

Guildford Local Plan Viability Update

Final Report
November 2017

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On behalf of Guildford Borough Council

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1 INTRODUCTION

The Study Scope

- 1.1 Porter Planning Economics Ltd (PPE) have been commissioned by Guildford Borough Council to undertake a targeted review of the findings of the Guildford Borough Council Local Plan and CIL Viability Study Final Report (2016). This Update Report will focus on assessing the Guildford Borough Proposed Submission Local Plan: Strategy and Sites June 2017¹ (referred to herein as the “Proposed Local Plan 2017”) policy changes where there may be a viability impact on the future delivery of this emerging Local Plan, along with any associated recommendations.
- 1.2 This commission follows on from the previous Local Plan viability testing undertaken by Peter Brett Associates (PBA) in October 2016, with a specific focus on the impacts of the Proposed Local Plan 2017. As such, this is a supplementary report to the PBA October 2016 report that reviewed the viability of the Guildford Borough Proposed Submission Local Plan (June 2016) policies.
- 1.3 The main purpose of this supplementary plan viability assessment is to provide evidence that the requirements of the National Planning Policy Framework (NPPF) are met. That is, the policy requirements in the Proposed Local Plan 2017 should not threaten the development viability of the plan as a whole. In assessing the Proposed Local Plan 2017, this study will inform policy decisions based on the policy aspirations of achieving sustainable development and the realities of economic viability.
- 1.4 The assessment in this supplementary report provides an updated policy viability matrix to identify Proposed Local Plan 2017 policies that are likely to have a material impact on the viability of future development sites required in meeting the aim of the Plan. With the exemption of the Land to the south of Normandy and north of Flexford (Strategic Site), which is no longer an emerging allocation and therefore has no requirement for retesting, this report reassesses the achievability of the same site typologies and strategic sites within the PBA October 2016 report to meet the policy revisions within Proposed Local Plan 2017.
- 1.5 It is important to note that the approach, methodology and assumptions used in the viability appraisals are the same as those described and used in testing the PBA October 2016 report. The only difference is the revised Local Plan. Therefore, it is advisable that the earlier PBA report is read in conjunction with this supplementary document.
- 1.6 The report and the accompanying appraisals have been prepared in line with the Royal Institute of Chartered Surveyors (RICS) valuation guidance. However, it is first and foremost a supporting document to inform the Local Plan evidence base and planning policy, and as per Professional Standards 1 of the RICS Valuation

¹ Consultation under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

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

Format of Report

1.7 The remainder of this report is set out in four sections:

- Chapter 2 sets out the policy and legal requirements relating to whole plan viability, which the assessment should comply with;
- Chapter 3 reviews the Proposed Local Plan 2017 policies and their impact on viability;
- Chapter 4 summarises the residential scenarios to be tested, the viability assumptions and the test results; and
- Chapter 5 concludes on the development viability assessment of the Proposed Local Plan 2017.

2 NATIONAL POLICIES

National Framework

- 2.1 The National Planning Policy Framework (NPPF) recognises that the 'developer funding pot' or residual value is finite and decisions on how this funding is distributed between affordable housing, infrastructure and other policy requirements must be considered, they cannot be separated out.
- 2.2 The NPPF advises that cumulative effects of policy should not combine to render plans unviable:
- 2.3 *"Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable".²*
- 2.4 With regard to non-residential development, the NPPF states that local planning authorities *"...should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should... understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability."³*
- 2.5 The NPPF does not state that all sites must be viable now in order to appear in the Plan. Instead, the NPPF is concerned to ensure that the bulk of the development is not rendered unviable by unrealistic policy costs.

Deliverability and Developability Considerations in the NPPF

- 2.6 As noted above, the NPPF does not state that all sites must be viable now to appear in Local Plans. Nevertheless, sites identified for the first five-year period need to be available and achievable while meeting any Local Plan policy requirements, which are considered through the testing results in **Chapter 5** of this report. In addition, the national framework over the plan period is concerned to ensure that the bulk of the development proposed in the plan is not rendered unviable by unrealistic policy costs⁴. Such policy costs, as set out in the Proposed Local Plan 2017, are considered in **Chapter 3** of this report.

² DCLG (2012) National Planning Policy Framework (para 173)

³ Ibid (para 160)

⁴ See para 173, which notes that plans should be deliverable, but importantly this goes onto state that the plans should not be subject to such a scale of obligation and policy burdens that their ability to be developed viably is threatened. This is clearly about ensuring that policy burden does not threaten viability and not necessarily that the development must be viable even if there is not a high policy burden. For example, infrastructure requirements are understood and will not impede delivery (see NPPF para 160).

- 2.7 It is important to recognise that economic viability will be subject to economic and market variations over the Local Plan timescale. In a free market, where development is largely undertaken by the private sector, the Local Planning Authority can seek to provide suitable sites to meet the demand for sustainable development. It is not within the authority's control to ensure that delivery takes place; this will depend on the willingness of a developer to invest and a landowner to release the land. So, in considering whether a site is deliverable with policy now or developable in the future, the assumptions underpinning our viability assessment should be informed by a review of local market conditions.
- 2.8 Within these general principles, which apply to all development, the NPPF sets out more detailed policies relating to deliverability and viability, which vary between housing and employment uses. These two land uses are discussed in turn below since this will be relevant to the following Proposed Local Plan testing.

Housing

- 2.9 In relation to housing development, the NPPF creates the two concepts of 'deliverability' (which applies to residential sites which are expected in years 0-5 of the plan) and 'developability' (which applies to year 6 of the plan onwards). The NPPF defines these two terms as follows:

To be deliverable, “...sites 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 and in particular that development of the site is viable.”

To be developable, sites expected from year 6 onwards should be able to demonstrate a “reasonable prospect that the site is available and could be viably developed at the point envisaged”.⁵

- 2.10 The NPPF advises that a more flexible approach may be taken to the sites coming forward from year 6 onwards. These sites might not be viable now and might instead only become viable at a future point in time (e.g. when a lease for the land expires or property values improve). This recognises the impact of economic cycles, variations in values and policy changes over time. Consequently, some sites might be identified with marginal unviability however a small change in market conditions over the Plan may make them viable. Such sites could contribute to the Local Plan housing target in the later period of the Plan.
- 2.11 NPPF paragraph 14 makes very clear that there is a presumption in favour of sustainable development. Paragraph 49 also says that the relevant policies for the supply of housing should not be considered up to date if the Local Planning Authority cannot demonstrate a five-year supply of deliverable housing sites. The Planning Practice Guidance (PPG) is clear that authorities should have an identified five-year housing supply at all points during the plan period, and that housing requirement figures in up-to-date adopted Local Plans should be used as

⁵ Ibid (para 47, footnote 12)

the starting point for calculating the five-year land supply. However, where the evidence supporting that housing requirement has become outdated, the latest information provided in the assessment of housing needs should be considered or the latest household projections used as a starting point; but it is important to recognise that neither of these will have been tested.⁶

- 2.12 It will be important for the Council to ensure that all the sites identified to come forward within either the plan period or the 5-year period are viable in meeting Local Plan policies as much as possible, to ensure that the Proposed Local Plan is deliverable.

Economic Uses

- 2.13 Regarding economic land uses, the NPPF states that Local Planning Authorities: *“...should have a clear understanding of business needs within the economic markets operating in and across their area. To achieve this, they should... understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability”*.⁷
- 2.14 This is quite different to housing. Local authorities are expected to have a general understanding of possible obstacles to delivering employment uses, including viability. But they are not under specific requirements to predict the timing of delivery, or demonstrate that sites are deliverable / developable according to precise criteria or within a given timeframe.
- 2.15 In relation to employment uses specifically, the NPPF also advises that *“...planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose”*. Again, this is a less demanding test than for housing. It implies that authorities should allocate sites for employment only if they expect those sites to be viable to develop (or, if already built up, viable to maintain) for employment uses. But for economic uses, unlike housing, this requirement relates to the plan period as a whole; there is no requirement that sites be viable now or in the next five years.
- 2.16 The commercial property market works differently to the residential market. Consequently, the achievability of non-residential sites remains important, but this requires a different method to the viability assessments that often suggests that speculative development for employment uses is not viable, because the open market value of the completed development would be below the cost of delivering it. The implication is that the development would not be worthwhile for an institutional investor. But for an owner-occupied or pre-let development, the same scheme may well be worthwhile. This may be because the property is worth more to the business than its open market price, for example because its location or other features are an especially good match to the requirements of a particular business. Such considerations cannot be captured in a standard viability

⁶ NPPG – 3-030-20140306

⁷ NPPF Para 160

appraisal, because they are specific to individual occupier businesses and individual sites.

- 2.17 The upshot is that many sites may be successfully developed for employment uses when a standard viability assessment would suggest that they are not viable for such development. Therefore, a standard viability assessment is not necessarily a helpful tool for predicting which sites will be successfully delivered in the future. To assess the prospects of individual sites, authorities use different evidence, comprising both market indicators and qualitative criteria.
- 2.18 In summary, non-residential development, including for employment uses, does not lend itself to standard viability assessment that is used for housing. There are two reasons for this. Firstly, the NPPF sets out specific requirements in relation to housing land supply that do not apply to other land uses. Secondly, non-residential property markets, including employment, work differently to housing markets, which is why this viability assessment report tests the impact of policies only on housing sites and not employment and retail sites, which are considered through separate exercise in the Guildford Borough *Employment Land Needs Assessment Final Report (2017)* and the *Guildford Retail and Leisure Study Update 2014* and *Guildford Retail and Leisure Study Addendum (2017)*.

National Policy on Affordable Housing

- 2.19 In informing future policy on affordable housing, it is important to understand national policy on affordable housing. The NPPF states:
- “To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:*
- Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);*
- Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and*
- Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.”⁸*
- 2.20 The NPPF accepts that in some instances, off-site provision or a financial contribution of a broadly equivalent value may contribute towards creating mixed and balanced communities.

⁸ Ibid (p13, para 50)

- 2.21 Finally, the NPPF recognises that market conditions change over time, and so when setting long term policy on affordable housing, incorporating a degree of flexibility is sensible to reflect changing market circumstances.

Affordable Housing Exemption

- 2.22 In November 2014, the Government introduced an exemption policy for small sites⁹ housebuilders to exclude them from paying S106 and contribute to affordable housing. Following the West Berkshire District Council & Anr v The Secretary of State for Communities and Local Government, C1/2015/2559 High Court ruling this was later quashed (May 2015). However, in May 2016, the Government won a legal challenge against this, meaning that this threshold was to be upheld and is now in the NPPG¹⁰.
- 2.23 Despite the Government's successful legal challenge, the threshold is only a material consideration, albeit recommended by the Secretary of State, and there have been Examinations and cases where the minimum threshold is held not to apply based on supporting evidence. In this regard, the Proposed Guildford Local Plan 2017 has a lower threshold of 5 units and above for affordable housing, which has been tested in **Chapter 5** of this report.

Housing and Planning Act 2016

- 2.24 In July 2016, the Housing and Planning Act 2016 received Royal Assent. The Act is national policy and will eventually feed into Regulations. The Act sets out changes to the delivery of affordable housing in England, as below:

"The Secretary of State may by regulations provide that an English planning authority may only grant planning permission for a residential development of a specific description if the starter homes requirement is met."

"The 'starter homes requirement' means a requirement, specified in the regulations, relating to the provision of starter homes in England."

"Regulations under this section may, for example, provide that an England planning authority may grant planning permission only if a person has entered into a planning obligation to provide a certain number of starter homes or to pay a sum to be used by the authority for providing starter homes."¹¹

- 2.25 This indicates that there will be a requirement for starter homes, set by Government, which relates to each local authority in England. The level of that starter home requirement is not known at present and will be set out in Regulations. The Act continues to state:

- 2.26 *"...the regulations may confer discretions on an English planning authority....the regulations may make different provision for different areas."¹²*

⁹ Defined as developments of 10 dwellings or fewer and which have a maximum combined gross floorspace of no more than 1,000 sqm; or for designated rural areas under Section 157 of the Housing Act 1985, a lower threshold of 5 units or less

¹⁰ Paragraph: 031 Reference ID: 23b-031-20161116

¹¹ Housing and Planning Act 2016 (para 5(1) (4) (5))

¹² Ibid (para 5(6) (7))

- 2.27 However, the Housing White Paper was published in February 2017, which dropped plans to impose a legal duty on Local Authorities to ensure provision of at least 20% Starter Homes on all reasonably sized development sites. Instead, the Government has stipulated that local authorities will deliver Starter Homes as part of a mixed package of affordable housing that can respond to local needs and local markets. That is, at present the level of that starter home requirement is not known but the White Paper proposes to amend the NPPF by introducing a “...clear policy expectation” that housing sites deliver a minimum of 10% affordable home ownership units and, with developers, identify an appropriate level of Starter Homes alongside other affordable home ownership and rented tenures.
- 2.28 Consequently, the implications of the Housing and Planning Act remain unclear at the time of reporting, and the Act does not provide any levels or thresholds relating to Starter Homes or density levels. However, the Council will need to be mindful of future changes in national planning policies or regulations which would impact on the viability of development and the overall Local Plan, which could be tested within the viability model as the detail will come within the secondary legislation and regulations. The Council should be aware that there could be potential impacts on viability testing from changes in national policy.

National Space Standards for Housing

- 2.29 The Government published 'Technical Housing Standards - Nationally Described Space Standard' (NSS) in March 2015. The NSS replaces the existing different space standards used by local authorities. It is not a building regulation and remains solely within the planning system as a new form of technical planning standard.
- 2.30 The NSS deals with the internal space of new dwellings and sets out the requirement for Gross Internal Area (GIA). GIA is defined as the total floor space measured between the internal faces of perimeter walls. The standard is organised by number of bedrooms; number of bed spaces; number of storeys and provides an area for built-in storage. The minimum space standards shown in Table 1 in the Technical Standards Guide.
- 2.31 NSS states that GIA “...will not be adequate for wheelchair housing (Category 3 homes in Part M of the Building Regulations) where additional internal area is required to accommodate increased circulation and functionality to meet the needs of wheelchair households.”¹³

National Policy on Infrastructure

- 2.32 The NPPF requires local planning authorities to demonstrate that infrastructure will be available to support development:

“It is equally important to ensure that there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion. To facilitate this, it is important that

¹³ Para. 9, Technical Housing Standards, CLG (March 2015)

local planning authorities understand district-wide development costs at the time Local Plans are drawn up.”¹⁴

- 2.33 It is not necessary for local planning authorities to identify all future funding of infrastructure when preparing planning policy. The NPPF states that standards and policies in Local Plans should “...*facilitate development across the economic cycle*,”¹⁵ suggesting that in some circumstances it may be reasonable for a local planning authority to argue that viability is likely to improve over time, that policy costs may be revised, that some infrastructure is not required immediately, and that mainstream funding levels may recover.

Summary

- 2.34 The NPPF requires councils to ensure that they 'do not load' policy costs onto development if it would hinder the site being developed. The key point is that policy costs will need to be balanced so as not to render a development unviable, but should still be considered sustainable.
- 2.35 The Government has successfully appealed a High Court ruling that forced ministers to remove a Ministerial Statement to exempt small-scale development from affordable housing and 'tariff style' S106 contributions from the PPG.
- 2.36 The Housing and Planning Act 2016 sets out that future Regulations will identify Starter Homes requirements for English planning authorities. This may have implications on future Local Plan affordable housing policies. At this stage the requirements are unknown, and the Council will need to keep in mind any change in national policy. In the meantime, this report tests existing proposed affordable housing policy set out by the Proposed Local Plan document.
- 2.37 The infrastructure needed to support the plan over time will need to be planned and managed. Plans should be backed by a thought-through set of priorities and delivery sequencing that allows a clear narrative to be set out around how the plan will be delivered (including meeting the infrastructure requirements to enable delivery to take place). This assessment confines itself to the question of development viability. It is for other elements of the evidence base to investigate the other ingredients in the definition of deliverability (i.e. location, infrastructure and prospects for development).

¹⁴ DCLG (2012) National Planning Policy Framework (p42, para 177)

¹⁵ Ibid (p42, para 174)

3 UPDATED REVIEW OF LOCAL POLICY IMPACTS ON VIABILITY

Local Plan Policies

- 3.1 To help identify the implications of local policies on development viability, a revised policy matrix to that shown in the PBA October 2016 report has been prepared. The requirements within the Proposed Local Plan 2017 is reviewed to identify those policies that may have a cost implication and hence an impact on viability.
- 3.2 The policies have been assessed to determine whether there is likely to be a cost implication over and above that required by the market to deliver the defined development. For those policies where there will be, or could be, a cost implication, PPE has undertaken a broad assessment of the nature of that cost. This includes whether the cost is likely to be Borough-wide or site specific, whether costs are related to specific timescales or apply for the entire life of the Plan and whether costs are likely to be incurred directly by the developer through on-site or off-site development, or via financial contributions made by the developer to other agencies or developers towards wider schemes within the Borough.
- 3.3 The new Local Plan consists of two parts. The first part of the new Local Plan is the 'Local Plan: strategy and sites', which sets out the Council's vision, aims and strategy for the borough up to 2034 and includes overarching planning policies and land allocations. The second part of the Local Plan is the 'Local Plan: development management policies', which will include detailed development management policies, and will be produced following the adoption of the first part document. This review therefore covers the first part of the new Local Plan, the 'Local Plan: strategy and sites'.
- 3.4 **Table 3.1** sets out the results of the policy review. Green indicates the policy has no cost/testing implication, amber indicates a possible slight impact, and red means that the policy would have some bearing on the viability of all or some sites.
- 3.5 It is noted that changes to these policies, which were after the conclusion of the PBA October 2016 report that reviewed the viability of the Guildford Borough Proposed Submission Local Plan, are limited. An indication of the nature of these changes, and to which policies they apply, is provided in **Table 3.1** and in Section 4 under Policy Tests.

Table 3.1 Viability Policy Matrix for the Guildford Borough Proposed Local Plan: Strategy and Sites June 2017¹⁶

Proposed Submission Local Plan Regulation 19 consultation (June 2017)	Any cost implication?	Nature of costs
Strategic		
Policy S1: Presumption in favour of sustainable development	No	
Policy S2: Planning for the borough - our spatial development strategy 1q	Yes	<p>Policy outlines the locations across the borough suitable for housing, Gypsy and Traveller sites, employment and retail development.</p> <p>Allocated and LAA sites make up the total housing, employment and retail numbers in Policy S2.</p> <p>Consideration must be given to values specific to the locations where future housing is likely to come from.</p>
Housing		
Policy H1: Homes for all*	Yes	<p>Housing size mix for market and affordable housing shall reflect the latest SHMA 2017.</p> <p>The policy sets out a requirement for accessible homes. Residential development sites of 25 homes or more 10% of new homes will be required to meet Building Regulations M4 (2) category 2 standard 'accessible and adaptable dwellings' and 5% of new homes will be required to meet Building Regulations M4 (3)(b) category 3 wheelchair user accessible dwellings standard or any subsequent legislation on making homes accessible and adaptable.</p> <p>Importance is given to specialist residential products for students, elderly population and</p>

¹⁶ Whilst all policies were considered in terms of potential cost implications, (*) indicates policies where changes have occurred since 2016 viability testing that were considered most relevant to this Local Plan Viability Update, 2017.

Proposed Submission Local Plan Regulation 19 consultation (June 2017)	Any cost implication?	Nature of costs
		<p>Gypsy, Traveller & Travelling Showpeople communities.</p> <p>Sets requirements for providing pitches and plots for traveller and travelling showpeople on certain sites (7). The requirement is subject to viability testing:</p> <ul style="list-style-type: none"> • two pitches or plots for 500 to 999 homes; • four pitches or plots for 1,000 to 1,499 homes; • six pitches or plots for 1,500 to 1,999 homes; and • eight pitches or plots for 2,000 to 2,500 homes <p>The policy also requires that sites with 100+ dwellings will provide 5% of the total homes as self-build or custom housebuilding plots. The impact this should have is related to a different marketing approach and therefore no specific testing of this element of Policy H1 is considered to be necessary.</p>
Policy H2: Affordable Homes	Yes	<p>Site size threshold = 5 homes (gross) or 0.17ha regardless of number of homes (<i>round up or down at 0.5, so replacement homes will not contribute</i>).</p> <p>Proportion of homes to be affordable 40%.</p> <p>Tenure mix should meet the needs identified in the latest SHMA. This is currently 70% Affordable Rent with the remainder as other forms of affordable housing.</p>
Policy H3: Rural Exception Homes (replacing draft Policy 5)	Yes	<p>The policy permits small affordable housing developments to meet local needs.</p> <p>This includes potential for some market housing at LPA's discretion where justified to be needed for viability.</p>
Protecting		
Policy P1: Surrey Hills Area of Outstanding Natural Beauty	No	

Proposed Submission Local Plan Regulation 19 consultation (June 2017)	Any cost implication?	Nature of costs
and Area of Great Landscape Value (replacing Policy 8)		
Policy P2: Green Belt (replacing Policy 10)	No	
Policy P3: Countryside (replacing Policy 10)	No	
Policy P4: Flooding, flood risk & groundwater protection zones	Potential	Potential for slight additional cost if in area of identified surface water flooding, so that if development would worsen flooding, developments may be required to contribute to costed surface water flooding mitigation schemes identified in the Guildford and Ash surface water management action plans.
Policy P5: Thames Basin Heaths Special Protection Area*	Yes	A cost for SANGS and SAMM payments to be considered in the viability testing.
Economy (see note above)		
Policy E1: Meeting employment needs	No	
Policy E2: Locations of new employment floorspace	No	
Policy E3: Maintaining employment capacity and improving employment floorspace	No	
Policy E4: Surrey Research Park	No	
Policy E5: Rural Economy	No	
Policy E6: The leisure and visitor experience	No	
Policy E7: Guildford Town Centre	No	
Policy E8: District Centres	No	
Policy E9: Local Centres and isolated retail units	No	
Design		
Policy D1: Place Shaping	No	

Proposed Submission Local Plan Regulation 19 consultation (June 2017)	Any cost implication?	Nature of costs
Policy D2: Sustainable design, construction and energy*	Yes	<p>All developments must consider sustainability criteria.</p> <p>Development in identified heat priority areas and strategic sites must use heating and cooling technologies in line with the heating and cooling hierarchy.</p> <p>New buildings must achieve a reasonable reduction of at least 20% in carbon emissions.</p>
Policy D3: Historic environment	No	
Policy D4: Character and design of new development*	No	Includes a requirement for residential developments to conform to nationally described space standards as set out by DCLG. The impact on viability is considered in the light of floorspace assumptions used to inform viability testing. As discussed in Chapter 4 of this report, the floorspace assumptions based on past developments in Guildford (as tested in the PBA 2016 Report) were higher than those set nationally (and in the new D4(1)(n))
Infrastructure and delivery		
Policy ID1: Infrastructure and delivery*	Yes	
Policy ID2: Supporting the Department for Transport's "Road Investment Strategy"	Possible	May be sought through infrastructure funding contributions, including CIL.
Policy ID3: Sustainable transport for new developments	Possible	New larger developments of 20+ dwellings or over 0.5ha of residential development should demonstrate consideration for maximising sustainable travel through provision of a transport assessment and a travel plan.
Policy ID4: Green and blue infrastructure	No	

4 PLAN VIABILITY ASSUMPTIONS AND RESULTS

Tested Site Typologies and Strategic Sites

- 4.1 The objective of this section is to test the viability of a range of “theoretical” sites likely to deliver the Proposed Local Plan. The starting point is knowing where and what types of developments are likely to come forward. After consultation with the Council for the PBA Report 2016, **Table 4.1** below sets out the broad typologies that were used in the study and are re-tested in this update study since they reflect planned development and represent the cross section of sites identified in conjunction with the Council.
- 4.2 The tested strategic sites in this update report are taken from the Proposed Local Plan 2017 update. This has some minor changes in the identified site areas and/or target housing numbers to reflect the latest Plan. A significant change includes North Street redevelopment site, which is now identified to deliver twice as many residential units – up to 400 – as were included in the Draft Local Plan 2016. The site remains allocated for substantial retail development – minimum of 41,000sqm (vs 45,000sqm in 2016) comparison retail (which meets identified retail needs as set out in the Retail Study Addendum, 2017) and approximately 6,000 sqm (vs 3,000 sqm in 2016) food and drink and drinking establishments. Another significant change is that the Normandy and Flexford village expansion is no longer identified within the Proposed Plan 2017 and therefore the Land to the south of Normandy and north of Flexford (Strategic Site) is not tested in this update report.

Table 4.1 Residential typologies for viability testing

Typology	Location	Land type	No. of dwellings	Gross site area	Net site area
2 houses (Guildford town)	Guildford	Brownfield	2	0.07	0.07
5 houses (Guildford town)	Guildford	Brownfield	5	0.17	0.17
5 flats (Guildford town)	Guildford	Brownfield	5	0.04	0.04
20 houses (Guildford)	Guildford	Brownfield	20	0.85	0.67
10 flats (Guildford Town)	Guildford	Brownfield	10	0.08	0.08
50 flats (Guildford Town)	Guildford	Brownfield	50	0.57	0.42
100 flats (Guildford Town)	Guildford	Brownfield	100	1.20	0.83
200 flats (Guildford Town)	Guildford	Brownfield	200	2.55	1.67
Ash & Tongham Strategic	Ash & Tongham	Greenfield	100	4.82	3.33
2 houses (Ash & Tongham)	Ash & Tongham	Brownfield	2	0.07	0.07
10 houses (Ash & Tongham)	Ash & Tongham	Brownfield	10	0.33	0.33
10 flats (Ash & Tongham)	Ash & Tongham	Brownfield	10	0.08	0.08

Typology	Location	Land type	No. of dwellings	Gross site area	Net site area
2 houses (East rural)	East Rural	Greenfield	2	0.07	0.07
5 houses (East rural)	East Rural	Greenfield	5	0.17	0.17
10 flats (East rural)	East Rural	Brownfield	10	0.08	0.08
20 flats (East rural)	East Rural	Greenfield	20	0.17	0.17
2 houses (West rural)	West Rural	Greenfield	2	0.07	0.07
10 houses (West rural)	West Rural	Brownfield	10	0.33	0.33
20 mixed (West rural)	West Rural	Greenfield	20	0.27	0.27
100 mixed (West rural)	West Rural	Greenfield	100	1.93	1.33
Gosden Hill Farm (Strategic Site)	Guildford	Greenfield	2,000	89.00	48.45
Blackwell Farm (Strategic Site)	Guildford	Greenfield	1,800	78.00	42.82
Former Wisley Airfield (Strategic Site)	North East Rural	Mixed	2,000	95.90	47.95
Slyfield (Strategic Site)	Guildford	Brownfield	1,500	40.00	22.28
North Street redevelopment site	Guildford	Brownfield	400	3.47	2.15

Residential Values and Costs Assumptions

- 4.3 This update is to test the impact of the proposed Local Plan 2017 policies and the strategic site housing numbers and/or identified site areas based on the same values and costs assumptions that were tested in the PBA 2016 report. Rather than repeat the same details about these assumptions, a summary of the assumptions is reflected in **Table 4.2**. For further details on the assumptions, please refer to the PBA 2016 report.

Table 4.2 Tested value and costs assumptions

Assumptions	Item	Source
Sales values	<p>Sales Values are separated by geography and by type of unit as follows:</p> <p>Ash & Tongham</p> <ul style="list-style-type: none"> Flats: £4,000 House: £3,700 <p>East Rural</p>	<p>These are taken from the PBA 2016, as shown in Table 5.4, and derived evidence set out in Section 4 of their report.</p>

Assumptions	Item	Source
	<ul style="list-style-type: none"> Flats: £5,100 House: £4,690 <p>Guildford town</p> <ul style="list-style-type: none"> Flats: £5,050 House: £4,600 <p>North East</p> <ul style="list-style-type: none"> Flats: £5,100 House: £4,690 <p>West Rural</p> <ul style="list-style-type: none"> Flats: £4,000 House: £4,380 	
Floorspace	<p>The assumed residential floorspace (rounded) for viability testing is set out below:</p> <ul style="list-style-type: none"> Flats (NIA) 55 sqm Flats (GIA) 63 sqm 2 bed house 82 sqm 3 bed house 102 sqm 4+ bed house 129 sqm 	These are taken from the PBA 2016 report, as shown in Table 5.3. As discussed, these are based on a survey of 140 property types and are assumed as being approximately 10% larger than the national space standards (NSS) requirements.
Sales costs	Marketing fees are assumed as 3% of Open Market GDV	This is a standard assumption for residential development and is consistent with PBA's 2016 report, as set out in para 5.3.20.
Build costs	<p>Build costs are considered based on scale of development as:</p> <ul style="list-style-type: none"> Small housing scheme (3 or less units): £1,435 per sqm Medium sized house scheme (4 to 14 units): £1,302 per sqm Estate housing (15+ units): £1,168 per sqm Flats: £1,371 per sqm 	<p>These are taken from the PBA 2016 report, as shown in Table 5.5.</p> <p>As PBA discuss, they are derived from the RICS's Building Cost Information Service.</p> <p>The data refers to median build costs rebased to local (Guildford) at 3Q 2015 prices.</p>
Externals	This is assumed at 10% of build costs.	This is a standard assumption for residential development, and is consistent with PBA's 2016 Report as set out in paragraph's 5.3.10 and 5.3.11.
Site opening costs	Site opening costs are considered in separate ways for generic sites	As discussed, the assumptions for these are taken from PBA's

Assumptions	Item	Source
Generic sites & Strategic sites	<p>and for strategic sites; where greater knowledge of actual costs is known.</p> <p>Generic For generic sites, these are based on a threshold system based on the number of units. These are applied to all 'greenfield typologies', and where a site is identified as 'mixed' only half is applied. This is set out below:</p> <ul style="list-style-type: none"> • Less than 50 units: £0 per unit • 51 to 100 units: £5,000 per unit • 101 to 200 units: £10,000 per unit • 201-500 units: £15,000 per unit • 501 units and above: £20,000 per unit <p>Strategic sites For the strategic sites, the following identified site-specific transport infrastructure costs have been tested:</p> <ul style="list-style-type: none"> • Former Wisley Airfield*: £33,350,000 • Gosden Hill Farm: £77,770,000 • Blackwell Farm: £75,500,000 • Slyfield*: £27,500,000 • North Street site: £7,500,000 <p>*PBA also note additional opening up costs for Slyfield of £85m and Former Wisley Airfield of £63.3m. It was acknowledged that the other strategic sites would too have additional opening up costs not covered in the transport infrastructure costings above, and this is tested as £10,000 per unit.</p>	<p>2016 Report as set out in paragraph's 5.3.15 to 5.3.17.</p> <p>Revision to the strategic site opening costing in PBA's 2016 Report has been carried out based on revised information provided by the Council at November 2017. The changes are relatively minor, but have been included in the revised testing.</p>
Site abnormals (brownfield site costs)	<p>Brownfield sites: £300,000 per net developable hectare</p> <p>Mixed sites: £150,000 per net developable hectare</p>	<p>This is taken from the PBA's 2016 Report as set out in paragraph 5.3.14.</p>

Assumptions	Item	Source
Contingency	This is assumed at 5% of build costs (inc. Externals, Site opening costs & Site abnormalities)	This is a standard assumption for residential development, and is consistent with PBA's 2016 Report as set out in paragraph 5.3.13.
Professional fees	Unless any cost estimates are available, this is assumed at 10% of build costs inc. Externals, Site opening costs & Site abnormalities)	This is a standard assumption for residential development, and is consistent with PBA's 2016 Report as set out in paragraph 5.3.12.
Land purchase costs	Surveyor fees assumed as 1% Legal fees assumed as 0.75% Stamp Duty Land Tax as per HMRC.	This is a standard assumption for residential development, and is consistent with PBA's 2016 Report as set out in paragraph's 5.3.18 to 5.3.19.
Finance	This is set at 6.0% APR.	This is a standard working assumption for residential, and is consistent with the assumption provided by PBA in paragraph 5.3.23 of the 2016 Report.
Profit	Profit is assumed at: <ul style="list-style-type: none"> • 20% of open market GDV • 6% of affordable housing GDV 	This is a standard working assumption for residential viability appraisals, and is consistent with the assumption provided by PBA in paragraph 5.3.21 and 5.3.22 of the 2016 report.
Benchmark land value	Land values applied to the different typologies are set out below: <ul style="list-style-type: none"> • Guildford, Brownfield: £3,150,000 • Ash & Tongham, Greenfield: £1,365,000 • Ash & Tongham, Brownfield: £1,575,000 • East Rural, Greenfield: £3,150,000 • East Rural, Brownfield: £3,675,000 • West Rural, Greenfield: £2,625,000 • West Rural, Brownfield: £2,940,000 	These values are taken from the PBA 2016 report, as described in paragraphs 5.3.42 to 5.3.48.

Assumptions	Item	Source
	<ul style="list-style-type: none"> Strategic sites – Greenfield: £1,050,000 Strategic sites – Mixed: £840,000 North Street site: £3,150,000 	

Policy Tests

- 4.4 Aside from the assumptions in **Table 4.2** above, this assessment tests the key costs associated with specific policies identified in **Chapter 3**, which are taken from the Proposed Local Plan 2017, which includes several changes since the previous policy viability assessment in the PBA 2016 Report. The policy costs that have been identified to have a substantial potential impact on the viability assessments are discussed in greater detail below.

Affordable Housing

- 4.5 Policy H2 of the emerging local plan sets out a requirement for all sites of 5 or more homes to provide 40% of the units as affordable. The policy also notes that the tenure mix should meet the needs identified in the latest SHMA. The 2015 SHMA¹⁷ report recommends a need for affordable housing with 70% affordable rent and 30% intermediate / shared ownership products. The 2017 SHMA¹⁸ published after the PBA 2016 Report, does not identify changes in this recommendation.
- 4.6 The PBA 2016 Report assumed transfer values of 50% for affordable rent and 70% for intermediate products. These have been used as the basis of this appraisal.

Other S106/s278

- 4.7 The PBA 2016 report set out an assumption for S106 & S278 costs as £8,000 per unit. This was agreed with the council as a realistic figure, and was based on the justification set out in paragraph 5.3.25 to 5.3.29 of the PBA 2016 Report. This has re-tested in this update report.

SANGs & SAMMs

- 4.8 Assumptions for SANGs and SAMMs contributions are derived from the adopted Guildford Borough Council *Planning Obligation SPD*¹⁹. Page 37 of the SPD provides a table showing the expected contributions based on the dwelling type. Based on these housing types a figure of £4,700 for flats and £7,500 for houses is tested

¹⁷ GL Hearn, 2015. West Surrey Strategic Housing Market Assessment

¹⁸ GL Hearn, 2017. West Surrey Strategic Housing Market Assessment: Addendum report

¹⁹ Guildford Borough Council, 2017. Planning Contributions Supplementary Planning Document

within this assessment to reflect the average contribution per new dwelling. This assumption remains unchanged from the PBA 2016 Report.

Space and Accessibility Standards

- 4.9 The Proposed Local Plan 2017 Policy D4 includes a requirement for all units to be built to the national minimum size standards (NSS). From the research in the PBA 2016 Report, it is evident that many of the new properties currently being built exceed this standard. The inclusion of the proposed requirement for development to conform to the NSS is therefore not considered to have an impact on Plan viability testing since the previous testing had residential unit sizes larger than those required to meet the NSS requirements (see **Table 4.2** under floorspace assumptions).
- 4.10 Policy H1 includes a recommendation that, for developments of 25 units and over, 10% of units meet M4 (Category 2) and a further 5% meet M4 (Category 3).
- 4.11 In meeting this policy requirement, it is assumed that there might be an increase in floorspace above what is already being built to accommodate such specialised categories of homes. The extra sizes would be likely to generate an increase in the build costs without additional value. To test for this, the assumptions for how much additional floorspace may be required above the assumed floorspace is summarised in **Table 4.3**. These assumptions are identified across a range of prescribed floorspace types for Cat 2 and Cat 3 units that are shown in **Appendix A**.

Table 4.3 Tested Floorspace Sizes (sqm)

	1-2 bed flats (NIA)	2 bed house (GIA)	3 bed house (GIA)	4+ bed house (GIA)
As normal	55	82	102	129
Cat 2 accessible and adaptable dwellings	58	83	105	129
Cat 3 wheelchair user accessible dwellings	70	104	127	154

Source: Derived using NSS Technical Standards

- 4.12 Aside from the costs involved with building additional floorspace, the DCLG Housing Standards Review Cost Impacts (Sept 2014) report for M4 (Cat 2) and M4 (Cat 3), identifies the average costs for upgrading a NSS home to meet the required accessibility standards. These costs are summarised in **Table 4.4**.

Table 4.4 Accessibility Adaption Costs

Category type	Cost	Unit
Cat 2 accessible and adaptable dwellings	£521	per Cat 2 house
	£924	per Cat 2 flat
Cat 3 wheelchair user accessible dwellings	£22,694	per Cat 3 house
	£7,906	per Cat 3 flat

Source: Housing Standards Review Cost Impacts (Sept 2014) Report

Carbon Reduction

- 4.13 The Proposed Local Plan 2017, Policy D2 includes a requirement that new buildings (excluding certain retail developments in Guildford Town Centre) must achieve a reasonable reduction in carbon emissions of at least 20%, which is an increase on their previous Plan position for a 15% reduction, which was tested in the PBA 2016 Report. The impact on development costs has been assessed by Evora Edge²⁰ of behalf of Guildford Borough Council. The Evora Edge Report identify that the average increase in build costs, to improve a Part L compliant building so that it complies with proposed Policy D2, is between 2.62% and 3.14%. For the revised testing, the upper (worst case) extra-over cost of 3.14% is applied.

Gypsy and Traveller Provision

- 4.14 Policy H1 of the emerging Guildford Borough Council requires some larger developments to contribute to the provision of pitches for Gypsy and Travellers. This is based on a tiered approach, depending on the scale of development and is set out below.
- 4.15 The PBA 2016 Report costed a single Gypsy and Traveller site as £150,000 per pitch. This assumption has been used within this appraisal.
- 500 to 999 units: 2 pitches or plots
 - 1,000 to 1,499 units: 4 pitches or plots
 - 1,500 to 1,999 units: 6 pitches or plots
 - 2,000 and above units: 8 pitches or plots
- 4.16 The next chapter considers the results of the viability appraisals that test these sites, values and costs assumptions and policies discussed in this Chapter.

²⁰ Assessment of the Viability of Carbon Emission Targets for New Builds – Main Report, 5th April 2017

5 RESIDENTIAL VIABILITY RESULTS

Viability Testing Results

- 5.1 This chapter sets out the viability assessment of the Proposed Local Plan policies and strategic sites to identify and assess the risk of delivery on future housing development within Guildford borough.
- 5.2 Each typology site and the strategic sites have been subjected to a viability appraisal in terms of the achievability of complying with the Proposed Local Plan 2017 policies based on identifying whether sites are likely to be viable or not.
- 5.3 The following analysis is based on two scenarios, where the policies described as having a cost to development are excluded and included. These are:
- The '**policy off**' approach, where the viability of the sites is tested before applying any policy requirements that might affect their viability. The results for this scenario are shown in **column 2 of Table 5.1**.
 - The '**policy on**' scenario results in column 3, which includes costs for the Proposed Local Plan policies for Affordable Housing, an average cost for other S106/278 contributions, SANGs & SAMMs payments, Accessibility standards, Sustainability policies, and Gypsy and Traveller provision, as described in **Chapter 4**.
- 5.4 **Appendix B** includes viability appraisals examples for the 20 houses in Guildford Town typology and each of the strategic sites. As a summary, **Table 5.1** below presents the viability findings for all test site typologies and the strategic sites using a 'traffic light' system, as follows:
- Green colour means that the development is viable with financial headroom that could be used for further planning gain;
 - Amber is marginal in that they fall within a 20% range (i.e., 10% above or below) around the benchmark land value; and
 - Red colour means it is unviable if required to be policy compliant.

Table 5.1 Viability Results

Site typology	Policy off scenario	Policy on scenario
2 houses (Guildford town)	Yes	Yes
5 houses (Guildford town)	Yes	Marginal
5 flats (Guildford town)	Yes	Yes
20 houses (Guildford town)	Yes	Marginal
10 flats (Guildford Town Centre)	Yes	Yes
50 flats (Guildford Town centre)	Yes	Yes
100 flats (Guildford Town centre)	Yes	Yes
200 flats (Guildford Town centre)	Yes	Yes
Ash and Tongham Strategic Development Location	Yes	Yes

Site typology	Policy off scenario	Policy on scenario
2 houses (Ash & Tongham)	Yes	Yes
10 houses (Ash & Tongham)	Yes	No
10 flats (Ash & Tongham)	Yes	Yes
2 houses (East rural)	Yes	Yes
5 houses (East rural)	Yes	Marginal
10 flats (East rural)	Yes	Yes
20 flats (East rural)	Yes	Yes
2 houses (West rural)	Yes	Yes
10 houses (West rural)	Yes	No
20 mixed (West rural)	Yes	Yes
100 mixed (West rural)	Yes	Yes
Gosden Hill Farm (Strategic Site)	Yes	Yes
Blackwell Farm (Strategic Site)	Yes	Yes
Former Wisley Airfield (Strategic Site)	Yes	Yes
Slyfield (Strategic Site)	Yes	Yes
North Street redevelopment site	Yes	Yes

- 5.5 The results in **Table 5.1** show that under current market conditions and with no requirements to meet local planning policies, all sites within Guildford borough should be deliverable.
- 5.6 At full policy compliance with the Proposed Local Plan 2017, the bulk of sites would remain viable with a few exceptions. These exceptions are the 10 houses in Ash & Tongham and 10 houses in West rural typologies. Consequently, the cumulative impact of the Proposed Local Plan policies potentially could put their delivery at risk of being non-full policy compliant with the Proposed Local Plan.
- 5.7 It should be noted here that the Proposed Plan 2017 Policy A35 identifies an additional 100 sheltered/Extra care C2 uses to be accommodated at the Former Wisley Airfield. While it is possible that this requirement could negatively impact on the viability headroom for this strategic allocation, the viability assessment has not modelled this specific requirement as part of this high-level exercise since the outcome is unlikely to undermine the site's primary delivery of housing. This can be concluded based on the substantial headroom identified at this site under full policy conditions.

The Proposed Local Plan Viability Conclusions

- 5.8 The final stage of this viability assessment is to draw broad conclusions on whether the Proposed Local Plan is deliverable in terms of viability. But before doing so, it is important to note that:
- Where sites are identified to be unviable from the viability assessment, whereby the residual value is below the assumed benchmark market land value, this report does not confirm that all these types sites would be unviable.

It may well be that the circumstances of acquisition / ownership mean that their benchmark value is different, and such sites may be developable over the Plan period, with or without meeting policy requirements, subject to changes in market conditions.

- This document is a theoretical exercise and is for informing and not for setting policy or land allocation. Other evidence needs to be carefully considered before policy is set and land allocations are made.

- 5.9 With that in mind, it is concluded that solely based on the exercise of viability testing based on the assumptions in this report, the evidence would suggest that the Proposed Local Plan policy requirements may need to provide some flexibility to ensure a fully deliverable plan. This may include a policy in the Local Plan to enable a consistent approach to the consideration of viability issues associated with development proposals for introducing flexibility in on-site and off-site developer contributions. Such flexibility may apply to policies to reduce affordable housing levels and/or thresholds subject to viability, therefore leaving the market to deliver the sites.
- 5.10 How much flexibility to be applied should depend on the types of sites coming forward. Given that the results of the assessment show it is only some non-strategic small sites that would potentially not achieve commercial viability through compliance with the Proposed Local Plan 2017, as established in the NPPF paragraph 173, and because the Council is not particularly reliant on these sites in keeping with the aims of the Local Plan, then any requirement for flexibility may be limited or not needed.
- 5.11 But in relation to the bulk of future sites likely to come forward within the borough, including all the strategic sites, the findings from the viability assessment of the policy requirements set by the Guildford Borough Proposed Submission Local Plan 2017 review is considered to not unduly burden the delivery of residential development in Guildford borough.

APPENDIX ONE

NSS Minimum Size Standards

NSS Minimum Size Standards

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings
1b	1	39		
	2	50	58	
2b	3	61	70	
	4	70	79	
3b	4	74	84	90
	5	86	93	99
	6	95	102	108
4b	5	90	97	103
	6	99	106	112
	7	108	115	121
	8	117	124	130
5b	6	103	110	116
	7	112	119	125
	8	121	128	134
6b	7	116	123	129
	8	125	132	138

M4(2) Size Assumptions

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings
1b	1	41		
	2	52.6		
2b	3	64	78	
	4	73	87	
3b	4	77.5	93	99
	5	90.5	102	108
	6	99.5	111	117
4b	5	95	106	113
	6	104	115	122
	7	113	124	131
	8	122	133	140
5b	6	108.5	120	126
	7	117.5	123	135
	8	126.5	138	144
6b	7		133	140
	8		142	149

M4(3) Size Assumptions

Number of bedrooms (b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings
1b	1	50.3		
	2	63.2	-	
2b	3	76.2	99	
	4	90.3	109	
3b	4	95.8	116	117
	5	108	127	128
	6	117.9	136	138
4b	5	113.5	132	133
	6	123.4	142	144
	7	133.4	152	154
	8	143.4	162	164
5b	6	128.9	147	149
	7	138.9	151	159
	8	148.9	167	169
6b	7		163	164
	8		173	174

APPENDIX TWO

Example Site Typology and Strategic Sites
Appraisals

20 houses (Guildf Guildford)		20 Units		Residual Value		TIMING			
ITEM	Private	Affordable	Starter Homes	Social rent	Affordable rer	Intermediate	Start	Finish	Months (nr)
Net area (ha)	0.67	Brownfield	Guildford, Brownfield	£3,263,034 per net ha					
Nr of units	12.00	8.00	0.00	0.00	5.00	2.80			
1.0 Development Value									
1.1 Private units	No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.1.1	0.00	55	0	£5,050	£0		Jul-17	Feb-19	19.00
1.1.2	4.80	82	393	£4,600	£1,808,456		Jul-17	Feb-19	19.00
1.1.3	4.80	102	491	£4,600	£2,208,784		Jul-17	Feb-19	19.00
1.1.4	2.40	129	309	£4,600	£1,122,157		Jul-17	Feb-19	19.00
	12.0		1,194						
1.5 Starter Homes	No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.5.1	0.00	55	0	£4,040	£0		Jul-17	Feb-19	19.00
1.5.2	0.00	82	0	£3,680	£0		Jul-17	Feb-19	19.00
1.5.3	0.00	102	0	£3,680	£0		Jul-17	Feb-19	19.00
1.5.4	0.00	129	0	£3,680	£0		Jul-17	Feb-19	19.00
1.2 Social rent	No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.2.1	0.00	55	0	£2,020	£0		Jul-17	Feb-19	19.00
1.2.2	0.00	82	0	£1,840	£0		Jul-17	Feb-19	19.00
1.2.3	0.00	102	0	£1,840	£0		Jul-17	Feb-19	19.00
1.2.4	0.00	129	0	£1,840	£0		Jul-17	Feb-19	19.00
1.3 Affordable rent	No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.3.1	0.00	55	0	£2,020	£0		Jul-17	Feb-19	19.00
1.3.2	3.92	82	321	£2,300	£738,861		Jul-17	Feb-19	19.00
1.3.3	1.40	102	143	£2,300	£329,406		Jul-17	Feb-19	19.00
1.3.4	0.68	129	86	£2,300	£157,962		Jul-17	Feb-19	19.00
	5.6		501						
1.4 Intermediate	No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.4.1	0.00	55	0	£3,535	£0		Jul-17	Feb-19	19.00
1.4.2	1.68	82	138	£3,220	£543,317		Jul-17	Feb-19	19.00
1.4.3	0.60	102	61	£3,220	£197,644		Jul-17	Feb-19	19.00
1.4.4	0.12	129	15	£3,220	£48,777		Jul-17	Feb-19	19.00
	2.4		215						
	-		-						
Gross Development value						£7,332,403			
2.0 Developer's Profit									
2.1 Private units	20.0%	on OM GDV			£1,098,087		Feb-19	Mar-19	1.00
2.1 Starter Home	10.0%	on Starter Home value			£0		Feb-19	Mar-19	1.00
2.2 Affordable units	6%	on AH transfer values			£110,513		Feb-19	Mar-19	1.00
Total Developer's Profit						£1,208,600			
3.0 Development Costs									
3.1 Sale cost									
3.1.1 Private units only	3.90%	on OM GDV			£164,713		Jul-17	Feb-19	19.00
Total sale cost						£164,713			
3.2 Build Costs									
3.2.1 Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs				
3.2.1.1	0.00	63	0	£1,371	£0		Jan-17	Aug-18	19.00
3.2.1.2	4.80	82	393	£459,444	£2,208,784		Jan-17	Aug-18	19.00
3.2.1.3	4.80	102	491	£1,168	£573,535		Jan-17	Aug-18	19.00
3.2.1.4	2.40	129	309	£1,168	£361,114		Jan-17	Aug-18	19.00
	12		1,194						
3.2.2 Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs				
3.2.2.1	0.00	63	0	£1,371	£0		Jan-17	Aug-18	19.00
3.2.2.2	5.60	82	459	£1,168	£656,019		Jan-17	Aug-18	19.00
3.2.2.3	2.00	102	205	£1,168	£238,873		Jan-17	Aug-18	19.00
3.2.2.4	0.40	129	52	£1,168	£60,186		Jan-17	Aug-18	19.00
	8		715						
CAT2 & CAT3 Costs									
3.2.3	Policy Req.	Additional floorspace	Cost per additional floorspace		£0		Jan-17	Aug-18	19.00
3.2.3	CAT2 Additional floorspace (Open market)	0%	0	£1,168	£0		Jan-17	Aug-18	19.00
3.2.3	CAT2 Additional floorspace (Affordable)	0%	0	£1,168	£0		Jan-17	Aug-18	19.00
3.2.3	CAT3 Additional floorspace (Open market)	0%	0	£1,168	£0		Jan-17	Aug-18	19.00
3.2.3	CAT3 Additional floorspace (Affordable)	0%	0	£1,168	£0		Jan-17	Aug-18	19.00
3.2.3	Policy Req.	Number of units	cost per unit		£0		Jan-17	Aug-18	19.00
3.2.3	CAT2 cost per house	0%	0	£521	£0		Jan-17	Aug-18	19.00
3.2.3	CAT2 cost per flat	0%	0	£924	£0		Jan-17	Aug-18	19.00
3.2.3	CAT3 cost per house	0%	0	£22,694	£0		Jan-17	Aug-18	19.00
3.2.3	CAT3 cost per flat	0%	0	£7,906	£0		Jan-17	Aug-18	19.00
Total build costs						£2,228,271			
3.3 Extra over construction costs									
3.3.1	Externals	10%	extra-over on build cost		£222,827		Jan-17	Aug-18	19.00
3.3.2	Site abnormalities (remediation/demolition)	£300,000	per net ha		£200,000		Jan-17	Oct-17	9.00
3.3.3	Site opening up costs	£0	per unit		£0		Jan-17	Oct-17	9.00
3.3.4	Identified strategic site opening up cost				£0		Jan-17	Oct-17	9.00
Total extra over construction costs						£422,827			
3.4 Professional Fees									
3.4.1	on build costs (incl. externals)	10%			£265,220		Jan-17	Aug-18	19.00
Total professional fees						£265,220			
3.5 Contingency									
3.5.1	on build costs (incl. externals)	5%			£132,610		Jan-17	Aug-18	19.00
Total contingency						£132,610			
3.6 Developer contributions									
3.6.1	G and T contribution	£150,000	per pitch		£0		Jan-17	Aug-18	19.00
3.6.2	Policy D2 - 20% carbon reduction	3.1%	on total build costs (incl. extra-over, p.f.s and contingency)		£95,771		Jan-17	Aug-18	19.00
3.6.4	S106/S278/AH contribution	£8,000	per unit		£160,000		Jan-17	Oct-17	9.00
3.6.5	SANGS & SAMM				£150,000		Jan-17	Aug-18	19.00
Total developer contributions						£465,771			
TOTAL DEVELOPMENT COSTS						£3,620,511			
4.0 Site Acquisition									
4.1	Net site value (residual land value)				£2,175,352		Jan-17	Oct-17	9.00
4.2	Stamp Duty				£98,268		Jan-17	Oct-17	9.00
4.3	Purchaser costs	1.75%	on land costs		£38,069		Jan-17	Oct-17	9.00
Total site costs						£2,311,689			
TOTAL PROJECT COSTS (EXCLUDING INTEREST)						£7,140,604			
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)						£191,599			
5.0 Finance Costs									
5.1	Finance	APR 6.00%	on net costs	PCM 0.487%		£191,599			
TOTAL PROJECT COSTS (INCLUDING INTEREST)						£7,332,403			

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Gosden Hill Farm Guildford 2,000 Units

ITEM	Residual Value				TIMING		
Net area (ha)	48	Greenfield	Gosden Hill Farm (Strategic)	£2,537,173.95	per net ha		
Nr of units	Private	Affordable	Starter Homes	Social rent	Affordable rer	Intermediate	
	1200.00	800.00	0.00	0.00	560.00	240.00	

1.0 Development Value							Start	Finish	Months (nr)
1.1 Private units	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.1.1 Flats (N/A)	0	55	0	£5,050	£0	Jul-17	Feb-30	151.00	
1.1.2 2 bed house	480	82	39,336	£4,600	£180,945,600	Jul-17	Feb-30	151.00	
1.1.3 3 bed house	480	102	49,104	£4,600	£225,678,400	Jul-17	Feb-30	151.00	
1.1.4 4+ bed house	240	129	30,917	£4,600	£142,219,733	Jul-17	Feb-30	151.00	
	1200		119,357						
1.5 Starter Homes	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.5.1 Flats (N/A)	0	55	0	£4,040	£0	Jul-17	Feb-30	151.00	
1.5.2 2 bed house	0	82	0	£3,680	£0	Jul-17	Feb-30	151.00	
1.5.3 3 bed house	0	102	0	£3,680	£0	Jul-17	Feb-30	151.00	
1.5.4 4+ bed house	0	129	0	£3,680	£0	Jul-17	Feb-30	151.00	
1.2 Social rent	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.2.1 Flats (N/A)	0	55	0	£2,020	£0	Jul-17	Feb-30	151.00	
1.2.2 2 bed house	0	82	0	£1,840	£0	Jul-17	Feb-30	151.00	
1.2.3 3 bed house	0	102	0	£1,840	£0	Jul-17	Feb-30	151.00	
1.2.4 4+ bed house	0	129	0	£1,840	£0	Jul-17	Feb-30	151.00	
1.3 Affordable rent	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.3.1 Flats (N/A)	0	55	0	£2,020	£0	Jul-17	Feb-30	151.00	
1.3.2 2 bed house	392	82	32,124	£2,300	£73,888,120	Jul-17	Feb-30	151.00	
1.3.3 3 bed house	140	102	14,322	£2,300	£32,940,600	Jul-17	Feb-30	151.00	
1.3.4 4+ bed house	28	129	3,607	£2,300	£8,296,151	Jul-17	Feb-30	151.00	
	560		50,053						
1.4 Intermediate	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.4.1 Flats (N/A)	0	55	0	£3,535	£0	Jul-17	Feb-30	151.00	
1.4.2 2 bed house	168	82	13,768	£3,220	£44,531,672	Jul-17	Feb-30	151.00	
1.4.3 3 bed house	60	102	6,138	£3,220	£19,754,960	Jul-17	Feb-30	151.00	
1.4.4 4+ bed house	12	129	1,546	£3,220	£4,977,661	Jul-17	Feb-30	151.00	
	240		21,451						
Gross Development value					£733,240,327				

2.0 Developer's Profit							
2.1 Private units	20.0%	on OM GDV		£109,808,747	Feb-30	Mar-30	1.00
2.1 Starter Home	10.0%	on Starter Home value		£0	Feb-30	Mar-30	1.00
2.2 Affordable units	6%	on AH transfer values		£11,051,798	Feb-30	Mar-30	1.00
Total Developer's Profit				£120,860,542			

3.0 Development Costs							
3.1 Sale cost							
3.1.1 Private units only	3.90%	on OM GDV		£18,471,312	Jul-17	Feb-30	151.00
Total				£18,471,312			

3.2 Build Costs							
3.2.1 Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs		
3.2.1.1 Flats (G/A)	0	63	0	£1,371	£0	Jan-17	Aug-29
3.2.1.2 2 bed house	480	82	39,336	£1,168	£45,944,448.00	Jan-17	Aug-29
3.2.1.3 3 bed house	480	102	49,104	£1,168	£57,353,472.00	Jan-17	Aug-29
3.2.1.4 4+ bed house	240	129	30,917	£1,168	£36,111,445.60	Jan-17	Aug-29
	1200		119,357				
3.2.2 Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs		
3.2.2.1 Flats (G/A)	0	63	0	£1,371	£0	Jan-17	Aug-29
3.2.2.2 2 bed house	560	82	45,952	£1,168	£53,601,856	Jan-17	Aug-29
3.2.2.3 3 bed house	200	102	20,400	£1,168	£23,367,360	Jan-17	Aug-29
3.2.2.4 4+ bed house	40	129	5,153	£1,168	£8,018,574	Jan-17	Aug-29
	800		71,505				
CAT2 & CAT3 Costs	Policy Req.	Additional floorspace	Cost per additional floorspace				
3.2.3 CAT2 Additional floorspace (Open market)	10%	180	£1,168	£210,240	Jan-17	Aug-29	151.00
3.2.3 CAT2 Additional floorspace (Affordable)	10%	113	£1,168	£131,176	Jan-17	Aug-29	151.00
3.2.3 CAT3 Additional floorspace (Open market)	5%	1,424	£1,168	£1,663,388	Jan-17	Aug-29	151.00
3.2.3 CAT3 Additional floorspace (Affordable)	5%	915	£1,168	£1,068,435	Jan-17	Aug-29	151.00
3.2.3 CAT2 cost per house	10%	200	£521	£104,200	Jan-17	Aug-29	151.00
3.2.3 CAT2 cost per flat	10%		£924	£0	Jan-17	Aug-29	151.00
3.2.3 CAT3 cost per house	5%	100	£22,694	£2,269,400	Jan-17	Aug-29	151.00
3.2.3 CAT3 cost per flat	5%		£7,906	£0	Jan-17	Aug-29	151.00
Total build costs	2,000				£228,374,488		

3.3 Extra over construction costs							
3.3.1 External	10%	extra-over on build cost		£22,837,448	Jan-17	Aug-29	151.00
3.3.2 Site abnormalities (remediation/demolition)	£0	per net ha		£0	Jan-17	Apr-23	75.00
3.3.3 Site opening up costs	£10,000	per unit		£20,000,000	Jan-17	Apr-23	75.00
3.3.4 Identified strategic site opening up cost				£77,770,000	Jan-17	Apr-23	75.00
Total extra over construction costs				£120,607,448			

3.4 Professional Fees							
3.4.1 on build costs (incl. external)	10%			£34,898,194	Jan-17	Aug-29	151.00
Total professional fees				£34,898,194			

3.5 Contingency							
3.5.1 on build costs (incl. external)	5%			£17,449,097	Jan-17	Aug-29	151.00
Total contingency				£17,449,097			

3.6 Developer contributions							
3.6.1 G and T contribution	£150,000	per pitch		£1,200,000	Jan-17	Aug-29	151.00
3.6.2 Policy D2 - 20% carbon reduction	3.1%	on total build costs (incl. extra-over, p.f.s and contingency)		£12,601,738	Jan-17	Aug-29	151.00
3.6.4 S106/S278/AH contribution	£8,000	per unit		£16,000,000	Jan-17	Apr-23	75.00
3.6.5 SANGS & SAMM				£1,808,000	Jan-17	Aug-29	151.00
Total developer contributions				£31,609,738			
TOTAL DEVELOPMENT COSTS				£449,410,277			

4.0 Site Acquisition							
4.1 Net site value (residual land value)				£122,929,981	Jan-17	Apr-23	75.00
4.2 Stamp Duty				£0	Jan-17	Apr-23	75.00
4.3 Purchaser costs	1.75%	on land costs		£2,151,275	Jan-17	Apr-23	75.00
Total site costs				£125,081,256			
TOTAL PROJECT COSTS (EXCLUDING INTEREST)				£701,488,085			
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)				£31,752,242			

5.0 Finance Costs								
5.1 Finance	APR 6.00%	on net costs	PCM 0.487%	£31,752,242	Opening Balance	Interest	Net Cashflow in month	Closing Balance
TOTAL PROJECT COSTS (INCLUDING INTEREST)				£733,240,327				

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Blackwell Farm (S) Guildford		1,800 Units		Residual Value		TIMING			
ITEM	Net area (ha)	Private	Affordable	Starter Homes	Social rent	Affordable reintermediate	Start	Finish	Months (nr)
	42.8	Greenfield	Blackwell Farm (Strategic)	£2,245,031	per net ha				
		1080.00	720.00	0.00	0.00	504.00	216.00		
1.0	Development Value								
1.1	Private units	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value			
1.1.1	Flats (N/A)	0	55	0	£5,050	£0	Jul-17	May-29	142.00
1.1.2	2 bed house	432	82	35,402	£4,600	£162,851,040	Jul-17	May-29	142.00
1.1.3	3 bed house	432	102	44,194	£4,600	£203,290,560	Jul-17	May-29	142.00
1.1.4	4+ bed house	216	129	27,826	£4,600	£127,957,760	Jul-17	May-29	142.00
		1080		107,422					
1.5	Starter Homes	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value			
1.5.1	Flats (N/A)	0	55	0	£4,040	£0	Jul-17	May-29	142.00
1.5.2	2 bed house	0	82	0	£3,680	£0	Jul-17	May-29	142.00
1.5.3	3 bed house	0	102	0	£3,680	£0	Jul-17	May-29	142.00
1.5.4	4+ bed house	0	129	0	£3,680	£0	Jul-17	May-29	142.00
1.2	Social rent	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value			
1.2.1	Flats (N/A)	0	55	0	£2,020	£0	Jul-17	May-29	142.00
1.2.2	2 bed house	0	82	0	£1,840	£0	Jul-17	May-29	142.00
1.2.3	3 bed house	0	102	0	£1,840	£0	Jul-17	May-29	142.00
1.2.4	4+ bed house	0	129	0	£1,840	£0	Jul-17	May-29	142.00
1.3	Affordable rent	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value			
1.3.1	Flats (N/A)	0	55	0	£2,020	£0	Jul-17	May-29	142.00
1.3.2	2 bed house	353	82	28,912	£2,300	£66,457,536	Jul-17	May-29	142.00
1.3.3	3 bed house	126	102	12,890	£2,300	£29,646,540	Jul-17	May-29	142.00
1.3.4	4+ bed house	55	129	3,246	£2,300	£7,466,536	Jul-17	May-29	142.00
		504		45,048					
1.4	Intermediate	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value			
1.4.1	Flats (N/A)	0	55	0	£3,535	£0	Jul-17	May-29	142.00
1.4.2	2 bed house	151	82	12,391	£3,220	£39,898,005	Jul-17	May-29	142.00
1.4.3	3 bed house	54	102	5,504	£3,220	£17,787,664	Jul-17	May-29	142.00
1.4.4	4+ bed house	11	129	1,391	£3,220	£4,479,922	Jul-17	May-29	142.00
		216		19,306					
		-		-					
	Gross Development value					£659,916,294			
2.0	Developer's Profit								
2.1	Private units		20.0%	on OM GDV		£98,827,872	May-29	Jun-29	1.00
2.1	Starter Home		10.0%	on Starter Home value		£0	May-29	Jun-29	1.00
2.2	Affordable units		6%	on AH transfer values		£9,946,618	May-29	Jun-29	1.00
	Total Developer's Profit					£108,774,488			
3.0	Development Costs								
3.1	Sale cost								
3.1.1	Private units only		3.99%	on OM GDV		£14,824,181	Jul-17	May-29	142.00
						£14,824,181			
3.2	Build Costs								
3.2.1	Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs			
3.2.1.1	Flats (G/A)	0	63	0	£1,371	£0	Jan-17	Nov-28	142.00
3.2.1.2	2 bed house	432	82	35,402	£1,168	£41,350,033.20	Jan-17	Nov-28	142.00
3.2.1.3	3 bed house	432	102	44,194	£1,168	£51,618,124.80	Jan-17	Nov-28	142.00
3.2.1.4	4+ bed house	216	129	27,826	£1,168	£32,500,301.60	Jan-17	Nov-28	142.00
		1080		107,422					
3.2.2	Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs			
3.2.2.1	Flats (G/A)	0	63	0	£1,371	£0	Jan-17	Nov-28	142.00
3.2.2.2	2 bed house	504	82	41,303	£1,168	£48,241,670	Jan-17	Nov-28	142.00
3.2.2.3	3 bed house	180	102	18,414	£1,168	£21,527,552	Jan-17	Nov-28	142.00
3.2.2.4	4+ bed house	36	129	4,638	£1,168	£5,416,717	Jan-17	Nov-28	142.00
		720		64,354					
3.2.3	CAT2 & CAT3 Costs	Policy Req.	Additional floorspace	Cost per additional floorspace					
3.2.3.1	CAT2 Additional floorspace (Open market)	10%	182	£1,168	£210,216	Jan-17	Nov-28	142.00	
3.2.3.2	CAT2 Additional floorspace (Affordable)	10%	102	£1,168	£119,136	Jan-17	Nov-28	142.00	
3.2.3.3	CAT3 Additional floorspace (Open market)	5%	1,282	£1,168	£1,497,049	Jan-17	Nov-28	142.00	
3.2.3.4	CAT3 Additional floorspace (Affordable)	5%	823	£1,168	£961,591	Jan-17	Nov-28	142.00	
3.2.3.5	CAT2 cost per house	Policy Req.	Number of units	cost per unit					
3.2.3.5.1	CAT2 cost per house	10%	180	£521	£93,780	Jan-17	Nov-28	142.00	
3.2.3.5.2	CAT2 cost per flat	10%	-	£924	£0	Jan-17	Nov-28	142.00	
3.2.3.5.3	CAT3 cost per house	5%	90	£22,694	£2,042,460	Jan-17	Nov-28	142.00	
3.2.3.5.4	CAT3 cost per flat	5%	-	£7,906	£0	Jan-17	Nov-28	142.00	
	Total build costs	1,800				£265,537,039			
3.3	Extra over construction costs								
3.3.1	Externals		10%	extra-over on build cost		£20,553,704	Jan-17	Nov-28	142.00
3.3.2	Site abnormalities (remediation/demolition)		£0	per net ha		£0	Jan-17	Dec-22	71.00
3.3.3	Site opening up costs		£10,000	per unit		£18,000,000	Jan-17	Dec-22	71.00
3.3.4	Identified strategic site opening up cost					£75,500,000	Jan-17	Dec-22	71.00
	Total extra over construction costs					£114,053,704			
3.4	Professional Fees								
3.4.1	on build costs (incl. externals)		10%			£31,959,074	Jan-17	Nov-28	142.00
	Total professional fees					£31,959,074			
3.5	Contingency								
3.5.1	on build costs (incl. externals)		5%			£15,979,537	Jan-17	Nov-28	142.00
	Total contingency					£15,979,537			
3.6	Developer contributions								
3.6.1	G and T contribution		£150,000	per pitch		£900,000	Jan-17	Nov-28	142.00
3.6.2	Policy D2 - 20% carbon reduction		3.1%	on total build costs (incl. extra-over, p.f.s and contingency)		£11,540,422	Jan-17	Nov-28	142.00
3.6.4	S106/S278/AH contribution		£8,000	per unit		£14,400,000	Jan-17	Dec-22	71.00
3.6.5	SANGS & SAMM					£13,500,000	Jan-17	Nov-28	142.00
	Total developer contributions					£40,340,422			
	TOTAL DEVELOPMENT COSTS					£422,693,957			
4.0	Site Acquisition								
4.1	Net site value (residual land value)					£96,138,033	Jan-17	Dec-22	71.00
4.2	Stamp Duty					£3,796,402	Jan-17	Dec-22	71.00
4.3	Purchaser costs		1.75%	on land costs		£1,682,416	Jan-17	Dec-22	71.00
	Total site costs					£102,616,850			
	TOTAL PROJECT COSTS (EXCLUDING INTEREST)					£534,065,296			
	TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)					£25,830,999			
5.0	Finance Costs								
5.1	Finance		APR 6.00%	on net costs		PCM 0.487%			Opening Balance
						£25,830,999			Interest
									Net Cashflow in month
									Closing Balance
	TOTAL PROJECT COSTS (INCLUDING INTEREST)					£559,916,294			

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Former Wisley All North East Rural										2,000 Units			
ITEM	Residual Value										TIMING		
Net area (ha)	47.95	Mixed	Former Wisley Allfield (Site)		£2,396,428		per net ha						
Nr of units	Private	Affordable	Starter Homes	Social rent	Affordable rer	Intermediate			Start	Finish	Months (nr)		
	1200.00	800.00	0.00	0.00	560.00	240.00							
1.0 Development Value													
1.1	Private units	No. of units	Size sq.m	Total sq.m	£psm	Total Value							
1.1.1	Flats (N/A)	0	55	0	£5,100	£0			Jul-17	Feb-30	151.00		
1.1.2	2 bed house	480	82	39,336	£4,690	£184,485,840			Jul-17	Feb-30	151.00		
1.1.3	3 bed house	480	102	49,104	£4,690	£229,287,792			Jul-17	Feb-30	151.00		
1.1.4	4+ bed house	240	129	30,917	£4,690	£145,002,253			Jul-17	Feb-30	151.00		
		1200		119,357									
1.5	Starter Homes	No. of units	Size sq.m	Total sq.m	£psm	Total Value							
1.5.1	Flats (N/A)	0	55	0	£4,080	£0			Jul-17	Feb-30	151.00		
1.5.2	2 bed house	0	82	0	£3,752	£0			Jul-17	Feb-30	151.00		
1.5.3	3 bed house	0	102	0	£3,752	£0			Jul-17	Feb-30	151.00		
1.5.4	4+ bed house	0	129	0	£3,752	£0			Jul-17	Feb-30	151.00		
1.2	Social rent	No. of units	Size sq.m	Total sq.m	£psm	Total Value							
1.2.1	Flats (N/A)	0	55	0	£2,040	£0			Jul-17	Feb-30	151.00		
1.2.2	2 bed house	0	82	0	£1,876	£0			Jul-17	Feb-30	151.00		
1.2.3	3 bed house	0	102	0	£1,876	£0			Jul-17	Feb-30	151.00		
1.2.4	4+ bed house	0	129	0	£1,876	£0			Jul-17	Feb-30	151.00		
		0											
1.3	Affordable rent	No. of units	Size sq.m	Total sq.m	£psm	Total Value							
1.3.1	Flats (N/A)	0	55	0	£2,550	£0			Jul-17	Feb-30	151.00		
1.3.2	2 bed house	392	82	32,124	£2,345	£75,331,718			Jul-17	Feb-30	151.00		
1.3.3	3 bed house	140	102	14,322	£2,345	£33,585,080			Jul-17	Feb-30	151.00		
1.3.4	4+ bed house	28	129	3,607	£2,345	£8,459,467			Jul-17	Feb-30	151.00		
		560		50,053									
1.4	Intermediate	No. of units	Size sq.m	Total sq.m	£psm	Total Value							
1.4.1	Flats (N/A)	0	55	0	£3,570	£0			Jul-17	Feb-30	151.00		
1.4.2	2 bed house	168	82	13,768	£3,283	£45,189,031			Jul-17	Feb-30	151.00		
1.4.3	3 bed house	60	102	6,138	£3,283	£20,151,054			Jul-17	Feb-30	151.00		
1.4.4	4+ bed house	12	129	1,546	£3,283	£5,075,060			Jul-17	Feb-30	151.00		
		240		21,451									
		-		-									
Gross Development value										£747,586,334			
2.0 Developer's Profit													
2.1	Private units	20.0%		on OM GDV		£111,957,179		Feb-30		Mar-30		1.00	
2.1	Starter Home	10.0%		on Starter Home value		£0		Feb-30		Mar-30		1.00	
2.2	Affordable units	6%		on AH transfer values		£11,268,026		Feb-30		Mar-30		1.00	
Total Developer's Profit										£123,225,205			
3.0 Development Costs													
3.1 Sale cost													
3.1.1	Private units only	3.99%		on OM GDV		£16,793,577		Jul-17		Feb-30		151.00	
Total										£16,793,577			
3.2 Build Costs													
3.2.1	Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs							
3.2.1.1	Flats (G/A)	0	63	0	£1,371	£0			Jan-17	Aug-29	151.00		
3.2.1.2	2 bed house	480	82	39,336	£1,168	£45,944,448.00			Jan-17	Aug-29	151.00		
3.2.1.3	3 bed house	480	102	49,104	£1,168	£57,353,472.00			Jan-17	Aug-29	151.00		
3.2.1.4	4+ bed house	240	129	30,917	£1,168	£36,111,445			Jan-17	Aug-29	151.00		
		1200		119,357									
3.2.2	Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs							
3.2.2.1	Flats (G/A)	0	63	0	£1,371	£0			Jan-17	Aug-29	151.00		
3.2.2.2	2 bed house	560	82	45,952	£1,168	£53,601,856			Jan-17	Aug-29	151.00		
3.2.2.3	3 bed house	200	102	20,400	£1,168	£23,837,280			Jan-17	Aug-29	151.00		
3.2.2.4	4+ bed house	40	129	5,153	£1,168	£6,018,574			Jan-17	Aug-29	151.00		
		800		71,505									
3.2.3	CAT2 & CAT3 Costs	Policy Req.	Additional floorspace	Cost per additional floorspace									
3.2.3	CAT2 Additional floorspace (Open market)	10%	180	£1,168		£210,240			Jan-17	Aug-29	151.00		
3.2.3	CAT2 Additional floorspace (Affordable)	10%	113	£1,168		£131,756			Jan-17	Aug-29	151.00		
3.2.3	CAT3 Additional floorspace (Open market)	5%	1,424	£1,168		£1,663,388			Jan-17	Aug-29	151.00		
3.2.3	CAT3 Additional floorspace (Affordable)	5%	915	£1,168		£1,068,435			Jan-17	Aug-29	151.00		
3.2.3	CAT2 cost per house	Policy Req.	Number of units	cost per unit									
3.2.3	CAT2 cost per house	10%	200	£521		£104,200			Jan-17	Aug-29	151.00		
3.2.3	CAT2 cost per flat	10%		£924		£0			Jan-17	Aug-29	151.00		
3.2.3	CAT3 cost per house	5%	100	£22,694		£2,269,400			Jan-17	Aug-29	151.00		
3.2.3	CAT3 cost per flat	5%	-	£7,906		£0			Jan-17	Aug-29	151.00		
Total build costs										£228,374,488			
3.3 Extra over construction costs													
3.3.1	Externals	10%		extra-over on build cost		£22,837,448		Jan-17		Aug-29		151.00	
3.3.2	Site abnormalities (remediation/demolition)	£150,000		per net ha		£7,192,500		Jan-17		Apr-23		75.00	
3.3.3	Site opening up costs					£63,600,000		Jan-17		Apr-23		75.00	
3.3.4	Identified strategic site opening up cost					£33,350,000		Jan-17		Apr-23		75.00	
Total extra over construction costs										£126,979,948			
3.4 Professional Fees													
3.4.1	on build costs (incl. externals)	10%				£36,536,444		Jan-17		Aug-29		151.00	
Total professional fees										£36,536,444			
3.5 Contingency													
3.5.1	on build costs (incl. externals)	5%				£17,767,722		Jan-17		Aug-29		151.00	
Total contingency										£17,767,722			
3.6 Developer contributions													
3.6.1	G and T contribution	£150,000		per pitch		£1,200,000		Jan-17		Aug-29		151.00	
3.6.2	Policy D2 - 20% carbon reduction	3.1%		on total build costs (incl. extra-over, p.f.s and contingency)		£12,631,640		Jan-17		Aug-29		151.00	
3.6.4	S106/S278/AH contribution	£8,000		per unit		£16,000,000		Jan-17		Apr-23		75.00	
3.6.5	SANGS & SAMM					£15,000,000		Jan-17		Aug-29		151.00	
Total developer contributions										£45,031,648			
TOTAL DEVELOPMENT COSTS										£470,483,028			
4.0 Site Acquisition													
4.1	Net site value (residual land value)					£114,908,745		Jan-17		Apr-23		75.00	
4.2	Stamp Duty					£0		Jan-17		Apr-23		75.00	
4.3	Purchaser costs	1.75%		on land costs		£2,010,903		Jan-17		Apr-23		75.00	
Total site costs										£122,654,588			
TOTAL PROJECT COSTS (EXCLUDING INTEREST)										£716,362,618			
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)										£31,223,516			
5.0 Finance Costs													
5.1	Finance	APR	6.00%	on net costs		PCM	0.487%	-		-		Opening Balance Interest Net Cashflow in month Closing Balance	
TOTAL PROJECT COSTS (INCLUDING INTEREST)										£747,586,334			

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Slyfield (Strategic Guildford)		1,500 Units		Residual Value		TIMING			
ITEM	Private	Affordable	Starter Homes	Social rent	Affordable rer	Intermediate	Start	Finish	Months (nr)
Net area (ha)	22.28	Brownfield	Slyfield (Strategic)Site	£1,597,488 per net ha					
Nr of units	900.00	600.00	0.00	0.00	420.00	180.00			
1.0 Development Value									
1.1 Private units	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.1.1	0	55	0	£5,050	£0		Jul-17	Mar-28	128.00
1.1.2	360	82	29,502	£4,600	£135,709,200		Jul-17	Mar-28	128.00
1.1.3	360	102	36,828	£4,600	£169,498,800		Jul-17	Mar-28	128.00
1.1.4	180	129	23,188	£4,600	£106,654,800		Jul-17	Mar-28	128.00
	900		89,518						
1.5 Starter Homes	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.5.1	0	55	0	£4,040	£0		Jul-17	Mar-28	128.00
1.5.2	0	82	0	£3,680	£0		Jul-17	Mar-28	128.00
1.5.3	0	102	0	£3,680	£0		Jul-17	Mar-28	128.00
1.5.4	0	129	0	£3,680	£0		Jul-17	Mar-28	128.00
1.2 Social rent	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.2.1	0	55	0	£2,020	£0		Jul-17	Mar-28	128.00
1.2.2	0	82	0	£1,840	£0		Jul-17	Mar-28	128.00
1.2.3	0	102	0	£1,840	£0		Jul-17	Mar-28	128.00
1.2.4	0	129	0	£1,840	£0		Jul-17	Mar-28	128.00
1.3 Affordable rent	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.3.1	0	55	0	£2,020	£0		Jul-17	Mar-28	128.00
1.3.2	294	82	24,093	£2,300	£65,414,590		Jul-17	Mar-28	128.00
1.3.3	105	102	10,742	£2,300	£24,705,450		Jul-17	Mar-28	128.00
1.3.4	21	129	2,705	£2,300	£3,222,113		Jul-17	Mar-28	128.00
	420		37,540						
1.4 Intermediate	No. of units	Size sq.m	Total sq.m	£ps/m	Total Value				
1.4.1	0	55	0	£3,535	£0		Jul-17	Mar-28	128.00
1.4.2	126	82	10,306	£3,220	£40,788,752		Jul-17	Mar-28	128.00
1.4.3	45	102	4,604	£3,220	£14,633,770		Jul-17	Mar-28	128.00
1.4.4	9	129	1,159	£3,220	£3,733,268		Jul-17	Mar-28	128.00
	180		16,069						
Gross Development value					£549,930,245				
2.0 Developer's Profit									
2.1 Private units		20.0%	on OM GDV		£92,356,560		Mar-28	Apr-28	1.00
2.1 Starter Home		10.0%	on Starter Home value		£0		Mar-28	Apr-28	1.00
2.2 Affordable units		6%	on AH transfer values		£8,288,847		Mar-28	Apr-28	1.00
Total Developer's Profit					£90,645,407				
3.0 Development Costs									
3.1 Sale cost									
3.1.1 Private units only		3.90%	on OM GDV		£12,353,484		Jul-17	Mar-28	128.00
					£12,353,484				
3.2 Build Costs									
3.2.1 Private units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs				
3.2.1.1	0	63	0	£1,371	£0		Jan-17	Aug-27	127.00
3.2.1.2	360	82	29,502	£1,188	£42,458,376		Jan-17	Aug-27	127.00
3.2.1.3	360	102	36,828	£1,188	£43,015,104		Jan-17	Aug-27	127.00
3.2.1.4	180	129	23,188	£1,188	£27,063,560		Jan-17	Aug-27	127.00
	900		89,518						
3.2.2 Affordable units	No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs				
3.2.2.1	0	63	0	£1,371	£0		Jan-17	Aug-27	127.00
3.2.2.2	420	82	34,419	£1,188	£40,201,392		Jan-17	Aug-27	127.00
3.2.2.3	150	102	15,345	£1,188	£17,822,850		Jan-17	Aug-27	127.00
3.2.2.4	30	129	3,865	£1,188	£4,513,951		Jan-17	Aug-27	127.00
	600		53,629						
CAT2 & CAT3 Costs									
3.2.3	Policy Req.	Additional floorspace	Cost per additional floorspace		£157,680		Jan-17	Aug-27	127.00
3.2.3	CAT2 Additional floorspace (Open market)	10%	135	£1,188	£160,813		Jan-17	Aug-27	127.00
3.2.3	CAT2 Additional floorspace (Affordable)	10%	85	£1,188	£100,980		Jan-17	Aug-27	127.00
3.2.3	CAT3 Additional floorspace (Open market)	5%	1,068	£1,188	£1,247,541		Jan-17	Aug-27	127.00
3.2.3	CAT3 Additional floorspace (Affordable)	5%	686	£1,188	£813,326		Jan-17	Aug-27	127.00
3.2.3	Policy Req.	Number of units	cost per unit		£78,150		Jan-17	Aug-27	127.00
3.2.3	CAT2 cost per house	10%	150	£521	£78,150		Jan-17	Aug-27	127.00
3.2.3	CAT2 cost per flat	10%	-	£924	£0		Jan-17	Aug-27	127.00
3.2.3	CAT3 cost per house	5%	75	£22,694	£1,702,050		Jan-17	Aug-27	127.00
3.2.3	CAT3 cost per flat	5%	-	£7,906	£0		Jan-17	Aug-27	127.00
Total build costs					£171,280,866				
3.3 Extra over construction costs									
3.3.1	Externals	10%	extra-over on build cost		£17,128,087		Jan-17	Aug-27	127.00
3.3.2	Site abnormalities (remediation/demolition)	£300,000	per net ha		£6,684,885		Jan-17	May-22	64.00
3.3.3	Site opening up costs				£95,000,000		Jan-17	May-22	64.00
3.3.4	Identified strategic site opening up cost				£27,500,000		Jan-17	May-22	64.00
Total extra over construction costs					£136,312,972				
3.4 Professional Fees									
3.4.1	on build costs (incl. externals)	10%			£30,759,384		Jan-17	Aug-27	127.00
Total professional fees					£30,759,384				
3.5 Contingency									
3.5.1	on build costs (incl. externals)	5%			£15,379,692		Jan-17	Aug-27	127.00
Total contingency					£15,379,692				
3.6 Developer contributions									
3.6.1	G and T contribution	£150,000	per pitch		£900,000		Jan-17	Aug-27	127.00
3.6.2	Policy D2 - 20% carbon reduction	3.1%	on total build costs (incl. extra-over, p.f.s and contingency)		£11,107,213		Jan-17	Aug-27	127.00
3.6.4	S106/S278/AH contribution	£8,000	per unit		£12,000,000		Jan-17	May-22	64.00
3.6.5	SANGS & SAMM				£11,250,000		Jan-17	Aug-27	127.00
Total developer contributions					£35,257,213				
TOTAL DEVELOPMENT COSTS					£401,343,611				
4.0 Site Acquisition									
4.1	Net site value (residual land value)				£35,596,737		Jan-17	May-22	64.00
4.2	Stamp Duty				£0		Jan-17	May-22	64.00
4.3	Purchaser costs	1.75%	on land costs		£322,943		Jan-17	May-22	64.00
Total site costs					£37,969,017				
TOTAL PROJECT COSTS (EXCLUDING INTEREST)					£529,978,035				
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)					£19,952,210				
5.0 Finance Costs									
5.1	Finance	APR 6.00%	on net costs	PCM 0.487%	£19,952,210				Opening Balance Interest Net Cashflow in month Closing Balance
TOTAL PROJECT COSTS (INCLUDING INTEREST)					£549,930,245				

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North Street redon Guildford 400 Units							Residual Value			TIMING		
ITEM							Residual Value					
Net area (ha)	2.149645041	Brownfield	North Street redevelopment	£5,298,462 per net ha								
Nr of units	Private	Affordable	Starter Homes	Social rent	Affordable rer	Intermediate				Start	Finish	Months (nr)
	240.00	160.00	0.00	0.00	112.00	48.00						
1.0 Development Value												
1.1	Private units			No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.1.1	Flats (N/A)			240	55	13,200	£5,050	£56,650,000			Jul-17	Aug-22
1.1.2	2 bed house			0	82	0	£4,600	£0			Jul-17	Aug-22
1.1.3	3 bed house			0	102	0	£4,600	£0			Jul-17	Aug-22
1.1.4	4+ bed house			0	129	0	£4,600	£0			Jul-17	Aug-22
				240		13,200						
1.5	Starter Homes			No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.5.1	Flats (N/A)			0	55	0	£4,040	£0			Jul-17	Aug-22
1.5.2	2 bed house			0	82	0	£3,680	£0			Jul-17	Aug-22
1.5.3	3 bed house			0	102	0	£3,680	£0			Jul-17	Aug-22
1.5.4	4+ bed house			0	129	0	£3,680	£0			Jul-17	Aug-22
1.2	Social rent			No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.2.1	Flats (N/A)			0	55	0	£2,020	£0			Jul-17	Aug-22
1.2.2	2 bed house			0	82	0	£1,840	£0			Jul-17	Aug-22
1.2.3	3 bed house			0	102	0	£1,840	£0			Jul-17	Aug-22
1.2.4	4+ bed house			0	129	0	£1,840	£0			Jul-17	Aug-22
1.3	Affordable rent			No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.3.1	Flats (N/A)			112	55	6,160	£2,325	£13,554,000			Jul-17	Aug-22
1.3.2	2 bed house			0	82	0	£2,300	£0			Jul-17	Aug-22
1.3.3	3 bed house			0	102	0	£2,300	£0			Jul-17	Aug-22
1.3.4	4+ bed house			0	129	0	£2,300	£0			Jul-17	Aug-22
				112		6,160						
1.4	Intermediate			No. of units	Size sq.m	Total sq.m	£psm	Total Value				
1.4.1	Flats (N/A)			48	55	2,640	£3,535	£9,332,400			Jul-17	Aug-22
1.4.2	2 bed house			0	82	0	£3,220	£0			Jul-17	Aug-22
1.4.3	3 bed house			0	102	0	£3,220	£0			Jul-17	Aug-22
1.4.4	4+ bed house			0	129	0	£3,220	£0			Jul-17	Aug-22
				48		2,640						
Gross Development value							£91,546,400					
2.0 Developer's Profit												
2.1	Private units			20.0%	on OM GDV			£13,332,000			Aug-22	Sep-22
2.1	Starter Home			10.0%	on Starter Home value			£0			Aug-22	Sep-22
2.2	Affordable units			6%	on AH transfer values			£1,453,184			Aug-22	Sep-22
Total Developer's Profit							£14,825,184					
3.0 Development Costs												
3.1 Sale cost												
3.1.1	Private units only			3.99%	on OM GDV			£1,999,800			Jul-17	Aug-22
							£1,999,800					
3.2 Build Costs												
3.2.1	Private units			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs				
3.2.1.1	Flats (G/A)			240	63	15,180	£1,371	£20,811,780			Jan-17	Feb-22
3.2.1.2	2 bed house			0	82	0	£1,168	£0			Jan-17	Feb-22
3.2.1.3	3 bed house			0	102	0	£1,168	£0			Jan-17	Feb-22
3.2.1.4	4+ bed house			0	129	0	£1,168	£0			Jan-17	Feb-22
				240		15,180						
3.2.2	Affordable units			No. of units	Size sq.m	Total sq.m	Cost per sq.m	Total Costs				
3.2.2.1	Flats (G/A)			160	63	10,120	£1,371	£13,874,520			Jan-17	Feb-22
3.2.2.2	2 bed house			0	82	0	£1,168	£0			Jan-17	Feb-22
3.2.2.3	3 bed house			0	102	0	£1,168	£0			Jan-17	Feb-22
3.2.2.4	4+ bed house			0	129	0	£1,168	£0			Jan-17	Feb-22
				160		10,120						
CAT2 & CAT3 Costs												
3.2.3	CAT2 Additional floorspace (Open market)			Policy Req.	Additional floorspace	Cost per additional floorspace		£172,746			Jan-17	Feb-22
3.2.3	CAT2 Additional floorspace (Affordable)			10%	84	£1,371		£115,164			Jan-17	Feb-22
3.2.3	CAT3 Additional floorspace (Open market)			5%	81	£1,371		£111,061			Jan-17	Feb-22
3.2.3	CAT3 Additional floorspace (Affordable)			5%	54	£1,371		£74,038			Jan-17	Feb-22
3.2.3	CAT2 cost per house			Policy Req.	Number of units	cost per unit		£521			Jan-17	Feb-22
3.2.3	CAT2 cost per flat			10%	-	£924		£36,960			Jan-17	Feb-22
3.2.3	CAT3 cost per house			5%	-	£22,694		£9,076			Jan-17	Feb-22
3.2.3	CAT3 cost per flat			5%	-	£7,906		£316,240			Jan-17	Feb-22
Total build costs							400			£34,936,675		
3.3 Extra over construction costs												
3.3.1	Externals			10%	extra-over on build cost			£3,453,868			Jan-17	Feb-22
3.3.2	Site abnormalities (remediation/demolition)			£300,000	per net ha			£644,594			Jan-17	Jul-19
3.3.3	Site opening up costs			£0	per unit			£0			Jan-17	Jul-19
3.3.4	Identified strategic site opening up cost							£7,500,000			Jan-17	Jul-19
Total extra over construction costs										£11,638,261		
3.4 Professional Fees												
3.4.1	on build costs (incl. externals)			10%				£4,657,494			Jan-17	Feb-22
Total professional fees										£4,657,494		
3.5 Contingency												
3.5.1	on build costs (incl. externals)			5%				£2,328,747			Jan-17	Feb-22
Total contingency										£2,328,747		
3.6 Developer contributions												
3.6.1	G and T contribution			£150,000	per pitch			£0			Jan-17	Feb-22
3.6.2	Policy D2 - 20% carbon reduction			3.1%	on total build costs (incl. extra-over, p.f.s and contingency)			£1,691,621			Jan-17	Feb-22
3.6.4	S106/S278/AH contribution			£8,000	per unit			£3,200,000			Jan-17	Jul-19
3.6.5	SANGS & SAMM							£1,880,000			Jan-17	Feb-22
Total developer contributions										£6,761,621		
TOTAL DEVELOPMENT COSTS										£62,322,797		
4.0 Site Acquisition												
4.1	Net site value (residual land value)							£11,384,514			Jan-17	Jul-19
4.2	Stamp Duty							£0			Jan-17	Jul-19
4.3	Purchaser costs			1.75%	on land costs			£199,223			Jan-17	Jul-19
Total site costs										£12,142,469		
TOTAL PROJECT COSTS (EXCLUDING INTEREST)										£89,290,450		
TOTAL INCOME - TOTAL COSTS (EXCLUDING INTEREST)										£2,255,950		
5.0 Finance Costs												
5.1	Finance			APR	6.00%	on net costs	PCM	0.487%	-			Opening Balance
										Interest		
										Net Cashflow in month		
										Closing Balance		
TOTAL PROJECT COSTS (INCLUDING INTEREST)										£91,546,400		

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