ha
HN2 Sunnybrook Farm (40% affordable housing)	£24,000	£1,143,000	£1,453,784	£1,045,887
HN2 Sunnybrook Farm (0% affordable housing)	£24,000	£1,143,000	£2,385,944	£1,716,506
HN3 Bury Farm Site (40% affordable housing)	£24,000	£1,143,000	£3,394,636	£1,426,317
HN3 Bury Farm Site (0% affordable housing)	£24,000	£1,143,000	£4,852,602	£2,038,908
Chaffix Farm Option 1 (40% affordable housing)	£24,000	£1,143,000	£854,318	£562,051
Chaffix Farm Option 2 (40% affordable housing)	£24,000	£1,143,000	£1,849,766	£1,039,194
Memorial Hall Option 1	£24,000	£1,143,000	-£1,808,325	-£2,127,441
Memorial Hall Option 2 (40% affordable housing)	£24,000	£1,143,000	£1,834,121	£955,271

6.2 Summary and recommendations

6.2.1 The modelling adopts a conservative approach to the assumptions, in some cases the external costs may be cheaper following detailed design and investigations attached to future planning applications.

6.2.2 For the sites identified as having potential for inclusion in the NDP, the appraisal results show that all sites can be considered developable over the plan period (with the exception of Memorial Hall Option 1 which was wholly non-residential). All appraisals (except Memorial Hall Option 2) produced positive residual values above the EUV. Whilst Chaffix Farm Option 1 is classified as marginal and produced a positive residual value, it is likely to be unviable based on the residual value of £562,051 (representing a figure unlikely to incentivise and landowner to release their land).

6.2.3 HN3 Bury Farm Site is shown to be viable based on an affordable housing requirement of 40%. HN2 Sunnybrook Farm Site, Chaffix Farm Option 2 and Memorial Hall Option 2 are all shown to be marginal at 40% affordable housing. However, they are very close to the Benchmark Land Value of £1,143,000 and with minor adjustments to the scheme could produce policy compliant (40% affordable housing) viable sites. Based on the NPPF definitions these sites can be considered deliverable now. Amendments to the tenure split or slight reduction in the affordable housing target of 40% would be capable of making these sites viable.

6.2.4 The Parish Council requested further scenarios for emerging allocations HN2 and HN3 on the basis of wholly market housing scheme (0% affordable housing), in order to provide a steer on the site’s ability to potentially fund neighbourhood infrastructure rather than provide for affordable housing on-site. For HN2 the appraisal shows that the Benchmark Land Value is exceeded by +£573,506. For HN3 the appraisal shows that the Benchmark Land Value is exceeded by +£895,908. On this basis it is likely that both sites could provide for the envisaged neighbourhood infrastructure and also deliver an element of affordable housing.

6.2.5 The Parish Council should consider the contents of this report and decide whether the sites should be included as allocations. On the basis of the viability it is clear that reduction in affordable housing may be needed to help fund sites where neighbourhood infrastructure is envisaged. The NDP could include flexible allocation policies to help de-risk each site. In all cases adjustments to the affordable housing requirements, density and tenure balance could help to improve the viability of the sites.

6.2.6 In conclusion, there is sufficient evidence to demonstrate that these sites have the potential to be viable. The identified sites, if allocated, can help to facilitate development through economic cycles expected over the course of the plan period. In cooperation with UDC, the Parish Council should now discuss instances where it would be acceptable to accept lower levels of affordable housing where it would act as enabling development for neighbourhood facilities and infrastructure.

Appendix A Land Registry Prices Paid 2014 – 2018

Price Paid	Deed Date	Property Type	Estate Type	No.	Street	Town	Postcode	EPC Total Area (m2)	£/m2
225000	06/12/2016	T	F	5	OLD BREW HOUSE COURT	EYE	IP23 7BU	92	2446
420000	30/09/2016	D	F	21	VICTORIA HILL	EYE	IP23 7HJ	153	2745
365000	30/09/2016	D	F	1	COPPER CLOSE	EYE	IP23 7HQ	111	3288
394500	28/07/2016	D	F	3	COPPER CLOSE	EYE	IP23 7HQ	149	2648
240000	20/05/2016	S	F	29	WELLINGTON ROAD	EYE	IP23 7BE	102	2353
178000	12/05/2016	D	F	3	CORDYS MEADOW	WOODBRIDGE	IP13 7JN	68	2618
200000	30/03/2016	T	F	12	OLD BREW HOUSE COURT	EYE	IP23 7BU	102	1961
225000	24/03/2016	S	F	15	OLD BREW HOUSE COURT	EYE	IP23 7BU	102	2206
170000	23/03/2016	T	F	2	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	70	2429
170000	18/03/2016	T	F	3	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	70	2429
175000	11/03/2016	T	F	1	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	70	2500
225000	15/01/2016	D	F	8	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	80	2813
195000	15/01/2016	D	F	2	CORDYS MEADOW	WOODBRIDGE	IP13 7JN	73	2671
300000	18/12/2015	T	F	THE MALTINGS	SHOP STREET	WOODBRIDGE	IP13 7HX	78	3846
175000	17/12/2015	S	F	7	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	71	2465
345000	02/12/2015	D	F	1 MOAT FARM MEADOW		EYE	IP23 7NA	152	2270
424995	27/11/2015	D	F	JENNET HOUSE	MILL STREET	EYE	IP23 8JT	166	2560
185000	16/11/2015	S	F	6	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	71	2606
329995	13/11/2015	D	F	MORGAN HOUSE	MILL STREET	EYE	IP23 8JT	126	2619
329995	06/11/2015	D	F	18	CHAPEL FARM CLOSE	EYE	IP23 8BF	122	2705

385000	30/10/2015	D	F	19	CHAPEL FARM CLOSE	EYE	IP23 8BF	152	2533
190000	02/10/2015	S	F	5	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	82	2317
198000	18/09/2015	S	F	4	CHAMBERS CLOSE	WOODBRIDGE	IP13 7ST	82	2415
374995	16/09/2015	D	F	4	CHAPEL FARM CLOSE	EYE	IP23 8BF	146	2568
329995	11/09/2015	D	F	6	CHAPEL FARM CLOSE	EYE	IP23 8BF	131	2519
415000	04/09/2015	D	F	5	CHAPEL FARM CLOSE	EYE	IP23 8BF	166	2500
204000	04/09/2015	T	F	HALL FARM COTTAGES	CHAPEL ROAD	DISS	IP22 1NX	104	1962
146000	17/08/2015	F	L	1	OLD BREW HOUSE COURT	EYE	IP23 7BU	75	1947
370000	31/07/2015	D	F	SHIRE HOUSE	MILL STREET	EYE	IP23 8JT	166	2229
370000	31/07/2015	D	F	THEWELL HOUSE	MILL STREET	EYE	IP23 8JT	135	2741
399995	30/07/2015	D	F	PIEBALD HOUSE	MILL STREET	EYE	IP23 8JT	166	2410
299950	16/07/2015	D	F	7C	ORCHARD CLOSE	EYE	IP23 7DW	131	2290
230000	15/07/2015	T	F	8	OLD BREW HOUSE COURT	EYE	IP23 7BU	92	2500
224995	19/06/2015	T	F	6	OLD BREW HOUSE COURT	EYE	IP23 7BU	92	2446
349995	29/05/2015	D	F	3	CHAPEL FARM CLOSE	EYE	IP23 8BF	135	2593
239995	07/05/2015	T	F	14	OLD BREW HOUSE COURT	EYE	IP23 7BU	102	2353
318000	30/04/2015	D	F	1	JESSOP CLOSE	WOODBRIDGE	IP13 7GX	167	1904
225000	30/04/2015	S	F	7	CHAPEL FARM CLOSE	EYE	IP23 8BF	83	2711
225000	30/04/2015	S	F	8	CHAPEL FARM CLOSE	EYE	IP23 8BF	83	2711
159995	29/04/2015	F	L	27A	WELLINGTON ROAD	EYE	IP23 7BE	64	2500
290000	17/04/2015	D	F	1	CHAPEL FARM CLOSE	EYE	IP23 8BF	122	2377
200000	02/04/2015	T	F	10	OLD BREW HOUSE COURT	EYE	IP23 7BU	92	2174
185000	30/03/2015	D	F	1	CORDYS MEADOW	WOODBRIDGE	IP13 7JN	73	2534
121500	27/03/2015	D	F	HERBIES COTTAGE	DOCTORS LANE	EYE	IP21 5HU	108	1125

364995	25/02/2015	D	F	2	CHAPEL FARM CLOSE	EYE	IP23 8BF	146	2500
265000	30/01/2015	D	F	MEADOW VIEW	CHERRY TREE LANE	DISS	IP22 1DN	85	3118
307500	23/01/2015	D	F	3 CHURCH COTTAGE	CHURCH ROAD	EYE	IP21 5LE	118	2606
269000	02/12/2014	S	F	ROWAN HOUSE	LAXFIELD ROAD	EYE	IP21 5HX	118	2280
320500	20/11/2014	D	F	4 CHURCH COTTAGE	CHURCH ROAD	EYE	IP21 5LE	118	2716
250000	14/11/2014	D	F	OWL COTTAGE	SHOP STREET	WOODBRIDGE	IP13 7HX	164	1524
230000	22/10/2014	T	F	7	OLD BREW HOUSE COURT	EYE	IP23 7BU	92	2500
347500	08/10/2014	D	F	GREENDALE	VICARAGE ROAD	DISS	IP21 5RB	137	2536
124995	23/09/2014	D	F	7A	ORCHARD CLOSE	EYE	IP23 7DW	100	1250
275000	18/09/2014	T	F	2 THE MALTINGS	SHOP STREET	WOODBRIDGE	IP13 7HX	171	1608
365000	04/07/2014	D	F	STREET FARM BARN	CRATFIELD ROAD	EYE	IP21 5QD	168	2173
285000	27/06/2014	D	F	3	THE LOW	EYE	IP21 5QP	111	2568
219000	23/05/2014	S	F	9	OLD BREW HOUSE COURT	EYE	IP23 7BU	92	2380
423000	06/05/2014	D	F	2	PROSPECT CLOSE	EYE	IP21 5NS	213	1986
295000	17/04/2014	D	F	4	BALDWIN WAY	EYE	IP23 7DG	143	2063
399950	08/04/2014	D	F	THE HAWTHORNS	VICARAGE ROAD	DISS	IP21 5RB	178	2247
340000	27/03/2014	D	F	3	JESSOP CLOSE	WOODBRIDGE	IP13 7GX	167	2036
412500	14/03/2014	D	F	1	PROSPECT CLOSE	EYE	IP21 5NS	171	2412
250000	28/02/2014	S	F	4	OLD BREW HOUSE COURT	EYE	IP23 7BU	108	2315
264995	24/02/2014	T	F	2	OLD BREW HOUSE COURT	EYE	IP23 7BU	102	2598
230000	17/01/2014	D	F	GLEBE COTTAGE	VICARAGE ROAD	DISS	IP21 5RB	98	2347
355000	07/01/2014	D	F	2	CHERRY TREE CLOSE	DISS	IP22 1QR	161	2205

Appendix B New Build Market Survey (November 2017)

Developer	Scheme	No	Ref	Town	Post code	Type	Bed	m2	Price £	Price discounted 2.5% £	£/m2	£/m2 discounted
Badger	Primrose Cottage	4	The Croft	Saxmundham	IP17 2JB	Detached	4	110	395,000	385,125	3,590.91	3,501.14
Bennett Homes	Tudor Gardens	16		Framlingham	IP13	Terrace	3	95	274,995	268,120	2,894.68	2,822.32
Bennett Homes	Tudor Gardens	3		Framlingham	IP13	Terrace	3	95	274,995	268,120	2,894.68	2,822.32
Bennett Homes	Tudor Gardens	14		Framlingham	IP13	Terrace	2	80	239,995	233,995	2,999.94	2,924.94
Bennett Homes	Tudor Gardens	4		Framlingham	IP13	Terrace	3	95	284,995	277,870	2,999.95	2,924.95
Bennett Homes	Tudor Gardens	13		Framlingham	IP13	Terrace	3	95	284,995	277,870	2,999.95	2,924.95
Bennett Homes	Tudor Gardens	10		Framlingham	IP13	Terrace	3	90	294,995	287,620	3,277.72	3,195.78
Gipping Homes	Chancery Lane	4		Debenham	IP14	Detached	3	136	425,000	414,375	3,125.00	3,046.88
Gipping Homes	Chancery Lane	3		Debenham	IP14	Detached	3	136	425,000	414,375	3,125.00	3,046.88
Heritage Developments	Fairview Road			Halesworth	IP19	Semi detached	3	79	220,000	214,500	2,784.81	2,715.19
Heritage Developments	Fairview Road	21		Halesworth	IP19	Semi detached	2	79	220,000	214,500	2,784.81	2,715.19
Heritage Developments	Fairview Road			Halesworth	IP19	Detached	4	160	450,000	438,750	2,812.50	2,742.19
Heritage Developments	Fairview Road	12		Halesworth	IP19	Detached	4	140	415000	404,625	2,964.29	2,890.18
Heritage Developments	Fairview Road	16		Halesworth	IP19	Detached	4	140	415000	404,625	2,964.29	2,890.18
Heritage Developments	Fairview Road	20		Halesworth	IP19	Detached	4	110	375,000	365,625	3,409.09	3,323.86
Heritage Developments	Fairview Road	19		Halesworth	IP19	Detached	4	110	375,000	365,625	3,409.09	3,323.86
Hopkins Homes	Priors Grange		The Tern	Saxmundham	IP17	Terrace	3	110	287,995	280,795	2,618.14	2,552.68

Hopkins Homes	Priors Grange		The Bittern	Saxmundham	IP17	Flat	2	58	174,995	170,620	3,017.16	2,941.73
Hopkins Homes	Priors Grange		The Grebe	Saxmundham	IP17	Flat	1	45	139,995	136,495	3,111.00	3,033.23
Hopkins Homes	Priors Grange	51	The Carolina	Saxmundham	IP17	Detached	4	115	359,995	350,995	3,130.39	3,052.13
Hopkins Homes	Priors Grange	55	The Godwit	Saxmundham	IP17	Detached	4	105	339,995	331,495	3,238.05	3,157.10
Hopkins Homes	Priors Grange		The Storke	Saxmundham	IP17	Detached	4	150	499,995	487,495	3,333.30	3,249.97
Hopkins Homes	Priors Grange		The Moorhen	Saxmundham	IP17	Terrace	3	90	319,995	311,995	3,555.50	3,466.61
Hopkins Homes	Priors Grange		The Lapwing	Saxmundham	IP17	Detached	3	80	284,995	277,870	3,562.44	3,473.38
Hopkins Homes	Prospect Place		The Carnation	Framlingham	IP13	Terrace	3	140	349,995	341,245	2,499.96	2,437.47
Hopkins Homes	Prospect Place		The Peony	Framlingham	IP13	Flat	2	72	184,995	180,370	2,569.38	2,505.14
Hopkins Homes	Prospect Place		The Peony	Framlingham	IP13	Flat	2	72	204,995	199,870	2,847.15	2,775.97
Hopkins Homes	Prospect Place		The Heather	Framlingham	IP13	Semi detached	3	115	349,995	341,245	3,043.43	2,967.35
Hopkins Homes	Prospect Place		The Cornflower	Framlingham	IP13	Semi detached	3	105	319,995	311,995	3,047.57	2,971.38
Hopkins Homes	Prospect Place		The Geranium	Framlingham	IP13	Detached	4	125	414,995	404,620	3,319.96	3,236.96
Hopkins Homes	Prospect Place		The Jasmine	Framlingham	IP13	Detached	4	150	499,995	487,495	3,333.30	3,249.97
Hopkins Homes	Prospect Place		The Buttercup	Framlingham	IP13	Terrace	2	70	234,995	229,120	3,357.07	3,273.14
Hopkins Homes	Prospect Place		The Bluebell	Framlingham	IP13	Semi detached	3	92	314,995	307,120	3,423.86	3,338.26
Hopkins Homes	Prospect Place		The Bellflower	Framlingham	IP13	Flat	2	70	239,995	233,995	3,428.50	3,342.79
Hopkins Homes	Prospect Place		The Peony	Framlingham	IP13	Flat	1	42	144,995	141,370	3,452.26	3,365.96
Hopkins Homes	Prospect Place		The Dhalia	Framlingham	IP13	Detached	4	115	399,995	389,995	3,478.22	3,391.26
Hopkins Homes	The Heathers		The Bluebell	Wenhaston	IP19	Terrace	1	60	199,995	194,995	3,333.25	3,249.92

Jordan Developments	School Farm			Halesworth	IP19 0BU	Detached	4	150	450,000	438,750	3,000.00	2,925.00
Lovell Homes	Station Fields			Mendlesham	IP14	Semi detached	2	65	194,950	190,076	2,999.23	2,924.25
Lovell Homes	Station Fields			Mendlesham	IP14	Semi detached	2	65	194,950	190,076	2,999.23	2,924.25
Nest Development	2 Hopton Yard			Yoxford	IP173LG	Detached	4	163	475,000	463,125	2,914.11	2,841.26
New Homes	Dennington Road			Framlingham	IP13	Detached	4	173	515,000	502,125	2,976.88	2,902.46
Persimmon Homes	Persimmon Grange		The Newton	Framlingham	IP13	Detached	5	150	400,995	390,970	2,673.30	2,606.47
Persimmon Homes	Persimmon Grange		The Corfe	Framlingham	IP13	Detached	5	130	369,995	360,745	2,846.12	2,774.96
Persimmon Homes	Persimmon Grange		The Moseley	Framlingham	IP13	Terrace	3	75	217,995	212,545	2,906.60	2,833.94
Persimmon Homes	Persimmon Grange		The Roseberry	Framlingham	IP13	Detached	4	95	319,995	311,995	3,368.37	3,284.16
Persimmon Homes	Persimmon Grange		The Chedworth	Framlingham	IP13	Detached	4	100	339,995	331,495	3,399.95	3,314.95
Persimmon Homes	Persimmon Grange		The Alnwick	Framlingham	IP13	Terrace	2	60	204,995	199,870	3,416.58	3,331.17
Persimmon Homes	Persimmon Grange		The Hanbury	Framlingham	IP13	Terrace	3	70	239,995	233,995	3,428.50	3,342.79
Persimmon Homes	Persimmon Grange		The Kendal	Framlingham	IP13	Detached	4	95	329,995	321,745	3,473.63	3,386.79
Persimmon Homes	Persimmon Grange		The Lumley	Framlingham	IP13	Detached	4	85	326,995	318,820	3,847.00	3,750.83
Purplebricks	The Street			Pulham St Mary	IP21	Detached	3	126	325,000	316,875	2,579.37	2,514.88
Rackhams	Rackham Court	2		Diss	IP22 4BQ	Terrace	4	112	300,000	292,500	2,678.57	2,611.61
Rackhams	Rackham Court			Diss	IP22 4BQ	Semi detached	4	136	385,000	375,375	2,830.88	2,760.11
Rackhams	Rackham Court			Diss	IP22 4BQ	Terrace	4	120	345,000	336,375	2,875.00	2,803.13
	Chancery Lane	2		Debenham	IP14	Detached	4	156	525,000	511,875	3,365.38	3,281.25
	Church Road			Earsham	NR35 2TJ	Detached	3	184	425,000	414,375	2,309.78	2,252.04

	Church Road			Earsham	NR35 2TJ	Detached	3	184	425,000	414,375	2,309.78	2,252.04
	Church Road			Earsham	NR35 2TJ	Detached	3	184	425,000	414,375	2,309.78	2,252.04
	Glebe Farm			Pulham St Mary	IP21	Detached	3	114	325,000	316,875	2,850.88	2,779.61
	Mayfair House			Wilby	IP21	Detached	4	229	525,000	511,875	2,292.58	2,235.26
	Russet Close			Finningham	IP14	Detached	5	220	475,000	463,125	2,159.09	2,105.11
	Station Road			Framlingham	IP13	Semi detached	2	54	229,500	223,763	4,250.00	4,143.75
	The Street, Stonham Aspal			Stownmarket	IP14	Detached	5	185	695,000	677,625	3,756.76	3,662.84
				Framlingham	IP13	Detached	4	159	515,000	502,125	3,238.99	3,158.02
				Finningham	IP14	Detached	4	372	775,000	755,625	2,083.33	2,031.25
				Debenham	IP14	Detached	4	150	475,000	463,125	3,166.67	3,087.50
				Darsham	IP17	Detached	5	465	895,000	872,625	1,924.73	1,876.61

Appendix C BCIS Construction Costs (March 2018)

BCIS® RICS®

£/m2 study

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 14-Apr-2018 12:20

› Rebased to Uttlesford (103; sample 25)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
157.1 Post Offices (40)	1,256	-	-	-	-	-	1
345. Shops							
Generally (30)	1,364	570	822	1,069	1,681	4,104	37
1-2 storey (30)	1,390	570	811	1,058	1,801	4,104	34
3-5 storey (30)	1,194	1,116	-	-	-	1,272	2
421. Health Centres, clinics, group practice surgeries							
Generally (15)	2,194	1,078	1,780	2,128	2,519	4,393	89
Public (15)	2,439	1,078	1,988	2,436	2,795	4,393	46
Private (15)	1,922	1,220	1,707	1,955	2,130	2,995	42
532. Community Centres							
Generally (20)	2,138	860	1,696	2,012	2,439	6,605	102
Up to 500m2 GFA							
Generally (20)	2,268	860	1,524	2,015	2,669	6,605	44
Steel framed (20)	2,488	1,191	1,537	2,129	2,884	6,605	21
Concrete framed (40)	1,340	-	-	-	-	-	1
Brick construction (20)	1,624	860	1,257	1,597	1,806	2,656	14
Timber framed (20)	2,759	2,001	2,463	2,675	3,008	3,668	8
500 to 2000m2 GFA							
Generally (20)	2,046	1,110	1,737	1,973	2,279	3,330	54
Steel framed (20)	2,041	1,229	1,740	1,968	2,277	3,325	33
Concrete framed (30)	1,979	-	-	-	-	-	1
Brick construction (20)	1,920	1,110	1,716	1,823	2,256	3,330	13
Timber framed (20)	2,310	1,734	2,102	2,190	2,613	2,814	7
Over 2000m2 GFA							
Generally (20)	1,961	1,580	-	2,057	-	2,151	4
Steel framed (25)	2,129	2,024	-	-	-	2,233	2
Concrete framed (40)	1,425	-	-	-	-	-	1
Brick construction (45)	1,090	-	-	-	-	-	1
Timber framed (10)	2,151	-	-	-	-	-	1
810. Housing, mixed developments (15)	1,271	615	1,104	1,238	1,408	2,872	1192

Building function (Maximum age of projects)	Mean	Lowest	£/m² gross internal floor area Lower quartiles	Median	Upper quartiles	Highest	Sample
810.1 Estate housing							
Generally (15)	1,250	611	1,070	1,213	1,379	4,166	1801
Single storey (15)	1,398	714	1,193	1,341	1,577	4,166	294
2-storey (15)	1,216	611	1,059	1,192	1,332	2,400	1367
3-storey (15)	1,237	787	1,000	1,183	1,389	2,534	136
4-storey or above (15)	2,435	1,315	-	2,235	-	3,955	4
810.11 Estate housing detached (15)	1,597	943	1,239	1,422	1,654	4,166	20
810.12 Estate housing semi detached							
Generally (15)	1,245	624	1,073	1,218	1,381	2,340	422
Single storey (15)	1,423	874	1,221	1,391	1,573	2,340	76
2-storey (15)	1,210	624	1,070	1,184	1,332	2,137	326
3-storey (15)	1,135	846	946	1,077	1,229	1,811	20
810.13 Estate housing terraced							
Generally (15)	1,272	614	1,066	1,219	1,417	3,955	386
Single storey (15)	1,401	954	1,168	1,321	1,626	2,074	45
2-storey (15)	1,246	614	1,061	1,214	1,393	2,400	281
3-storey (15)	1,252	801	999	1,158	1,349	2,534	59
4-storey or above (5)	3,955	-	-	-	-	-	1
816. Flats (apartments)							
Generally (15)	1,479	726	1,236	1,411	1,669	5,010	959
1-2 storey (15)	1,404	858	1,199	1,340	1,550	2,655	235
3-5 storey (15)	1,459	726	1,234	1,403	1,663	2,903	639
6+ storey (15)	1,845	1,085	1,491	1,788	1,959	5,010	82

Appendix D Appraisal Results

Site Address	Sunnybrook farm	Date of appraisal	02/04/2018	Press for 4 page detail	
Site Reference	40% AH Sunnybrook farm site	Net Residential Site Area	1.39		
File Source		Author & Organisation	David Carlisle, AECOM		
Scheme Description	24 units + car park for school	Registered Provider (whe	0		

CAPITAL VALUE OF OPEN MARKET HOUSING				**£5,527,800**	£ 3,700 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency		**£1,913,814**	£ 1,281 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING					**£3,613,986**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)				**£1,686,655**	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING				**£0**	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)				**£1,686,655**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency		**£1,086,981**	£ 1,303 psqm		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING					**£599,674**
Value of Residential Car Parking				**£0**	
Car Parking Build Costs		£0			
Capitalised Annual Ground Rents				**£0**	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME				**£7,214,455**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME		**£3,000,795**			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					**£4,213,660**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME				**£0**	
COSTS OF NON-RESIDENTIAL SCHEME		**£0**			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL					**£0**
GROSS DEVELOPMENT VALUE OF SCHEME				**£7,214,455**	
TOTAL BUILD COSTS		**£3,000,795**			
TOTAL CONTRIBUTION TO SCHEME COSTS					**£4,213,660**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£0			
Roads and Sewers		£0			
Services (Power, Water, Gas, Telco and IT)		£0			
Strategic Landscaping		£0			
Off Site Works		£0			
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£0			
Other 1 - Externals		£300,000	12,500	4.2%	142,857
Over extra - car park		£770,000	32,083	10.7%	366,667
		£1,070,000		14.8%	509,524
Other site costs					
Fees and certification	7.0%	£200,053	8,336	2.8%	95,263
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£1,270,053**	52,919		
Statutory 106 costs		**£140,000**	5,833		
Total Marketing Costs		**£90,098**			
Total Direct Costs			**£4,500,946**		

Finance and acquisition costs			
Land Payment	£1,453,784	103,842 per OM home	692,278 per hectare
Arrangement Fee	£0	0.0% of interest	
Misc Fees (Surveyors etc)	£0	0.00% of scheme value	
Agents Fees	£14,538		
Legal Fees	£10,903		
Stamp Duty	£62,189		
Total Interest Paid	£4,422		
Total Finance and Acquisition Costs		**£1,545,836**	
Total Operating Profit		**£1,167,673**	

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£7,214,455**
Surplus/(Deficit) at completion 3/11/2021	**£0**
Present Value of Surplus (Deficit) at 2/4/2018	**£0**

Scheme Investment MIRR **15.5%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 20.2% Peak Cash Requirement -£2,966,810

Site Address	Sunnybrook farm	Date of appraisal	02/04/2018	Press for 4 page detail
Site Reference	0% AH Sunnybrook farm site	Net Residential Site Area	1.39	
File Source		Author & Organisation	David Carlisle, AECOM	
Scheme Description	24 units + car park for school	Registered Provider (whe	0	

CAPITAL VALUE OF OPEN MARKET HOUSING			**£9,298,100**	£ 3,700 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£3,219,153**	£ 1,281 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£6,078,947**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£0**	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£0**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£0**	#DIV/0!		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				**£0**
Value of Residential Car Parking			**£0**	
Car Parking Build Costs	£0			
Capitalised Annual Ground Rents			**£0**	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME			**£9,298,100**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	**£3,219,153**			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME				**£6,078,947**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME			**£0**	
COSTS OF NON-RESIDENTIAL SCHEME	**£0**			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL				**£0**
GROSS DEVELOPMENT VALUE OF SCHEME			**£9,298,100**	
TOTAL BUILD COSTS	**£3,219,153**			
TOTAL CONTRIBUTION TO SCHEME COSTS				**£6,078,947**

External Works & Infrastructure Costs (£)				Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£0				
Roads and Sewers		£0				
Services (Power, Water, Gas, Telco and IT)		£0				
Strategic Landscaping		£0				
Off Site Works		£0				
Public Open Space		£0				
Site Specific Sustainability Initiatives		£0				
Plot specific external works		£0				
Other 1 - Externals		£300,000		12,500	3.2%	142,857
Over extra - car park		£770,000		32,083	8.3%	366,667
		£1,070,000			11.5%	509,524
Other site costs						
Fees and certification	7.0%	£214,610		8,942	2.3%	102,195
Other Acquisition Costs (£)		£0				
Site Abnormals (£)						
De-canting tenants		£0				
Decontamination		£0				
Other		£0				
Other 2		£0				
Other 3		£0				
Other 4		£0				
Other 5		£0				
		£0				
Total Site Costs inc Fees		**£1,284,610**		53,525		
Statutory 106 costs		**£240,000**		10,000		
Total Marketing Costs		**£152,226**				
Total Direct Costs			**£4,895,989**			

Finance and acquisition costs				
Land Payment	£2,385,944		99,414 per OM home	1,136,164 per hectare
Arrangement Fee	£0		0.0% of interest	
Misc Fees (Surveyors etc)	£0		0.00% of scheme value	
Agents Fees	£23,859			
Legal Fees	£17,895			
Stamp Duty	£108,797			
Total Interest Paid	£5,995			
Total Finance and Acquisition Costs		**£2,542,490**		
Total Operating Profit		**£1,859,620**		

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£9,298,100**	
Surplus/(Deficit) at completion 3/11/2021		**£0**
Present Value of Surplus (Deficit) at 2/4/2018		**£0**

Scheme Investment MIRR **15.3%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 25.7% Peak Cash Requirement -£4,839,041

Site Address	Bury Farm Site	Date of appraisal	02/04/2018
Site Reference	40% AH Bury Farm Site	Net Residential Site Area	2.38
File Source		Author & Organisation	David Carlisle, AECOM
Scheme Description	39 units + surgery/pharmacy w/ car park	Registered Provider (whe	0

Press for 4 page detail

CAPITAL VALUE OF OPEN MARKET HOUSING			**£9,257,400**	£ 3,700 psqm	
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£3,205,062**	£ 1,281 psqm			
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING					**£6,052,338**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£2,527,770**		
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**		
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£2,527,770**		
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£1,615,446**	£ 1,311 psqm			
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING					**£912,324**
Value of Residential Car Parking			**£0**		
Car Parking Build Costs	£0				
Capitalised Annual Ground Rents			**£0**		
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME			**£11,785,170**		
TOTAL BUILD COST OF RESIDENTIAL SCHEME	**£4,820,508**				
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					**£6,964,662**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME			**£1,006,969**		
COSTS OF NON-RESIDENTIAL SCHEME	**£852,352**				
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL					**£154,617**
GROSS DEVELOPMENT VALUE OF SCHEME			**£12,792,139**		
TOTAL BUILD COSTS	**£5,672,860**				
TOTAL CONTRIBUTION TO SCHEME COSTS					**£7,119,279**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£0			
Roads and Sewers		£0			
Services (Power, Water, Gas, Telco and IT)		£0			
Strategic Landscaping		£0			
Off Site Works		£0			
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£0			
Other 1 - Externals		£475,000	12,179	3.7%	159,396
Over extra - car park		£165,000	4,231	1.3%	55,369
		£640,000		5.0%	214,765
Other site costs					
Fees and certification	7.0%	£321,367	8,240	2.5%	107,841
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£961,367**	24,650		
Statutory 106 costs		**£240,000**	6,154		
Total Marketing Costs		**£151,718**			
Total Direct Costs			**£7,025,945**		

Finance and acquisition costs			
Land Payment	£3,394,636	141,443 per OM home	1,139,140 per hectare
Arrangement Fee	£0	0.0% of interest	
Misc Fees (Surveyors etc)	£0	0.00% of scheme value	
Agents Fees	£33,946		
Legal Fees	£25,460		
Stamp Duty	£159,232		
Total Interest Paid	£58,083		
Total Finance and Acquisition Costs		**£3,671,357**	
Total Operating Profit		**£2,094,836**	

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£12,792,139**	
Surplus/(Deficit) at completion 3/11/2021		**£0**
Present Value of Surplus (Deficit) at 2/4/2018		**£0**

Scheme Investment MIRR **14.1%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 26.5% Peak Cash Requirement -£5,861,885

Site Address	Bury Farm Site	Date of appraisal	02/04/2018
Site Reference	0% AH Bury Farm Site	Net Residential Site Area	2.38
File Source		Author & Organisation	David Carlisle, AECOM
Scheme Description	39 units + surgery/pharmacy w/ car park	Registered Provider (whe	0

Press for 4 page detail

CAPITAL VALUE OF OPEN MARKET HOUSING				**£15,099,700**	£ 3,700 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency		**£5,227,761**	£ 1,281 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING					**£9,871,939**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)				**£0**	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING				**£0**	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)				**£0**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency		**£0**	#DIV/0!		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING					**£0**
Value of Residential Car Parking				**£0**	
Car Parking Build Costs		£0			
Capitalised Annual Ground Rents				**£0**	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME				**£15,099,700**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME		**£5,227,761**			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					**£9,871,939**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME				**£1,006,969**	
COSTS OF NON-RESIDENTIAL SCHEME		**£852,352**			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL					**£154,617**
GROSS DEVELOPMENT VALUE OF SCHEME				**£16,106,669**	
TOTAL BUILD COSTS		**£6,080,113**			
TOTAL CONTRIBUTION TO SCHEME COSTS					**£10,026,556**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£0			
Roads and Sewers		£0			
Services (Power, Water, Gas, Telco and IT)		£0			
Strategic Landscaping		£0			
Off Site Works		£0			
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£0			
Other 1 - Externals		£475,000	12,179	2.9%	159,396
Over extra - car park		£165,000	4,231	1.0%	55,369
		£640,000		4.0%	214,765
Other site costs					
Fees and certification	7.0%	£348,517	8,936	2.2%	116,952
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£988,517**	25,347		
Statutory 106 costs		**£390,000**	10,000		
Total Marketing Costs		**£247,246**			
Total Direct Costs			**£7,705,877**		

Finance and acquisition costs				
Land Payment	£4,852,602	124,426 per OM home		1,628,390 per hectare
Arrangement Fee	£0	0.0% of interest		
Misc Fees (Surveyors etc)	£0	0.00% of scheme value		
Agents Fees	£48,526			
Legal Fees	£36,395			
Stamp Duty	£232,130			
Total Interest Paid	£60,154			
Total Finance and Acquisition Costs		**£5,229,807**		
Total Operating Profit		**£3,170,985**		

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£16,106,669**	
Surplus/(Deficit) at completion 3/11/2021		**(£)**
Present Value of Surplus (Deficit) at 2/4/2018		**(£)**

Scheme Investment MIRR **14.3%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 30.1% Peak Cash Requirement -£8,773,206

Site Address	Chaffix Farm - Option 1	Date of appraisal	02/04/2018	Press for 4 page detail
Site Reference	40% AH Chaffix Farm 1	Net Residential Site Area	1.52	
File Source		Author & Organisation	David Carlisle, AECOM	
Scheme Description	25 units + replacement village hall and car park	Registered Provider (whe	0	

CAPITAL VALUE OF OPEN MARKET HOUSING			**£5,842,300**	£ 3,700 psqm	
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£2,022,699**	£ 1,281 psqm			
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING					**£3,819,601**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£1,751,590**		
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**		
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£1,751,590**		
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£1,121,568**	£ 1,302 psqm			
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING					**£630,022**
Value of Residential Car Parking			**£0**		
Car Parking Build Costs	£0				
Capitalised Annual Ground Rents			**£0**		
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME			**£7,593,890**		
TOTAL BUILD COST OF RESIDENTIAL SCHEME	**£3,144,267**				
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME					**£4,449,623**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME			**£0**		
COSTS OF NON-RESIDENTIAL SCHEME	**£1,280,790**				
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL					**-£1,280,790**
GROSS DEVELOPMENT VALUE OF SCHEME			**£7,593,890**		
TOTAL BUILD COSTS	**£4,425,057**				
TOTAL CONTRIBUTION TO SCHEME COSTS					**£3,168,833**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£0			
Roads and Sewers		£0			
Services (Power, Water, Gas, Telco and IT)		£0			
Strategic Landscaping		£0			
Off Site Works		£0			
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£0			
Other 1 - Externals		£450,000	18,000	5.9%	236,842
Over extra - car park		£150,000	6,000	2.0%	78,947
		£600,000		7.9%	315,789
Other site costs					
Fees and certification	7.0%	£209,618	8,385	2.8%	110,325
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£809,618**	32,385		
Statutory 106 costs		**£150,000**	6,000		
Total Marketing Costs		**£95,529**			
Total Direct Costs			**£5,480,204**		

Finance and acquisition costs				
Land Payment	£854,318		56,955 per OM home	449,641 per hectare
Arrangement Fee	£0		0.0% of interest	
Misc Fees (Surveyors etc)	£0		0.00% of scheme value	
Agents Fees	£8,543			
Legal Fees	£6,407			
Stamp Duty	£32,216			
Total Interest Paid	-£20,348			
Total Finance and Acquisition Costs		**£881,137**		
Total Operating Profit		**£1,232,550**		

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£7,593,890**		
Surplus/(Deficit) at completion 3/11/2021		**(£)**	
Present Value of Surplus (Deficit) at 2/4/2018		**(£)**	
Scheme Investment MIRR	**16.5%** (before Developer's returns and interest to avoid double counting returns)		
Site Value as a Percentage of Total Scheme Value	11.3%	Peak Cash Requirement	-£2,668,999

Site Address	Chaffix Farm - Option 2	Date of appraisal	02/04/2018
Site Reference	40% AH Chaffix Farm 2	Net Residential Site Area	1.78
File Source		Author & Organisation	David Carlisle, AECOM
Scheme Description	35 units + replacement village hall and car park + village shop	Registered Provider (whe	0

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CAPITAL VALUE OF OPEN MARKET HOUSING			**£7,914,300**	£ 3,700 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£2,740,059**	£ 1,281 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£5,174,241**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£2,527,770**	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£2,527,770**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£1,615,446**	£ 1,311 psqm		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				**£912,324**
Value of Residential Car Parking			**£0**	
Car Parking Build Costs	£0			
Capitalised Annual Ground Rents			**£0**	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME			**£10,442,070**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	**£4,355,505**			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME				**£6,086,565**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME			**£207,317**	
COSTS OF NON-RESIDENTIAL SCHEME	**£1,404,417**			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL				**-£1,197,100**
GROSS DEVELOPMENT VALUE OF SCHEME			**£10,649,387**	
TOTAL BUILD COSTS	**£5,759,922**			
TOTAL CONTRIBUTION TO SCHEME COSTS				**£4,889,465**

			Per unit	% of GDV	per Hectare
External Works & Infrastructure Costs (£)					
Site Preparation/Demolition		£0			
Roads and Sewers		£0			
Services (Power, Water, Gas, Telco and IT)		£0			
Strategic Landscaping		£0			
Off Site Works		£0			
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£0			
Other 1 - Externals		£450,000	12,857	4.2%	201,794
Over extra - car park		£150,000	4,286	1.4%	67,265
		£600,000		5.6%	269,058
Other site costs					
Fees and certification	7.0%	£290,367	8,296	2.7%	130,209
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£890,367**	25,439		
Statutory 106 costs		**£200,000**	5,714		
Total Marketing Costs		**£128,929**			
Total Direct Costs			**£6,979,218**		

Finance and acquisition costs			
Land Payment	£1,849,766	92,488 per OM home	829,491 per hectare
Arrangement Fee	£0	0.0% of interest	
Misc Fees (Surveyors etc)	£0	0.00% of scheme value	
Agents Fees	£18,498		
Legal Fees	£13,873		
Stamp Duty	£81,988		
Total Interest Paid	-£225		
Total Finance and Acquisition Costs		**£1,963,900**	
Total Operating Profit		**£1,706,269**	

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£10,649,387**	
Surplus/(Deficit) at completion 3/11/2021		**£0**
Present Value of Surplus (Deficit) at 2/4/2018		**£0**

Scheme Investment MIRR **15.6%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 17.4% Peak Cash Requirement -£4,128,099

Site Address	Land to the rear of Memorial Hall Option 1	Date of appraisal	02/04/2018	Press for 4 page detail	
Site Reference	Non-residential Memorial Hall	Net Residential Site Area	0.85		
File Source		Author & Organisation	David Carlisle, AECOM		
Scheme Description	37 units + surgery, PO/shop and replacement village hall	Registered Provider (whe	0		

CAPITAL VALUE OF OPEN MARKET HOUSING			**£0**	#DIV/0!
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£0**	#DIV/0!		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£0**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£0**	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£0**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£0**	#DIV/0!		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				**£0**
Value of Residential Car Parking			**£0**	
Car Parking Build Costs	£0			
Capitalised Annual Ground Rents			**£0**	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME			**£0**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	**£0**			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME				**£0**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME			**£1,006,969**	
COSTS OF NON-RESIDENTIAL SCHEME	**£2,133,142**			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL				**-£1,126,173**
GROSS DEVELOPMENT VALUE OF SCHEME			**£1,006,969**	
TOTAL BUILD COSTS	**£2,133,142**			
TOTAL CONTRIBUTION TO SCHEME COSTS				**-£1,126,173**

External Works & Infrastructure Costs (£)				Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£0				
Roads and Sewers		£0				
Services (Power, Water, Gas, Telco and IT)		£0				
Strategic Landscaping		£0				
Off Site Works		£0				
Public Open Space		£0				
Site Specific Sustainability Initiatives		£0				
Plot specific external works		£0				
Other 1 - Externals		£246,314			24.5%	262,036
Over extra - car park		£330,000			32.8%	351,064
		£576,314			57.2%	613,100
Other site costs						
Fees and certification	7.0%	£0				
Other Acquisition Costs (£)		£0				
Site Abnormals (£)						
De-canting tenants		£0				
Decontamination		£0				
Other		£0				
Other 2		£0				
Other 3		£0				
Other 4		£0				
Other 5		£0				
		£0				
Total Site Costs inc Fees		**£576,314**				
Statutory 106 costs		**£0**				
Total Marketing Costs		**£0**				
Total Direct Costs			**£2,709,456**			
Finance and acquisition costs						
Land Payment		-£1,808,325				
Arrangement Fee		£0		0.0% of interest		
Misc Fees (Surveyors etc)		£0		0.00% of scheme value		
Agents Fees		-£18,083				
Legal Fees		-£13,562				
Stamp Duty		£0				
Total Interest Paid		-£13,562				
Total Finance and Acquisition Costs			**-£1,853,533**			
Total Operating Profit			**£151,045**			

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£1,006,969**		
Surplus/(Deficit) at completion 3/11/2021		**(£)**	
Present Value of Surplus (Deficit) at 2/4/2018		**(£)**	

Scheme Investment MIRR **6.4%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value	-179.6%	Peak Cash Requirement	-£672,601

Site Address	Land to the rear of Memorial Hall	Date of appraisal	02/04/2018
Site Reference	40% AH Memorial Hall	Net Residential Site Area	1.92
File Source		Author & Organisation	David Carlisle, AECOM
Scheme Description	37 units + surgery, PO/shop and replacement village hall	Registered Provider (whe	0

Press for 4 page detail

CAPITAL VALUE OF OPEN MARKET HOUSING			**£8,502,600**	£ 3,700 psqm
BUILD COST OF OPEN MARKET HOUSING inc Contingency	**£2,943,738**	£ 1,281 psqm		
CONTRIBUTION TO SCHEME COSTS FROM OPEN MARKET HOUSING				**£5,558,862**
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING OTHER FUNDING)			**£2,527,770**	
OTHER SOURCES OF AFFORDABLE HOUSING FUNDING			**£0**	
CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING OTHER FUNDING)			**£2,527,770**	
BUILD COST OF AFFORDABLE HOUSING inc Contingency	**£1,615,446**	£ 1,311 psqm		
CONTRIBUTION TO SCHEME COSTS FROM AFFORDABLE HOUSING				**£912,324**
Value of Residential Car Parking			**£0**	
Car Parking Build Costs	£0			
Capitalised Annual Ground Rents			**£0**	
TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME			**£11,030,370**	
TOTAL BUILD COST OF RESIDENTIAL SCHEME	**£4,559,184**			
TOTAL CONTRIBUTION OF RESIDENTIAL SCHEME				**£6,471,186**
CAPITAL VALUE OF NON-RESIDENTIAL SCHEME			**£1,006,969**	
COSTS OF NON-RESIDENTIAL SCHEME	**£2,133,142**			
CONTRIBUTION TO SCHEME COSTS FROM NON-RESIDENTIAL				**-£1,126,173**
GROSS DEVELOPMENT VALUE OF SCHEME			**£12,037,339**	
TOTAL BUILD COSTS	**£6,692,326**			
TOTAL CONTRIBUTION TO SCHEME COSTS				**£5,345,013**

External Works & Infrastructure Costs (£)			Per unit	% of GDV	per Hectare
Site Preparation/Demolition		£0			
Roads and Sewers		£0			
Services (Power, Water, Gas, Telco and IT)		£0			
Strategic Landscaping		£0			
Off Site Works		£0			
Public Open Space		£0			
Site Specific Sustainability Initiatives		£0			
Plot specific external works		£0			
Other 1 - Externals		£450,000	12,162	3.7%	187,500
Over extra - car park		£330,000	8,919	2.7%	137,500
		£780,000		6.5%	325,000
Other site costs					
Fees and certification	7.0%	£303,946	8,215	2.5%	126,644
Other Acquisition Costs (£)		£0			
Site Abnormals (£)					
De-canting tenants		£0			
Decontamination		£0			
Other		£0			
Other 2		£0			
Other 3		£0			
Other 4		£0			
Other 5		£0			
		£0			
Total Site Costs inc Fees		**£1,083,946**	29,296		
Statutory 106 costs		**£220,000**	5,946		
Total Marketing Costs		**£139,283**			
Total Direct Costs			**£8,135,554**		

Finance and acquisition costs			
Land Payment	£1,834,121	83,369 per OM home	764,217 per hectare
Arrangement Fee	£0	0.0% of interest	
Misc Fees (Surveyors etc)	£0	0.00% of scheme value	
Agents Fees	£18,341		
Legal Fees	£13,756		
Stamp Duty	£81,206		
Total Interest Paid	£10,484		
Total Finance and Acquisition Costs		**£1,957,908**	
Total Operating Profit		**£1,943,876**	

(i.e. profit after deducting sales and site specific finance costs but before deducting developer overheads and taxation)

TOTAL COST	**£12,037,338**	
Surplus/(Deficit) at completion 3/11/2021		**£0**
Present Value of Surplus (Deficit) at 2/4/2018		**£0**

Scheme Investment MIRR **15.2%** (before Developer's returns and interest to avoid double counting returns)

Site Value as a Percentage of Total Scheme Value 15.2% Peak Cash Requirement -£4,596,781

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