

Viability Report

Local Plan Viability Study



Isle of Wight Council

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- Appendix 3 – Land Market Review
- Appendix 4 – Residential Market Paper
- Appendix 5 – BCIS Build Costs
- Appendix 6 – Residential Development Appraisals

Executive Summary

- ES 1 AspinallVerdi has been appointed by Isle of Wight Council (IoWC, the Council, the Local Planning Authority (LPA) as the context requires) to provide a Financial Viability Assessment (FVA) in respect of the Council's draft Island Planning Strategy (IPS) (2021).
- ES 2 This study is an update of the earlier viability work undertaken to inform the draft Island Planning Strategy (2018) which is available on the Council's website.
- ES 3 The primary aim of this update is to produce an up-to-date viability assessment taking into account changes in both planning policy but also the property market. The report will form a robust and sound evidence base for the IPS to be adopted.
- ES 4 In carrying out our review of the IPS, we have had regard to the cumulative impact on development of all planning policies. The assessment of development viability is based on a typology approach, enabling us to advise on affordable housing (in terms of quantum and mix) and levels of Section 106 that can be delivered, in the context of the emerging Plan.
- ES 5 To provide background context to this update, we summarise the conclusions from the 2018 study below – this focuses on each specific use that was tested.

Residential

- ES 6 In the 2018 study, the following conclusions were made:
- Greenfield typologies in higher value zones were viable at 35% affordable housing with £11,000 per dwelling of Section 106 contributions.
 - Brownfield typologies in higher value zones were generally viable at 35% affordable housing with up to £8,000 per dwelling of Section 106 contributions. It was only flatted typologies that were unviable at even 0% affordable housing.
 - Greenfield typologies in lower value zones were viable at 30-35% affordable housing.
 - Brownfield typologies in the lower value zone were generally viable at 35% affordable housing.
 - Rural Exception Sites (RES) required around 5% of units to be market housing to be viable with the full policy requirements. The market housing requirement may need to be up to 20% where there is flood mitigation required.
- ES 7 This updated study will re-test the viability of residential sites as a result of changes to site allocations, policies (at a national and local level) and ultimately, the market in terms of cost and value.

Specialist Residential

- ES 8 Both sheltered housing and extra care housing were unviable with the full policy requirement including 35% affordable housing.
- ES 9 Holiday let accommodation is only marginally viable at the full policy requirement and 35% affordable housing. The viability buffer was marginal and flexibility was recommended with regards to these typologies.
- ES 10 We have not re-tested these typologies and would continue to recommend adopting a flexible site-specific approach to older persons housing schemes and holiday accommodation.

Retail

- ES 11 In terms of retail uses, the 2018 study concluded that convenience retail was marginally viable, but it was highlighted that the appraisal and viability was very sensitive to value and cost. Comparison retail was unviable and it was recommended that for all retail development, the Council seeks mitigation on a case-by-case basis rather than through the introduction of a Community Infrastructure Levy.
- ES 12 We are not re-appraising the retail uses given that the viability of this type of development is likely to have declined. The retail market has continued to face challenges and this has been exacerbated by Covid-19. Our conclusions to seek mitigation on a site-by-site basis still remain.

Employment

- ES 13 In terms of employment uses, both office and industrial development were shown to be unviable in 2018 and therefore, the recommendation was made to be flexible with respect to how this type of development is delivered.
- ES 14 Whilst the national industrial market has improved since the time of our report, we know from experience elsewhere that the viability of industrial development can be challenging. Any pre-determined tax such as CIL is only likely to deter development. Mitigation should be sought on a site-by-site basis. Therefore, we have not re-appraised this use.

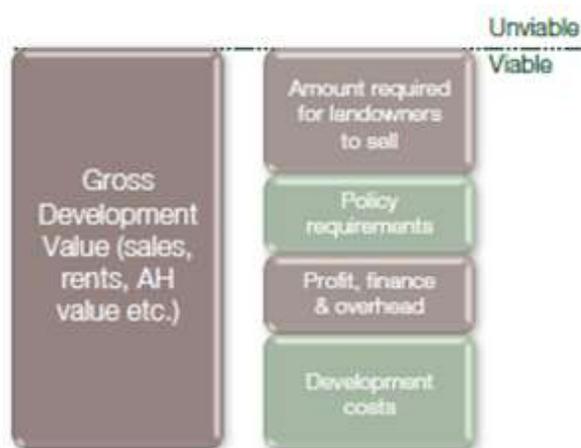
Approach

- ES 15 We have reviewed the new Island Planning Strategy (2021) in order to test the cumulative impact of these policies in the context of the Local Plan. Please see Appendix 1 which summarises our assessment of the policies.

ES 16 Through reviewing the new Plan and through our property market research, we have established a range of development typologies that we have financially appraised to assess the viability of the plan. The typologies are summarised at Appendix 2.

ES 17 The viability of the typologies has been assessed using a financial viability appraisal, having regard to primary legislation, planning policy, statutory requirements and professional guidance as set out in chapters 2-**Error! Reference source not found.** ES Figure 1 illustrates the elements required for a viability assessment.

ES Figure 1 – Elements Required for a Viability Assessment



Source: Local Housing Delivery Group, 2012¹

ES 18 Through our policy review, we have identified the policy requirements. Our property market research has focused on two elements of the above diagram:

- Land values – this informs the viability analysis by assessing whether the land value generated by policy compliant development is sufficient enough to incentivise landowners to sell land for development. This is referred to as a Benchmark Land Value (BLV), which is effectively the minimum price at which a landowner would typically sell land at. Our land value research is provided at Appendix 3.
- Gross Development Value (New-build residential sales values) – this informs the value assumptions made for market sale and affordable houses in our financial appraisals. This research is provided at Appendix 4.

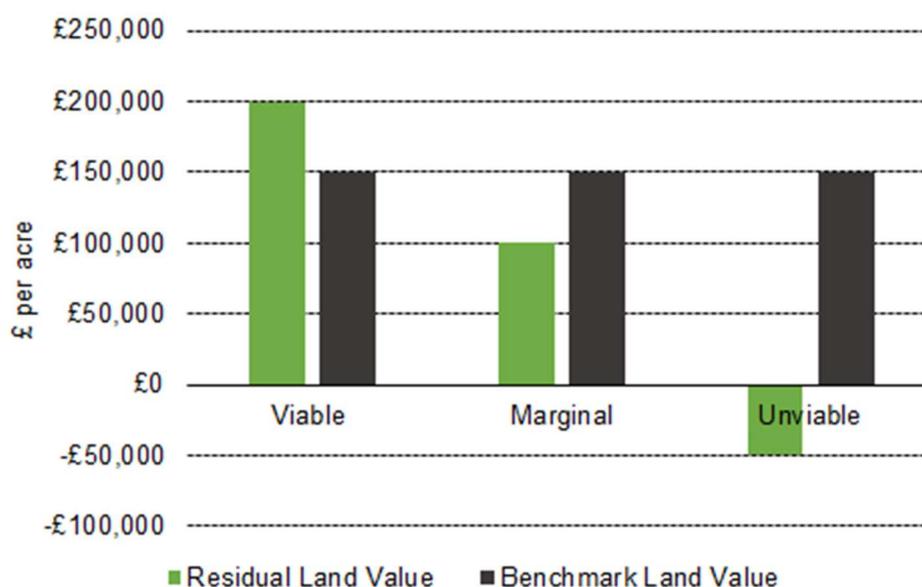
ES 19 To complete the components of ES Figure 1 – Elements Required for a Viability Assessment, our development cost assumptions, including profit, finance and overheads are set out in Chapter 0 of this report. They are based on a combination of assumptions utilising Build Cost Information

¹ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 25

Service (BCIS) (see **Error! Reference source not found.**), industry standard benchmarks and published guidance relating to costs associated with mitigating common planning policies or building regulations.

ES 20 The output of the financial appraisals (which are provided at Appendix 5) is a Residual Land Value (RLV). This is calculated by deducting the total development cost from the Gross Development Value (GDV). To assess the viability of each typology, the RLV is compared to the Benchmark Land Value (BLV) (which is based on our land value research aforementioned). The diagram below illustrates how we define the three main conclusions that we draw.

ES Figure 2 - Viability Assessment Methodology (for illustrative purposes)



Source: AspinallVerdi

Viability Conclusions

ES 21 ES Table 1 summarises the development typologies appraised and the viability conclusions on the basis of the affordable housing policy target shown and £6,000 per dwelling of non-affordable housing Section 106 contributions.

ES 22 All greenfield sites are viable across lower and higher value areas. The large strategic site typology on a mixed greenfield and brownfield site is shown as being marginally viable. As shown above, there is a positive land value generated but this is assumed to be insufficient to incentivise the land to be released for development. However, the strategic site is in public sector ownership meaning there is flexibility in the appraisal (land value and potentially profit) to make the scheme viable. There is also the opportunity for wider public sector investment to improve the viability of

the site. There is already an example of this, with the Department for Transport funding the St Marys Road scheme future proofing the main junction near HMP Camp Hill.

ES 23 Of the main residential typologies, only the development of apartment schemes on brownfield sites is being shown as unviable. This was also the case in our 2018 study and we provide further explanatory text in the main report around apartment development.

ES Table 1 - Viability Appraisal Conclusions

Ref	#Units	Typology	% Affordable	Result
A	10	Lower Value Zone - Greenfield	35%	Viable
B	10	Lower Value Zone - Brownfield	35%	Viable
C	20	Lower Value Zone - Greenfield	35%	Viable
D	20	Lower Value Zone - Brownfield	35%	Viable
E	50	Lower Value Zone - Greenfield	35%	Viable
F	50	Lower Value Zone - Brownfield	35%	Viable
G	100	Lower Value Zone - Greenfield	35%	Viable
H	100	Lower Value Zone - Brownfield	35%	Viable
I	200	Lower Value Zone - Greenfield	35%	Viable
J	200	Lower Value Zone - Brownfield	35%	Viable
K	500	Lower Value Zone - Greenfield	35%	Viable
L	1200	Lower Value Zone - Mixed	35%	Marginal
M	20	Higher Value Zone - Brownfield	35%	Viable
N	25	Higher Value Zone - Greenfield	35%	Viable
O	100	Higher Value Zone - Greenfield	35%	Viable
P	150	Higher Value Zone - Brownfield	35%	Viable
Q	150	Higher Value Zone – Brownfield (Apartments)	35%	Unviable
R	35	Island Wide – Brownfield (Apartments)	35%	Unviable
S	8	Island Wide – Rural Exception Site	100%	Viable (G)
T	8	Island Wide – First Homes Exception Site	100%	Viable (G)
U	25	Island Wide – First Homes Exception Site	100%	Viable (G)

Source: AspinallVerdi

Viability Recommendations

ES 24 Based on the assumptions set out in this report and the financial appraisals appended, we recommend that the Draft Island Planning Strategy is viable on the basis of 35% affordable housing with a 40% discount for First Homes.

- ES 25 This is subject to consultation with industry and we would recommend that as part of next steps the Council engages with key stakeholders. This process should request where considered necessary, clear evidence to help inform this process.
- ES 26 The exception to the rule on 35% affordable housing may be on brownfield regeneration sites in urban areas. Typologies including apartments were less viable and wholly apartment-led schemes were unviable. This does not mean apartment schemes are not viable on the Island because there are examples of new-build schemes being delivered. As we have demonstrated in our market report, there is a premium for apartments in waterfront locations and some sites will lend themselves to this typology. However, we would recommend that the Council takes a flexible approach to affordable housing policy on such sites to enable regeneration.
- ES 27 We recommend that, in accordance with best practice, the plan wide viability is reviewed on a regular basis to ensure that the Island Plan remains relevant as the property market cycle(s) change.
- ES 28 Furthermore, to facilitate the process of review, we recommend that the Council monitors the development appraisal parameters herein, but particularly data on land values across the Island.

Covid-19

- ES 29 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has had an impact on global financial markets. Travel restrictions have been in place and remain so across many countries. Market activity has been and continues to be impacted in many sectors; however, the exact consequences of the Covid-19 outbreak are unknown and we are faced with a more challenging set of circumstances on which to base a judgement.
- ES 30 There is therefore a higher degree of uncertainty than would normally be the case. We have conducted our market research based on the existing available evidence and our assumptions are based on a ‘business as normal’ approach. Our appraisals herein include sensitivity analysis on values on the down-side by 20%. This is to provide some futureproofing to the study. The assumptions used may be subject to change and we recommend that the conclusions of this report are kept under review.

1 Introduction

- 1.1 AspinallVerdi has been appointed by Isle of Wight Council (IoWC, the Council, the Local Planning Authority (LPA) as the context requires) to provide a Financial Viability Assessment (FVA) in respect of the Council's draft Island Planning Strategy (IPS) (2021).

Background

- 1.2 This study is an update of the earlier viability work undertaken to inform the draft Island Planning Strategy (2018) which is available on the Council's website.
- 1.3 The primary aim of this update is to produce an up-to-date viability assessment taking into account changes in both planning policy but also the property market. The report will form a robust and sound evidence base for the IPS to be adopted.
- 1.4 In carrying out our review of the IPS, we have had regard to the cumulative impact on development of all planning policies. The assessment of development viability is based on a typology approach, enabling us to advise on affordable housing (in terms of quantum and mix) and levels of Section 106 that can be delivered, in the context of the emerging Plan.
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Residential

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 - Rural Exception Sites (RES) required around 5% of units to be market housing to be viable with the full policy requirements. The market housing requirement may need to be up to 20% where there is flood mitigation required.
- 1.7 This updated study will re-test the viability of residential sites as a result of changes to site allocations, policies (at a national and local level) and ultimately, the market in terms of cost and value.

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Employment

- 1.13 In terms of employment uses, both office and industrial development were shown to be unviable in 2018 and therefore, the recommendation was made to be flexible with respect to how this type of development is delivered.
- 1.14 Whilst the national industrial market has improved since the time of our report, we know from experience elsewhere that the viability of industrial development can be challenging. Any pre-determined tax such as CIL is only likely to deter development. Mitigation should be sought on a site-by-site basis. We have not re-appraised this use.

RICS Practice Statement

- 1.15 Our FVA has been carried out in accordance with the RICS Financial Viability in Planning: Conduct and Reporting Practice Statement (1st Edition, May 2019).
- 1.16 Our FVA has also been carried out in accordance with the RICS Assessing viability in planning under the National Planning Policy Framework 2019 for England (March 2021) Guidance Note,

National Planning Policy Framework and the Viability Planning Practice Guidance. The RICS FVIP guidance is currently under review by an industry-wide steering group led by the RICS.

Objectivity, Impartiality and Reasonableness

- 1.17 We have carried out our review in collaboration with the Council as the local planning authority (LPA) and in consultation with industry (Registered Providers, developers and landowners). At all times we have acted with objectivity, impartially and without interference when carrying out our viability assessment and review.
- 1.18 At all stages of the viability process, we have advocated reasonable, transparent and appropriate engagement between the parties.

Conflicts of Interest

- 1.19 We confirm that we have no conflict of interest in providing this advice and we have acted independently and impartially.

Local Plan Reviewed

- 1.20 We have reviewed the Isle of Wight draft Island Planning Strategy 2021 in order to test the cumulative impact of these policies.

Structure

- 1.21 The remainder of this report is structured as follows:

Section:

Contents:

Section 2 - National Planning Context

This section sets out the statutory requirements for the Local Plan viability including the NPPF and PPG website.

Section 3 - Local Planning Context

This section sets out the details of the existing evidence base and the Island Planning Strategy policies which will have a direct impact on viability - the assumptions we have made to mitigate such policies are set out in Section 5 – Viability Assumptions.

Section 4 - Viability Assessment Method

This section describes our generic methodology for appraising the viability of development which is based on the residual approach as required by guidance and best practice. Please note the Benchmark Land Value (BLV) caveats for future site-specific appraisals.

Section:	Contents:
Sections 5 – Viability Assumptions	This section sets out the development typologies that are to be tested as part of the study. We also summarise the cost and value assumptions made in the financial appraisals. This section references separate papers on the residential market and land values which are appended to this report.
Section 6 –Viability Appraisal Results	In this section we present the findings of our financial appraisals.
Section 7 - Conclusions and Recommendations	Finally, we make our recommendations in respect of the Island Planning Strategy including affordable housing, non-affordable housing Section 106 contributions and other planning policy costs.

Covid-19 Uncertainty

- 1.22 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has had an impact on global financial markets. Travel restrictions have been in place and remain so across many countries. Market activity has been and continues to be impacted in many sectors; however, the exact consequences of the Covid-19 outbreak are unknown and we are faced with a more challenging set of circumstances on which to base a judgement.
- 1.23 There is therefore a higher degree of uncertainty than would normally be the case. We have conducted our market research based on the existing available evidence and our assumptions are based on a ‘business as normal’ approach. Our appraisals herein include sensitivity analysis on values on the down-side by 20%. This is to provide some futureproofing to the study. The assumptions used may be subject to change and we recommend that the conclusions of this report are kept under review.

2 National Policy Context

- 2.1 Our financial viability appraisal has been carried out having regard to the various statutory requirements comprising primary legislation, planning policy, statutory regulations and guidance.
- 2.2 The LPV study in 2018 was carried out under the National Planning Policy Framework (NPPF) published in 2012. The new NPPF and updated viability PPG was first published in July 2018 and updated in February 2019 (and the PPG again in May 2019). We set out some observations below.

National Planning Policy Framework

- 2.3 The NPPF confirms the Government's planning policies for England and how these should be applied and provides a framework within which locally-prepared plans for housing and other development can be produced².
- 2.4 It confirms the primacy of the development plan in determining planning applications. It confirms that the NPPF must be taken into account in preparing the development plan, and is a material consideration in planning decisions³.
- 2.5 It is important to note that within the new NPPF, paragraph 173 of the old NPPF has been deleted. The old paragraph 173 referred to viability and required '*competitive returns to a willing land owner and willing developer to enable the development to be deliverable*'.
- 2.6 The new NPPF refers increasingly to deliverability rather than viability as follows:

Development Contributions

- 2.7 Paragraph 34 states:

*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.*

Planning Conditions and Obligations

- 2.8 Paragraph 57 states:

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

² National Planning Policy Framework, February 2019, para 1

³ National Planning Policy Framework, February 2019, para 2

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.

- 2.9 We understand that the Government's objective is to reduce the delays to delivery of new housing due to the site-specific viability process that was created as a result of the previous paragraph 173. Once a new Local Plan is adopted no site-specific viability assessment should be required (except in exceptional circumstances) and developers should factor into their land buying decisions the cost of planning obligations (including affordable housing).
- 2.10 The NPPF restates the tests for planning obligations which are set out under the CIL Regulations 2010⁴, as follows:
- a) necessary to make the development acceptable in planning terms;
 - b) directly related to the development; and
 - c) fairly and reasonably related in scale and kind to the development.
- 2.11 Notwithstanding the latest changes to the CIL Regulations (2019) which do away with the requirements for a Regulation 123 list of infrastructure, these tests ensure that Local Authorities cannot charge S106 or CIL twice ('double-dip') for the same infrastructure (as this would not be fair and reasonable).

Planning Practice Guidance for Viability

- 2.12 The Planning Practice Guidance for Viability was first published in March 2014 and substantially updated at the same time as the NPPF in July 2018. This has subsequently been updated again in February 2019 and latterly May 2019. Below we summarise some key aspects of the PPG for this study.
- 2.13 The PPG paragraph 001 confirms that for viability and plan making:
- 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).*

⁴ Set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development.⁵

- 2.14 The PPG therefore confirms that Local Authorities can set different levels of CIL and/or affordable housing by greenfield or brownfield typologies.

Deliverability

- 2.15 The PPG addresses the question, ‘*how should plan makers and site promoters ensure that policy requirements for contributions from development are deliverable?*’ It confirms that (paragraph 002):

It is the responsibility of site promoters to engage in plan making, taking into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan. Landowners and site purchasers should consider this when agreeing land transactions.⁶

- 2.16 In this respect we will carry out a stakeholder workshop to consult with industry (Registered Providers, developers and landowners) in respect of the cost, value and BLV assumptions within this study and any updated assumptions will inform the next stage of plan making and be published on the Council’s website.

Strategic Sites

- 2.17 Paragraph 005 of the PPG refers specifically to strategic sites:

It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites.⁷

⁵ Paragraph: 001 Reference ID: 10-001-20190509, Revision date: 09 05 2019

⁶ Paragraph: 002 Reference ID: 10-002-20190509, Revision date: 09 05 2019

⁷ Paragraph: 005 Reference ID: 10-005-20180724, Revision date: 24 07 2018

2.18 And, paragraph 006:

Plan makers should engage with landowners, developers, and infrastructure and affordable housing providers to secure evidence on costs and values to inform viability assessment at the plan making stage.

It is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant. Policy compliant means development which fully complies with up to date plan policies. A decision maker can give appropriate weight to emerging policies. It is important for developers and other parties buying (or interested in buying) land to have regard to the total cumulative cost of all relevant policies when agreeing a price for the land. Under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.

Where up-to-date policies have set out the contributions expected from development, planning applications that fully 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.⁸

2.19 It should be noted that the current strategic sites that are delivering houses (identified in previous adopted plans) all have planning permission and therefore, we have not tested the viability of these as part of this study. However, we are in the process of a more detailed consultation process on the three largest proposed allocations thereafter. These are referred to as Key Large Sites.

Standardised Inputs

2.20 Paragraph 006 reconfirms the guidance at paragraph 002. The RLV price paid for the site at the point of planning consent must be on a policy compliant basis.

2.21 The PPG also sets out standardised inputs to viability assessment. See also our detailed methodology and approach in section 4 in this respect.

2.22 Paragraph 010 of the PPG describes the principles for carrying out a viability assessment. It stated that, '*viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it*' [...] '*in plan making and decision-making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the*

⁸ Paragraph: 006 Reference ID: 10-006-20190509, Revision date: 09 05 2019

*planning system to secure maximum benefits in the public interest through the granting of planning permission.*⁹

- 2.23 The PPG describes how the gross development value and costs should be defined for the purposes of viability assessment (Paragraphs 011 and 012).
- 2.24 Specifically, the PPG describes how land value should be defined for the purposes of viability assessment. In this respect the *'benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner.'* (Paragraph 013)¹⁰
- 2.25 However, it is important to note that a paragraph 014 the PPG confirms that, *'market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value. There may be a divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners'*. And, *'this evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.'* And, *'in plan making, the landowner premium should be tested and balanced against emerging policies'*.¹¹
- 2.26 It is important that viability assessments are set within the context of the real estate market and that the BLV is not set too low so as to give a false impression of viability. Market evidence is important in this context but we note that the PPG paragraphs 2, 4, 14 and 18 all state that the actual price cannot be used as a reason not to accord with plan policies.
- 2.27 The PPG defines EUV as follows:

(Paragraph 015) *'[...] EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types.'*¹²
- 2.28 The PPG also defines the premium to the landowner:

(Paragraph 016) *'The premium (or the 'plus' in EUV+) [...] is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.'*

⁹ Paragraph: 010 Reference ID: 10-010-20180724, Revision date: 24 07 2018

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

¹¹ Paragraph: 014 Reference ID: 10-014-20190509, Revision date: 09 05 2019

¹² Paragraph: 015 Reference ID: 10-015-20190509, Revision date: 09 05 2019

*Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the **best available evidence informed by cross sector collaboration. Market evidence can include benchmark land values from other viability assessments. Land transactions can be used but only as a cross check to the other evidence. Any data used should reasonably identify any adjustments necessary to reflect the cost of policy compliance (including for affordable housing), or differences in the quality of land, site scale, market performance of different building use types and reasonable expectations of local landowners. Policy compliance means that the development complies fully with up to date plan policies including any policy requirements for contributions towards affordable housing requirements at the relevant levels set out in the plan. [...] Local authorities can request data on the price paid for land (or the price expected to be paid through an option or promotion agreement).***¹³ (our emphasis).

- 2.29 This is what we have done – see our commentary below in section 4 in respect of our detailed methodology and also our separate Land Value Review paper (Appendix 3).
- 2.30 Paragraph 017 of the PPG refers to alternative use value (AUV) for establishing benchmark land values. This is more at the decision-making stage as our site typologies herein are all for broadly defined uses.
- 2.31 Finally, the PPG also defines developer’s return / profit for the purposes of viability assessment: *‘For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies.’*¹⁴
- 2.32 In this respect we have provided sensitivities on the profit margin.

Planning for the Future and Changes to the Current Planning System

- 2.33 The Government has published two consultations on proposed changes to the planning system in England:
- Changes to the Current Planning System sets out short-term measures to tweak the current planning system and
 - The Planning for the Future White Paper setting out longer term reforms requiring primary legislation.

¹³ Paragraph: 016 Reference ID: 10-016-20190509, Revision date: 09 05 2019

¹⁴ Paragraph: 018 Reference ID: 10-018-20190509, Revision date: 09 05 2019

- 2.34 The Changes to the Current Planning System document sets out proposals for changes to the standard method for assessing housing numbers in strategic plans; delivering First Homes; and supporting SME developers.
- 2.35 The Planning for the Future White Paper describes far reaching proposals for: creating a system of zoning (growth areas; renewal areas; and protected areas); design codes aimed at improving design quality; and updating the S106/CIL regime for infrastructure contributions.

Changes to the Current Planning System – First Homes

- 2.36 The Government has consulted upon and introduced a new intermediate (i.e. home ownership) form of affordable housing called First Homes.

'First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria¹⁵;*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.¹⁶

- 2.37 The minimum of 25% of all affordable housing units are to be secured through developer contributions (Section 106) and they are expected to be delivered onsite; unless off-site provision or an appropriate financial contribution in lieu can be robustly justified¹⁷.
- 2.38 Local authorities will have discretion to increase the discount to 40% or 50% if they can demonstrate a need for this (which must be evidenced in the Local Plan making process)¹⁸.

¹⁵ <https://www.gov.uk/guidance/first-homes#first-homes-eligibility-criteria>

¹⁶ Paragraph: 001 Reference ID: 70-001-20210524

¹⁷ This is to be in accordance with paragraph 62 of the NPPF. Paragraph 62 states that: Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:

a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
b) the agreed approach contributes to the objective of creating mixed and balanced communities.

¹⁸ Paragraph: 004 Reference ID: 70-004-20210524

2.39 The Island Planning Strategy takes into account the need for First Homes and we have tested the viability of 30-50% discounts from market value. Further information on First Homes is available on the Government website¹⁹.

Planning for the Future White Paper – Infrastructure Levy

2.40 The Planning for the Future White Paper is based around five propositions:

- Streamlining the planning process at the plan-making stage;
- Taking a digital-first approach to modernise the planning process - moving from a process based on documents to a process driven by data;
- Bringing forward a greater focus on design and sustainability
- Improving infrastructure delivery and ensuring developers play their part, through a reform of developer contributions.
- Ensuring that more land is available for the homes and development people and communities need, and to support renewal of our town and city centres.

2.41 Government's proposals are to:

- replace the Community Infrastructure Levy (CIL) and the current system of Section 106 Developer Contributions with a nationally set, value-based flat rate charge (the 'Infrastructure Levy').
- be more ambitious for affordable housing provided through planning gain, and ensure that the new Infrastructure Levy allows local planning authorities to secure more on-site housing provision.
- give local authorities greater powers to determine how developer contributions are used, including by expanding the scope of the Levy to cover affordable housing provision. Ensuring that S106 affordable housing is kept at least at current levels, and that it is still delivered on-site to ensure that new development continues to support mixed communities. Local authorities will have the flexibility to use this funding to support both existing communities as well as new communities [for example, garden communities].
- seek to extend the scope of the consolidated Infrastructure Levy and remove exemptions from it to capture changes of use through permitted development rights, so that additional homes delivered through this route bring with them support for new infrastructure.

2.42 The Government states that it wants to bring forward reforms to make sure that developer contributions are: fair, transparent and consistent/simplified – which are consistent themes from previous reforms. Interestingly, this time the Government also says that they want contributions to be 'buoyant'. This is 'so that when prices go up, the benefits are shared fairly between

¹⁹ <https://www.gov.uk/guidance/first-homes>

developers and the local community, and when prices go down there is no need to re-negotiate agreements’.

- 2.43 Whilst the Government is rightfully seeking to ‘build back better’ after Covid-19, some of these proposed changes could lead to delays as plan-makers transition to the new regime and landowners wait for policy to crystallise. For those actively involved in setting policy and negotiation of S106 agreements, careful consideration will need to be given to the implications on land value, profit and planning policy requirements.
- 2.44 For the purposes of our viability assessment, we have ignored the proposed reforms as it is too early to take them into account but they will need to be kept under review.

3 Local Policy Context

- 3.1 This section sets out the local policy context for our viability assessment.
- 3.2 Analysis has been undertaken of the policies set out in the Draft Island Planning Strategy (IPS), (2021). We have analysed the policies because as part of our viability testing it is important to consider those proposed policies that could impact upon viability and ensure they are captured in our testing.
- 3.3 The Council currently does not have a Community Infrastructure Levy (CIL) in place therefore policy contributions are sought through Section 106 obligations.

Draft Island Planning Strategy Policies

- 3.4 The Council's draft IPS sets out the overall growth strategy for the Island.
- 3.5 Policy G1 sets out the Council's approach towards sustainable development and growth and G2 identifies the priority locations for development and growth. The policy explains that the focus for sustainable growth is development within settlement boundaries of primary and secondary settlements and rural service centres.
- 3.6 This means that 98% of the homes allocated are within the following primary (87%) and secondary (11%) settlements:
- Primary Settlements: Cowes, East Cowes, Newport, The Bay (Sandown, Lake and Shanklin) and Ryde.
 - Secondary Settlements: The West Wight (Freshwater and Totland) and Ventnor.
- 3.7 Allocated sites in these settlements are primarily located on brownfield sites (60%). In terms of the greenfield sites, 72% of homes are already in the planning application or pre-application process.
- 3.8 Development in Sustainable Rural Settlements (Calbourne Chale Green, Havenstreet, Nettlestone, Newchurch, Seaview, Shalfleet, Wellow and Whitwell) will be carefully managed and will only take place where it improves their sustainability and addresses local need through exception sites.
- 3.9 Development proposals for non-allocated sites will be expected to:
- Be located within or immediately adjacent the settlement boundaries of the Primary Settlements, Secondary Settlements and Rural Service Centres (as shown on the Policies Map);
 - Clearly contribute to meeting the Island's identified housing need, economic aspirations or achieving Island-wide regeneration aspirations;

- Make as much use as possible of previously developed land; and
 - Deliver all policy requirements of the Island Planning Strategy.
- 3.10 Outside defined settlement boundaries proposals for infill development will be supported in accordance with policy H4.
- 3.11 Appendix 1 provides an assessment of the impact the emerging policies will have on viability. The assessment is made through a 'traffic light system': policies marked red (high impact) are presumed to have a direct impact on viability and have been incorporated into the economic appraisal. Where a policy is considered to have medium risk (amber colour), generally it has an indirect impact on viability and has been factored into the study during the property market cost and value assumptions. Where policies have little or no direct viability impact, they are considered low risk (green colour).
- 3.12 A number of policies that have been identified that will have a cost implication are:
- G3 – Developer Contributions - including affordable housing, infrastructure, open space and Suitable Alternative Natural Greenspaces (SANGs).
 - KPS1 & KPS2 – Key Priority Sites at Camp Hill and Newport Harbour Riverside which have specific requirements in terms of land uses and infrastructure.
 - H3 – Housing Allocations General Requirements – 35% affordable housing requirement as well as a 10% net gain in biodiversity and as required onsite play / open space, children's services facilities and off-site junction improvements.
 - H5 – Delivering Affordable Housing – setting out the affordable housing target and tenure split including First Homes and the appropriate reduction from full market value.
 - H7 – Rural and First Homes Exception Sites – 100% affordable housing.
 - H8 – Ensuring the Right Mix of Housing – setting out requirements in terms of mix.
 - T1 – A Better Connected Island – contributions towards infrastructure.
 - T5 – Electric Vehicle Charging Points – electric charging points required on developments
 - C5 – Facilitating Independent Living - 20% of the dwellings to be suitable for older people and / or those with mobility problems.
 - C11 – Lowering Carbon and Energy Consumption in New Development – all major development to include renewable energy systems to provide at least 10% of the predicted energy requirements.
 - C12 -Utility Infrastructure Requirements for New Development – Council supports development that improves infrastructure, and if insufficient capacity in existing development will need to provide infrastructure.
 - EV2 - Ecological Assets and Opportunities for Enhancement – a 10% net gain in biodiversity requirement.

- EV3 – Recreation Impact on the Solent European Sites – mitigation measures for the Solent Special Protection Area (SPA).
- EV5 – Trees, Woodland and Hedgerows – development to retain trees, woodland and hedgerows.
- EV6 - Protecting and Providing Green and Open Spaces – preference for greenspace to be provided on-site.
- EV 10 - Managing Our Water Resource – development to conserve water, reduce water run-off and provide on-site sustainable drainage systems (SUDs) where appropriate.
- EV14 - Managing Flood Risk in New Development – a number of developments will require flood risk mitigation.
- EV15 - Monkton Mead Catchment Area – schemes affected by this policy need to provide sustainable drainage systems (SUDs) and undertaken flood mitigation works.
- EV18 – Improving Resilience from Coastal Flooding – contributions sought towards coastal flood defence works.

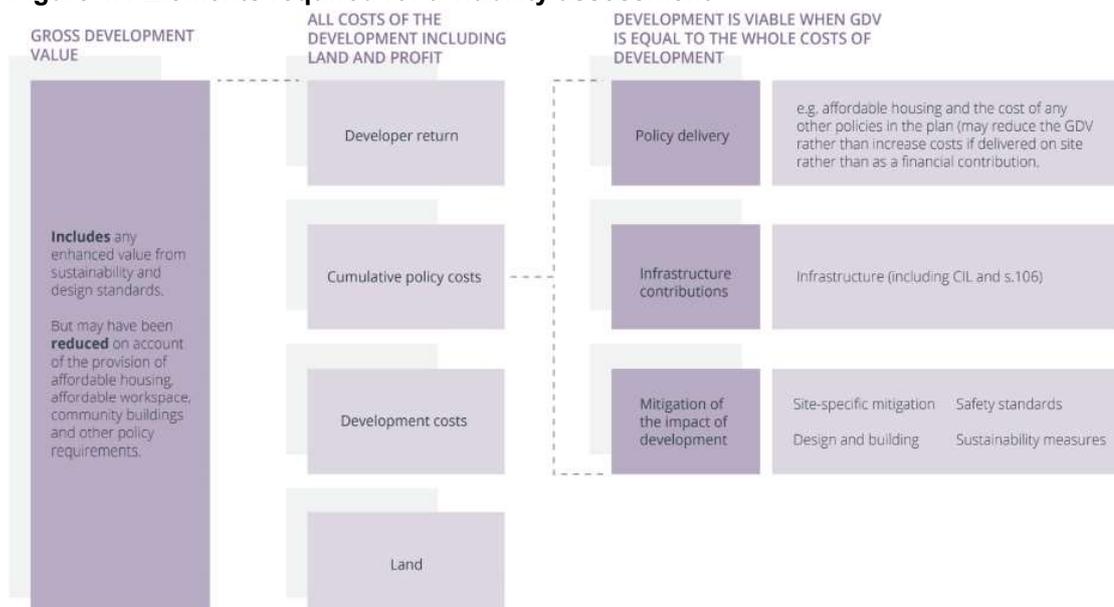
4 Methodology

- 4.1 In this section of the report, we set out our methodology to establish the viability of the various land uses and development typologies to use in the testing.
- 4.2 Cross-reference should be made back to the Viability PPG guidance in section 2 and specifically the guidance in respect of EUV, premium and profit.
- 4.3 We also set out the professional guidance that we have had regard to in undertaking the economic viability appraisals.

Viability Modelling Best Practice

- 4.4 The general principle is that affordable housing, CIL and other planning obligations will be levied on the increase in land value resulting from the grant of planning permission. However, there are fundamental differences in land economics and every development scheme is different. Therefore, to derive planning contributions (including CIL) and understand the ‘appropriate balance’, it is important to understand the micro-economic principles which underpin the viability analysis.
- 4.5 The uplift in value is calculated using a Residual Land Value (RLV) appraisal. The residual land value is determined by deducting development costs from development values. Figure 4.1 illustrates the principles of a residual appraisal.

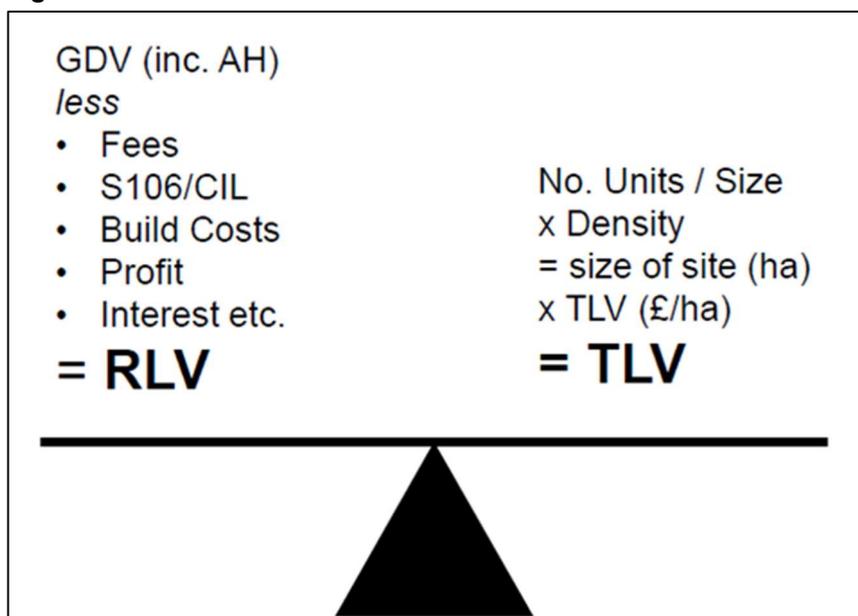
Figure 4.1 Elements required for a viability assessment



Source: RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England

- 4.6 Our specific appraisals for each of the land uses and typologies are set out in the relevant sections below.
- 4.7 A scheme is viable if the Gross Development Value (GDV) of the scheme is greater than the total of all the costs of development including land acquisition, planning obligations and profit. Conversely, if the GDV is less than the total costs of development (including land, S106s and profit) the scheme will be unviable.
- 4.8 However, in order to advise on the ability of the proposed uses/scheme to support affordable housing and CIL/planning obligations we have benchmarked the residual land values (RLV) from the viability analysis against existing or alternative land use relevant to the particular typology – the Benchmark Land Value (BLV).
- 4.9 This approach is illustrated on the diagram in Figure 4.2.

Figure 4.2 Balance between RLV and TLV



Source: AspinallVerdi

Typology Approach to Viability

- 4.10 For plan wide viability testing it is not necessary to test every proposed development site but to base the testing on the 'type of sites' which are reflective of the development proposed over the plan period – this is known as testing of 'typologies.' Where there are key sites (strategic sites) that are fundamental to the delivery of the plan these need to be considered separately. The PPG explains this as follows:

'Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. Assessment of samples of sites may be helpful to support evidence. In some

*circumstances a more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.*²⁰

- 4.11 Typologies for the viability testing are to be based on the proposed development in the plan to ensure the testing represents the type of development coming forward. In doing so it is appropriate to consider 'shared characteristics such as location, whether brownfield or greenfield, size of site and current and proposed use or type of development.'²¹
- 4.12 Within this report we refer to 'scheme typologies' e.g. housing, build-to-rent or older persons schemes of various sizes and 'site typologies' e.g. greenfield or brownfield existing uses.

Viability Testing of Key Sites

- 4.13 The PPG considers key sites as those sites that are crucial to the delivery of the plan '*...for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas.*'²²
- 4.14 In this respect we have ensured our typologies reflect the key large sites and we would recommend that the Council engages throughout the consultation in more detail with the landowners and promoters of such sites.

Development Appraisal Inputs

- 4.15 In devising the inputs to use in the appraisals, it is acceptable to use standardised inputs (see section 2), rather than relying on site specifics: '*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.*'²³

Gross Development Value

- 4.16 The Gross development value is the cumulative value of the completed development. For plan wide viability assessments '*...average figures can be used, with adjustment to take into account land use, form, scale, location, rents and yields, disregarding outliers in the data.*'²⁴

Development Costs

- 4.17 The PPG explains, as with values, cost should also reflect local market conditions, it also places an emphasis to identify development costs at plan-making stage: Local market development

²⁰ MHCLG, 05 May 2019, PPG, Paragraph: 004 Reference ID: 10-004-20190509

²¹ Ibid, Paragraph: 004 Reference ID: 10-003-20180724

²² MHCLG, 24 July 2018, PPG, Paragraph 005 Reference ID: 10-005-20180724

²³ MHCLG, National Planning Policy Framework (NPPF), February 2019. Paragraph 57

²⁴ Ibid, Paragraph: 011 Reference ID: 10-011-20180724

costs could relate to dealing with local ground conditions, environmental mitigation, flood risk, design requirements, sustainability etc.

- 4.18 The PPG states '*As far as possible, costs should be identified at the plan making stage. Plan makers should identify where costs are unknown and identify where further viability assessment may support a planning application.*'²⁵

Benchmark Land Value

- 4.19 Benchmark land value (BLV), also sometimes referred to as threshold land value, has been subject to much debate in recent years due to trying to establish the most appropriate method to determine it for planning purposes. The two most common approaches have been Existing Use plus and Market Value adjusted for policy. The latter, although a more market facing approach, has faced criticism²⁶ because practitioners have not been adjusting land values fully for policy. The PPG now provides a clear single method (Existing Use plus Premium) in determining 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 fully comply with policy requirements. Landowners and site purchasers should consider policy requirements when agreeing land transactions. This approach is often called 'existing use value plus' (EUV+)'²⁷*

- 4.20 The PPG also sets out the factors that should be considered when establishing the land value:
- *'be based upon existing use value*
 - *allow for a premium to landowners (including equity resulting from those building their own homes)*
 - *reflect the implications of abnormal costs; site-specific infrastructure costs; and professional site fees*

*Viability assessments should be undertaken using benchmark land values derived in accordance with this guidance. **Existing use value should be informed by market evidence of current uses, costs and values. Market evidence can also be used as a cross-check of benchmark land value but should not be used in place of benchmark land value.** There may be a*

²⁵ MHCLG, 05 May 2019, PPG, Paragraph 014 Reference ID: 10-014-20190509

²⁶ Sayce, S, et al, January 2017, Viability and the planning system: the relationship between economic viability testing, land values and affordable housing in London

²⁷ MHCLG, 05 May 2019, PPG, Paragraph: 013 Reference ID: 10-013-20190509

divergence between benchmark land values and market evidence; and plan makers should be aware that this could be due to different assumptions and methodologies used by individual developers, site promoters and landowners.

This evidence should be based on developments which are fully compliant with emerging or up to date plan policies, including affordable housing requirements at the relevant levels set out in the plan. Where this evidence is not available plan makers and applicants should identify and evidence any adjustments to reflect the cost of policy compliance. This is so that historic benchmark land values of non-policy compliant developments are not used to inflate values over time.

In plan making, the landowner premium should be tested and balanced against emerging policies. In decision making, the cost implications of all relevant policy requirements, including planning obligations and, where relevant, any Community Infrastructure Levy (CIL) charge should be taken into account.²⁸

- 4.21 As the RICS guidance explains '*[t]he PPG is unambiguous that EUV+ is the primary approach,*'²⁹ with land transaction evidence to be used as a cross-check to the EUV plus premium.

Guidance on Premiums / Land Value Adjustments

- 4.22 Despite the clarity the PPG brings, there is still uncertainty on how the premium is calculated. This was highlighted in the research undertaken by Sarah Sayce: '*Overall, the 'EUV plus' approach was favoured by the majority of respondents, despite the recognition that **the premium element can be difficult to assess in some circumstances.***'³⁰

- 4.23 The PPG explains 'The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to fully comply with policy requirements.

Plan makers should establish a reasonable premium to the landowner for the purpose of assessing the viability of their plan. This will be an iterative process informed by professional judgement and must be based upon the best available evidence informed by cross sector collaboration.'³¹

²⁸ MHCLG, 09 May 2019, PPG, Paragraph: 014 Reference ID: 10-014-20190509

²⁹ RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.7.6

³⁰ Sayce, S, et al, January 2017, viability and the planning system: the relationship between economic viability testing, land values and affordable housing in London, page 6

³¹ MHCLG, 09 May 2019, PPG, Paragraph: 016 Reference ID: 10-016-20190509

- 4.24 In helping to inform the professional judgement, a balance needs to be struck between the competing interests (developers, landowners and the aims of the planning) *‘to secure maximum benefits in the public interest through the granting of planning permission.’*³²
- 4.25 In considering suitable premiums to apply we are mindful of the following:
- **RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England** – the RICS acknowledge that *‘[t]here is no standard amount for the premium and the setting of realistic policy requirements that satisfy the reasonable incentive test behind the setting of the premium is a very difficult judgement’*³³ The RICS guidance further explains that *‘[f]or a plan-making FVA, the EUV and the premium is likely to be the same for the same development typology, but it would be expected that a site that required higher costs to enable development would achieve a lower residual value. This should be taken account of in different site typologies at the plan-making stage.’*³⁴
 - **The Harman Report**³⁵ - published in response to the introduction of viability becoming more prominent in the planning system post the introduction of the NPPF. Although the Harman Report pre-dates the current iteration of the PPG on viability it does recommend the EUV plus approach to determine land value for planning purposes. The Harman report also advocates that when assessing an appropriate Benchmark Land Value, consideration should be given to *‘the fact that future plan policy requirements will have an impact on land values and owners’ expectations.’*³⁶ Harman does acknowledge that reference to market values will provide a useful ‘sense check’ on the Benchmark Land Values that are being used in the appraisal model; however, *‘it is not recommended that these are used as the basis for input into a model.’*³⁷ It also acknowledges that for large greenfield sites, *‘land owners are rarely forced or distressed sellers, and generally take a much longer term view over the merits or otherwise of disposing of their asset.’*³⁸ It refers to these ‘prospective sellers’ as *‘potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution’s ownership for many generations.’*³⁹ In these circumstances, Harman states that for these greenfield sites that *‘the uplift to current use value sought by the landowner will invariably be significantly higher than in an urban context and requires very careful consideration.’*⁴⁰

³² MHCLG, 24 July 2018, PPG, 3.21 Paragraph: 010 Reference ID: 10-010-20180724

³³ RICS, March 2021 (effective from 01 July 2021), Assessing viability in planning under the National Planning Policy Framework 2019 for England, paragraph 5.3.3

³⁴ Ibid, paragraph 5.3.7

³⁵ Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners

³⁶ Ibid, page 29

³⁷ Ibid

³⁸ Ibid, page 30

³⁹ Ibid

⁴⁰ Ibid

- **HCA Area Wide Viability Model** - although now a dated document, the HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) provides guidance on the size of the premium. The guidance states that *'Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value'*.⁴¹
- **Inspector's Post-Hearing Letter to North Essex Authorities** – the Inspector's letter is in relation to, amongst other things, the viability evidence of three proposed garden communities in North Essex. The three Garden Communities would provide up to 43,000 dwellings in total. The majority of land for the Garden Communities is in agricultural use, and the Inspector recognised that the EUV for this use would be around £10,000 per gross acre. In this case, the Inspector was of the opinion that around a x10 multiple (£100,000 per gross acre) would provide sufficient incentive for a landowner to sell. But given *'the necessarily substantial requirements of the Plan's policies'* a price *'below £100,000/acre could be capable of providing a competitive return to a willing landowner'*.⁴² The Inspector, however, judged that *'it is extremely doubtful that, for the proposed GCs, a land price below £50,000/acre – half the figure that appears likely to reflect current market expectations – would provide a sufficient incentive to a landowner. The margin of viability is therefore likely to lie somewhere between a price of £50,000 and £100,000 per acre.'*⁴³
- **Parkhurst Road v SSCLG & LBI (2018)** - The High Court case between Parkhurst Road Limited (Claimant) and Secretary of State for Communities and Local Government and The Council of the London Borough of Islington (Defendant/s) addresses the issue of land valuation and the circularity of land values which are not appraised on a policy compliant basis. In this case it was common ground that the existing use was redundant and so the existing use value ("EUV") was "negligible". There was no alternative form of development which could generate a higher value for an alternative use ("AUV") than the development proposed by Parkhurst. The site did not suffer from abnormal constraints or costs. LBI contended that there was considerable "headroom" in the valuation of such a site enabling it to provide a substantial amount of affordable housing in accordance with policy requirements. Furthermore, that the achievement of that objective was being frustrated by Parkhurst's use of a 'greatly inflated' BLV for the site which failed properly to reflect those requirements. Mr Justice Holgate dismissed the challenge and agreed with LBI that what is to be regarded as comparable market evidence, or a "market norm", should "reflect policy requirements" in order to avoid the "circularity" problem.
- **Land Value Capture report (Sept 2018)** - The House of Commons - Housing, Communities and Local Government Committee has published a report into the principles

⁴¹ HCA, August 2010, Area Wide Viability Model (Annex 1 Transparent Viability Assumptions)

⁴² Planning Inspectorate, 15 May 2020, Examination of the Shared Strategic Section 1 Plan - North Essex Authorities, Paragraph 204

⁴³ Ibid, Paragraph 205

of land values capture. This defines land value capture, the scope for capturing additional land value and the lessons learned from past attempts to capture uplifts in land value. It reviews improving existing mechanisms, potential legislative reforms and alternative approaches to land value capture. Paragraph 109 of the report states [...] the extent to which the 'no-scheme' principle would reduce value "very much depends on the circumstances". For land in the middle of the countryside, which would not otherwise receive planning permission for housing, the entire development value could be attributed to the scheme. However, [...] most work was undertaken within constrained urban areas—such as town extensions and redevelopments—where the hope value was much higher. Hence it is important to consider the policy context for infrastructure and investment when considering land values. For example, where existing agricultural land in the green belt is being considered for housing allocations, the entire uplift in value is attributable to the policy decision (without which there can be no development).

- **Land at Warburton Lane, Trafford (Appeal Ref: APP/Q4245/W/19/3243720)** - planning appeal for up to 400 dwellings, appeal dismissed. The Inspector preferred the Council's approach to land value. The Council used agricultural land value of £8,000 per acre. They applied a x10 premium to the net developable area of 33.75 acres and £8,000 per acre to the remainder of the site. The total benchmark land value of £2,900,000. The total site area is 62 acres (25 hectares). The benchmark land value equated to £116,000 per gross hectare (£46,945 per gross acre) / 5.87 multiplier on the agricultural land value of £8,000 per acre. In considering the premium the Inspector noted that, *'there is no evidence that I have seen that says the premium should be any particular value. The important point is that it should be sufficient to incentivise the landowner to sell the land and should also be the minimum incentive for such a sale to take place'*. It was relevant to note that, *'in this case one of the two landowners had agreed in the option agreement to sell the land for whatever is left after a standard residual assessment'* and therefore had accepted lower minimum / BLV requirements.

Brownfield / Greenfield Land Economics

4.26 CIL has its roots in the perceived windfall profit arising from the release of greenfield land by the planning system to accommodate new residential sites and urban extensions⁴⁴. However, lessons from previous attempts to tax betterment⁴⁵ show that this is particularly difficult to achieve effectively without stymieing development. It is even harder to apply the concept to brownfield redevelopment schemes with all attendant costs and risks. The difference between greenfield

⁴⁴ See Barker Review (2004) and Housing Green Paper (2007)

⁴⁵ the 2007 Planning Gain Supplement, 1947 'Development Charge', 1967 'Betterment Levy' and the 1973 'Development Gains Tax' have all ended in repeal

- and brownfield scheme economics is usually important to understand for affordable housing targets; plan viability and Section 106 (or CIL rate) setting⁴⁶.
- 4.27 The timing of redevelopment and regeneration of brownfield land particularly is determined by the relationship between the value of the site in its current [low value] use (“Existing Use Value”) and the value of the site in its redeveloped [higher value] use – less the costs of redevelopment. Any planning gain which impacts on these costs will have an effect on the timing of redevelopment. This is relevant to consider when setting the ‘appropriate balance’.
- 4.28 Fundamentally, S.106 (and together with CIL etc.) is a form of ‘tax’ on development as a contribution to infrastructure. By definition, any differential rate of S106/ CIL will have a distorting effect on the pattern of land uses. The question as to how this will distort the market will depend upon how the S.106 (and/or CIL) is applied.
- 4.29 Also, consideration must be given to the ‘incidence’ of the tax i.e. who ultimately is responsible for paying it i.e. the developer out of profit, or the landowner out of price (or a bit from each).
- 4.30 This is particularly relevant in the context of brownfield sites in the town centres and built-up areas. Any S.106 (or CIL) on brownfield redevelopment sites will impact on the timing and rate of redevelopment. This will have a direct effect on economic development, jobs and growth.
- 4.31 In the brownfield context redevelopment takes place at a point in time when buildings are economically obsolete (as opposed to physically obsolete). Over time the existing use value of buildings falls as the operating costs increase, depreciation kicks in and the rent falls by comparison with modern equivalent buildings. In contrast the value of the next best alternative use of the site increases over time due to development pressure in the urban context (assuming there is general economic growth in the economy). Physical obsolescence occurs when the decreasing existing use value crosses the rising alternative use value.
- 4.32 However, this is not the trigger for redevelopment. Redevelopment requires costs to be incurred on site demolition, clearance, remediation, and new build construction costs. These costs have to be deducted from the alternative use value ‘curve’. The effect is to extend the time period to achieve the point where redevelopment is viable.
- 4.33 This is absolutely fundamental for the viability and redevelopment of brownfield sites. Any tariff, tax or obligation which increases the costs of redevelopment will depress the net alternative use value and simply extend the timescale to when the alternative use value exceeds the existing use value to precipitate redevelopment.
- 4.34 Contrast this with the situation for development on greenfield land. Greenfield sites are constrained by the planning designation. Once a site is ‘released’ for development there is

⁴⁶ Whilst the Isle of Wight does not intend to introduce CIL, this section remains relevant in the context of securing contributions through Section 106.

significant step-up in development value – which makes the development economics much more accommodating than brownfield redevelopment. There is much more scope to capture development gain, without postponing the timing of development.

- 4.35 That said, there are some other important considerations to take into account when assessing the viability of greenfield sites. This is discussed in the Harman Report⁴⁷.
- 4.36 The existing use value may be only very modest for agricultural use and on the face of it the landowner stands to make a substantial windfall to residential land values. However, there will be a lower benchmark (Benchmark Land Value) where the land owner will simply not sell. This is particularly the case where a landowner *'is potentially making a once in a lifetime decision over whether to sell an asset that may have been in the family, trust or institution's ownership for many generations.'*⁴⁸ Accordingly, the 'windfall' over the existing use value will have to be a sufficient incentive to release the land and forgo the future investment returns.
- 4.37 Another very important consideration is the promotional cost of strategic sites that include an element of greenfield land. For example, in larger scale urban extension sites such as the former HMP site on the edge of Newport identified as emerging site allocations. There will be significant investment in time and resources required to promote such a site through the development plan process. The benchmark land value therefore needs to take into account of the often-substantial planning promotion costs, option fees etc. and the return required by the promoters of such sites. *'This should be borne in mind when considering the [benchmark] land value adopted for large sites and, in turn, the risks to delivery of adopting too low a [benchmark] that does not adequately and reasonably reflect the economics of site promotion...'*⁴⁹
- 4.38 This difference between the development 'gain' in the context of a greenfield windfall site and the slow-burn redevelopment of brownfield sites is absolutely fundamental to the success of any regime to capture development gain such as CIL or S.106. It is also key to the 'incidence' of the tax i.e. whether the developer or the land owner carries the burden of the tax.
- 4.39 In the case of the Isle of Wight there are a number of housing sites coming forward which are both greenfield and brownfield sites and therefore we have appraised both greenfield and brownfield scheme typologies (this is set out later in the report). The Council is not intending to implement CIL, but mitigate the harm of development on a site-specific basis through S.106.

⁴⁷ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) pp 29-31

⁴⁸ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 30

⁴⁹ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 31

Land Economics Summary

- 4.40 A very important aspect when considering area-wide viability is an appreciation of how the property market for development land works in practice.
- 4.41 Developers have to secure sites and premises in a competitive environment and therefore have to equal or exceed the landowners' aspirations as to value for the landowner to sell. From the developers' perspective, this price has to be agreed often many years before commencement of the development. The developer has to subsume all the risk of: ground conditions; obtaining planning permission; funding the development; finding a tenant/occupier; increases in constructions costs; and changes to the economy and market demand etc. This is a significant amount of work for the developer to manage; but this is the role of the developer and to do so the developer is entitled to a normal developer's profit.
- 4.42 The developer will appraise all of the above costs and risks to arrive at their view of the residual site value of a particular site.
- 4.43 To mitigate some of these risks developers and landowners often agree to share some of these risks by entering into arrangements such as: Market Value options based on a planning outcome; 'subject to planning' land purchases; promotion agreements; and / or overage agreements whereby the developer shares any 'super-profit' over the normal benchmark.
- 4.44 From the landowners' perspective, they will have a preconceived concept of the value or worth of their site. This could be fairly straight-forward to value, for example, in the case of greenfield agricultural land which is subject to per hectare benchmarks. However, in the case of brownfield sites, the existing use value could be a lot more subjective depending upon: the previous use of the property; the condition of the premises; contamination; and/or any income from temporary lets, car parking and advertising hoardings etc. Also, whilst (say) a former manufacturing building could have been state-of-the-art when it was first purchased by the landowner, in a redevelopment context it might now be the subject of depreciation and obsolescence which the landowner finds difficult to reconcile. Accordingly, the existing use value is much more subjective in a brownfield context.

Hope Value

- 4.45 Furthermore, where there is a possibility of development the landowner will often have regard to 'hope value'. Hope value is the *element of* market value of a property in excess of the existing use value, reflecting the prospect of some more valuable future use or development. It takes account of the uncertain nature or extent of such prospects, including the time which would elapse before one could expect planning permission to be obtained or any relevant constraints overcome, so as to enable the more valuable use to be implemented. Therefore, in a rising

market, landowners may often have high aspirations of value beyond that which the developer can justify in terms of risk and in a falling market the land owner may simply 'do nothing' and not sell in the prospect of a better market returning in the future. The actual amount paid in any particular transaction is the purchase price and this crystallises the value for the landowner.

- 4.46 Note that hope value is represented in the EUV premium and can never be in excess of policy compliant market value (RLV), given RICS guidance on the valuation of development sites.
- 4.47 Hence land 'value' and 'price' are two very different concepts which need to be understood fully when formulating planning policy and S.106 /CIL. The incidence of any S.106 tariff or CIL to a certain extent depends on this relationship and the individual circumstances. For example, a farmer with a long-term greenfield site might have limited 'value' aspirations for agricultural land – but huge 'price' aspirations for residential development. Whereas an existing factory owner has a much higher value in terms of sunk costs and investment into the existing use and the tipping point between this and redevelopment is much more marginal.
- 4.48 Current guidance is clear that the land value assessment needs to be based on Existing Use plus premium and not a Market Value approach. Although the assessment of the Existing Use can be informed by comparable evidence the uncertainty lies in how the premium is calculated. Whatever is the resulting land value (i.e. Existing Use plus Premium) the PPG is clear that this must reflect the cost of complying with policies: *'the total cost of all relevant policy requirements including contributions towards affordable housing and infrastructure, Community Infrastructure Levy charges, and any other relevant policies or standards. These costs should be taken into account when defining benchmark land value.'*⁵⁰
- 4.49 Furthermore, we need to ensure that the maximum benefits in the public interest are secured once any future granting of planning permission is made.

Interpreting Viability Appraisals

- 4.50 In development terms, the price of a site is determined by assessment of the residual land value (RLV). This is the gross development of the site (GDV) less ALL costs including planning policy requirements and developers' profit. If the RLV is positive the scheme is viable. If the RLV is negative the scheme is not viable.
- 4.51 Part of the skill of a developer is to identify sites that are in a lower value economic uses and purchase / option these sites to (re)develop them into a higher value uses. The landowner has a choice - to sell the site or not to sell their site, depending on their individual circumstances. Historically (pre-credit-crunch and the 2012 NPPF) this would be left to 'the market' as developers

⁵⁰ MHCLG, 24 July 2018, PPG, Paragraph: 012 Reference ID: 10-012-20180724

- would negotiate with landowners based on the relevant planning policy requirements at that time (and there would be no role for planning viability negotiations in this mechanism).
- 4.52 A scheme is viable if the RLV is positive for a given level of profit. We describe this situation herein as being 'fundamentally' viable. If the RLV is negative, this situation results in a 'fundamentally unviable' scheme.
- 4.53 However, planning policy in England has become increasingly detached from the development process of real estate. Since the credit crunch and the 2012 NPPF planning policy has sought to intervene in the land market by requiring that at [an often 'arbitrary'] 'threshold' or 'benchmark' land value (BLV) is achieved as a 'return to the landowner'. This left Local Authorities 'open' to negotiations to reduce affordable housing and other contributions on viability grounds which sets up a powerful force of escalating land values (which is prejudicial to delivery in the long term). The NPPF/PPG 2018/19 is seeking to redress this.
- 4.54 In planning viability terms, for a scheme to come forward for development the RLV for a particular scheme has to exceed the landowner's BLV.
- 4.55 In Development Management terms every scheme will be different (RLV) and every landowner's motivations will be different (BLV).
- 4.56 For Plan Making purposes it is important to benchmark the RLV's from the viability analysis against existing or alternative land use relevant to the particular typology – the Benchmark Land Value – see Figure 4.2 above.
- 4.57 The results of the appraisals should therefore be interpreted as follows:
- 4.58 If the 'balance' is positive ($RLV > BLV$), then the policy is viable. We describe this as being 'viable for plan making purposes herein'. If the 'balance' is negative ($RLV < BLV$), then the policy is 'not viable for plan making purposes' and the planning obligations and/or affordable housing targets should be reviewed.
- 4.59 Thirdly, if the RLV is positive, but the appraisal is not viable due to the BLV assumed – we refer to this as being 'marginal'. This is illustrated in the following boxes of our hypothetical/typology appraisals (appended) – see Figure 4.3. In this case the RLV at £2.324m is some £780,500 higher than the assumed BLV of £1.544m meaning the balance is positive/in surplus.

Figure 4.3 - Example Hypothetical Appraisal Results

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					2,652,581
SDLT		2,652,581 @	(slabbed)		(122,129)
Acquisition Agent fees		2,652,581 @	1.0%		(26,526)
Acquisition Legal fees		2,652,581 @	0.5%		(13,263)
Interest on Land		2,652,581 @	6.25%		(165,786)
Residual Land Value					2,324,877
RLV analysis:	23,249 £ per plot	743,961 £ per ha	301,077 £ per acre		
BENCHMARK LAND VALUE (BLV)					
Residential Density		32.0 dph			
Site Area (Net)		3.13 ha	7.72 acres		
Density analysis:		3,330 sqm/ha	14,506 sqft/ac		
Benchmark Land Value (Net)	15,444 £ per plot	494,200 £ per ha	200,000 £ per acre		1,544,375
BALANCE					
Surplus/(Deficit)		249,761 £ per ha	101,077 £ per acre		780,502

Source: AspinallVerdi

Land Value (Benchmark Land Value (BLV)) Caveats

- 4.60 It is important to note that the BLV's contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). The BLV's included herein are generic and include healthy premiums to provide a viability buffer for plan making purposes.
- 4.61 In the majority of circumstances, we would expect the Residual Land Value (RLV) of a scheme on a policy compliant basis to be greater than the Existing Use Value (EUV) (and also the BLV including premium) herein and therefore viable.
- 4.62 However, there may be site specific circumstances (e.g. brownfield sites or sites with particularly challenging topography, access or other constraints) which result in a RLV which is less than the BLV herein. It is important to emphasise that the adoption of a particular amount for the BLV (£) in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications where these constraints exist. In these circumstances, the site-specific BLV should be thoroughly evidenced having regard to the EUV of the site in accordance with the PPG. This report is for plan-making purposes and is without prejudice to future site-specific planning applications. The NPPF/PPG expects that opening up viability considerations again at planning application stage should only be where new issues need to be examined (see Section 2 above and PPG Paragraph: 006 Reference ID: 10-006-20190509, Revision date: 09 05 2019).

5 Viability Assumptions

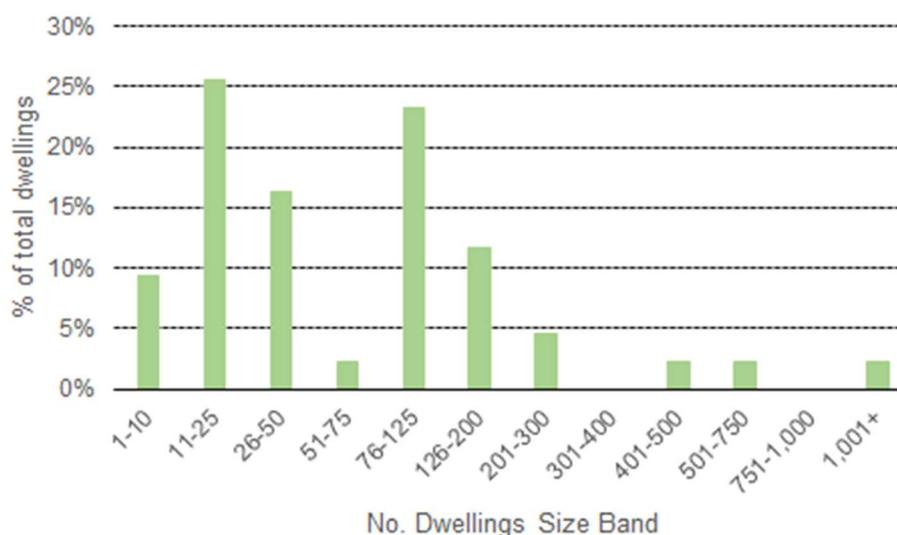
5.1 This section sets out the assumptions used in our financial appraisal models to test viability.

Typologies

5.2 This section sets out our analysis of proposed allocations and our site typologies to be appraised.

5.3 The graph below shows various site sizes along the x axis, with the percentage of dwellings across the proposed allocations along the y axis. This shows that the majority of dwellings will be delivered on sites between 11-25 dwellings (over 25%), followed by 76-125 dwellings (23%) and 26-50 dwelling (16%). Sites between 126-200 dwellings will deliver around 12% of the proposed allocations and sites below 10 dwellings 9%. The other site ranges fall below 5%. This suggests our typologies should primarily be focused on sites up to 50 dwellings and then larger sites over 75 dwellings up to 200 units.

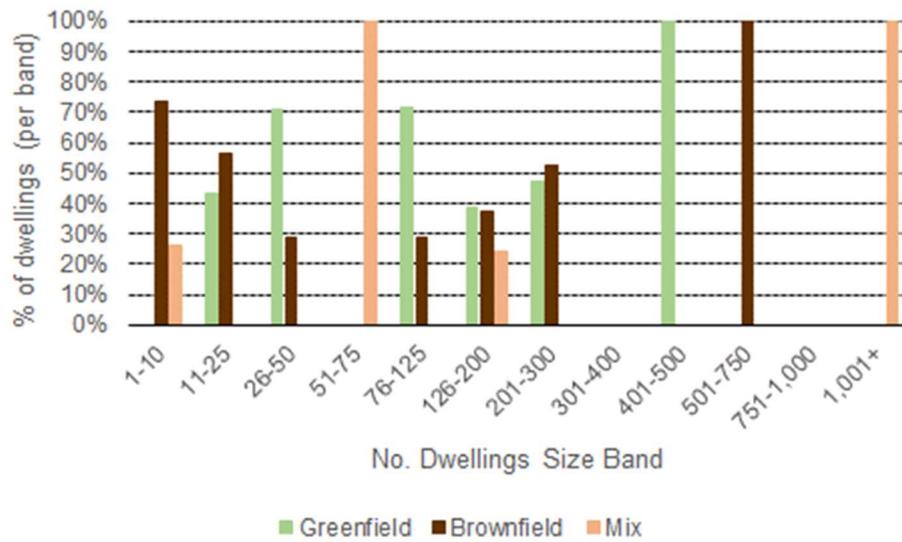
Figure 5.1 - Proposed Allocations by Residential Yield



Source: AspinallVerdi using Isle of Wight Council

5.4 In terms of site typology (greenfield, brownfield or mixed), the graph below shows that we need a combination of greenfield and brownfield site typologies across both sites up to 50 dwellings and those over 75 dwellings.

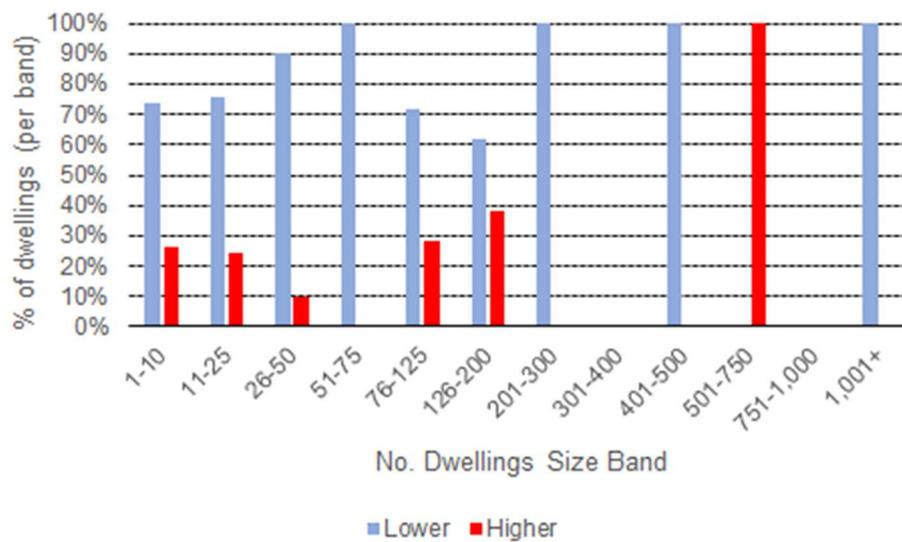
Figure 5.2 - Proposed Allocations by Residential Yield and Site Typology



Source: AspinalVerdi using Isle of Wight Council Data

5.5 In terms of value zones, the graph below shows that the majority of dwellings are on allocations in the lower value zone. However, there are smaller and larger sites across both value areas so it requires a balanced approach to the site typologies.

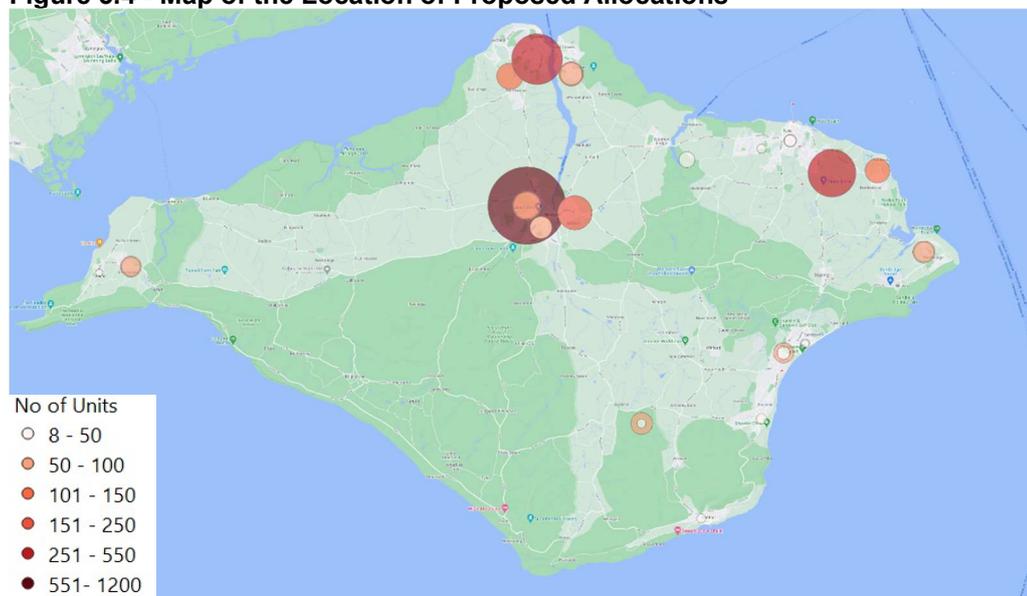
Figure 5.3 - Proposed Allocations by Residential Yield and Value Zone



Source: AspinalVerdi using Isle of Wight Council

5.6 In addition to the above analysis, we have created a visual representation of the location of proposed allocations which is shown below. This shows that the larger sites (number of units) are concentrated in Newport, followed by Cowes and on the east coast between Ryde and Seaview. Development on West Wight and along The Bay is likely to be of a smaller scale.

Figure 5.4 - Map of the Location of Proposed Allocations



Source: AspinallVerdi using QGCIS and Isle of Wight data

5.7 Based on the analysis above we have established our site typologies which are provided in detailed at Appendix 2. We summarise them below in table format. This also includes typologies for sheltered housing, extra-care housing and Rural / First Homes Exception Sites which are more likely to be on windfall sites.

Table 5.1 - Summary of Development Typologies

	Greenfield	Brownfield	Mixed
Lower Value	<ul style="list-style-type: none"> 10 Units 20 Units 50 Units 50 Unit (SH) 50 Unit (EC) 100 Units 200 Units 500 Units 	<ul style="list-style-type: none"> 10 Units 20 Units 50 Units 50 Unit (SH) 50 Unit (EC) 100 Units 200 Units 	<ul style="list-style-type: none"> 1,200 Units
Higher Value	<ul style="list-style-type: none"> 25 Units 100 Units 	<ul style="list-style-type: none"> 20 Units 150 Units 150 Units (A) 	
Island Wide	<ul style="list-style-type: none"> 8 Units (RES) 8 Units (FHES) 25 Units (FHES) 	<ul style="list-style-type: none"> 35 Units (A) 	

A = Apartments | SH = Sheltered Housing | EC = Extra-Care | RES = Rural Exception Sites | FHES = First Homes Exception Sites

Source: AspinallVerdi

Density

- 5.8 The density assumptions we have made are shown on the typologies matrix but range between 20-55 dwellings per hectare (dph) on housing sites with flatted developments over 75 dph. We have a sensitivity table analysing the impact of density on viability and we also show the density on a square metre per hectare basis at the bottom of each financial appraisal.

Housing Mix

- 5.9 The typologies matrix Appendix 2 also shows the housing mix for each typology. This is based on the Draft Island Planning Strategy (2021) which recommends the mix in Table 5.2.

Table 5.2 - Suggested Mix of Housing by Size and Tenure

Tenure	1-Bed	2-Bed	3-Bed	4+Bed
Private	5%	35%	40%	20%
Affordable Rent	50%	30%	15%	5%
Intermediate	25%	45%	25%	5%

Source: Draft Island Planning Strategy 2021

- 5.10 Other than the specific development typologies for apartments (i.e. town centre schemes), we have only included them on large sites of 200+ dwellings. Apartments can be more challenging from a viability perspective due to higher costs of construction often recovered in sales values. However, on the Isle of Wight there is an opportunity to command a premium for apartments with a waterfront location as demonstrated in Appendix 4. Our sales value assumptions are conservative for apartments and do not reflect a waterfront premium. The inclusion of them in the housing mix has a negative impact on viability. We are of the view that the market would only include apartments where it is viable to do so.

Unit Sizes

5.11 The Council requires proposed new dwellings to comply with the national minimum space standards. Our unit size assumptions comply with this policy and in a number of instances, exceed it as we have used market data to inform the assumptions set out in Table 5.3.

Table 5.3 - Floor Area Assumptions (Sqm)

Typology	Minimum Standards		<49 Units		>50 Units	
	1 Storey	2 Storey	Lower Value	Higher Value	Lower Value	Higher Value
1-Bed Flat / House	39	58	55.00	55.00	45.00	45.00
2-Bed Flat	61	70	70.00	70.00	60.00	60.00
2-Bed House			72.00	78.00	70.00	75.00
3-Bed House	74	84	87.00	97.00	84.00	93.00
4-Bed House	90	97	115.00	128.00	110.00	115.00

Source: AspinallVerdi

Value Assumptions

5.12 This section sets out our value assumptions in our financial appraisals.

Market Housing

5.13 The research and evidence base behind our assessment of Gross Development Value is provided at Appendix 4. We summarise below our assumptions on a price per unit and price per square metre basis for smaller and larger sites in lower and higher value areas. For typologies that are 'Island Wide' we have used the lower value assumptions given that this is where the majority of the proposed allocations are located.

Table 5.4 - Unit Size and Sales Value Assumptions (>49 Unit Schemes)

Typology	Lower Value			Higher Value		
	Size (Sqm)	Value	(£ psm)	Size (Sqm)	Value	(£ psm)
1-Bed Flat / House	55.00	£140,000	£2,545	55.00	£175,000	£3,182
2-Bed Flat	70.00	£170,000	£2,429	70.00	£225,000	£3,214
2-Bed House	72.00	£210,000	£2,917	78.00	£250,000	£3,205
3-Bed House	87.00	£275,000	£3,161	97.00	£325,000	£3,351

Typology	Lower Value			Higher Value		
	Size (Sqm)	Value	(£ psm)	Size (Sqm)	Value	(£ psm)
4-Bed House	115.00	£375,000	£3,261	128.00	£450,000	£3,516

Source: AspinallVerdi

Table 5.5 - Unit Size and Sales Value Assumptions (>50 Unit Schemes)

Typology	Lower Value			Higher Value		
	Size (Sqm)	Value	(£ psm)	Size (Sqm)	Value	(£ psm)
1-Bed Flat / House	45.00	£125,000	£2,778	45.00	£150,000	£3,333
2-Bed Flat	60.00	£165,000	£2,750	60.00	£200,000	£3,333
2-Bed House	70.00	£200,000	£2,857	75.00	£225,000	£3,000
3-Bed House	84.00	£250,000	£2,976	93.00	£300,000	£3,226
4-Bed House	110.00	£365,000	£3,318	115.00	£400,000	£3,478

Source: AspinallVerdi

Transfer Prices for Affordable Housing

5.14 Our approach to valuing affordable housing is on a percentage of full market value. The rationale is set out in Appendix 4, with the assumptions as follows:

- Affordable rent at 55% of market value
- First Homes at 60% of market value
- Other Intermediate at 65% of market value

Older Persons Housing Sales Values

5.15 For sheltered and extra-care housing, we have made the following assumptions with the rationale for this approach also set out in Appendix 4.

Table 5.6 - Older Persons Housing Value Assumptions

Type	Size (Sqm)	Lower Value	Higher Value
Sheltered Housing 1-Bed	50	£150,000 (£3,000 psm)	£195,000 (£3,900 psm)
Sheltered Housing 2-Bed	80	£210,000 (£2,625 psm)	£275,000 (£3,438 psm)
Extra-Care 1-Bed	50	£208,125 (£4,163 psm)	£243,750 (£4,875 psm)
Extra-Care 2-Bed	80	£277,500 (£3,467 psm)	£343,750 (£4,297 psm)

Source: AspinallVerdi

Development Cost Assumptions

5.16 The development costs adopted within our appraisals are set out below.

Table 5.7 - Residential Cost Assumptions

Item	Comment
Planning Application Professional Fees & Reports	Allowance for typology, generally 3 times statutory planning fees.
Statutory Planning Fees	Based on national formula.
CIL	There is currently no CIL adopted for the Island, so we have included infrastructure costs via S106.
Site Specific S106 Costs (Policy G3 / H3)	<p>We have adopted a cost of £6,000 per dwelling – this is based on site-specific Section 106 data.</p> <p>A 50-unit scheme west of Ryde required £6,513 per dwelling with contributions towards highways works, children services, Solent mitigation, lowering carbon, water efficiency, electric vehicle infrastructure and upgrades to Southern water. We have included costs for lowering carbon and water efficiency elsewhere so this is considered a maximum cost that would be captured through Section 106.</p> <p>A large 535-unit scheme on a brownfield site in Cowes has a Section 106 agreement. Phase 1 will contribute £1,019 per dwelling for off-site cycle links and £4,214 per dwelling for education. There were also contributions for affordable housing and SPA mitigation but we have dealt with these separately. Therefore, this scheme required £5,233 per dwelling in phase 1.</p>
Site Clearance, Demolition & Remediation	£110,000 per hectare (brownfield sites only) based on HCA Guidance on demolition and remediation.
Estate Housing (build costs)	We have adopted £1,288 psm which is the rate from our 2018 study and was based on the BCIS median rebased to the Isle of Wight. The current BCIS rate is lower at £1,258 psm. We provide further explanation and data below this table.
Flats 3-5 Storey (build costs)	We have adopted £1,385 psm which is below the 2018 assumption of £1,490 psm. However, as with estate housing, the median BCIS for flats is lower than our previous study. We provide further explanation and data below this table.
Facilitating Independent Living (Policy C5)	£521 per dwelling applied to 20% of total dwellings on site. Based on DCLG Housing Standards Review, Final Implementation Impact Assessment, March 2015, paragraphs 153 and 157. Whilst these costs could be considered outdated, we are of the view that these standards should now have been absorbed into BCIS costs.

Item	Comment
External Works	15% of BCIS build costs - the allowance is based on our experience of similar studies. We have used 5% in flatted development typology scenarios.
Net Biodiversity (Policy H3 / EV2)	£287 per dwelling (brownfield) / £1,011 per dwelling (greenfield)
Lowering Carbon and Energy Consumption in New Development (Policy C11)	<p>Previously we assumed £2,000 per dwelling applied to 10% of total dwellings on site. As a result of changes to the policy but also Part L of the Building Regulations 2021 we have adopted £4,000 per dwelling to meet these standards. This is between an estimated £3,000-£5,000 per dwelling cost for a semi-detached property.</p> <p>We have then provided a sensitivity on this item showing the implication of a £10,000 per dwelling cost in order to achieve the Future Homes Standard (2025).</p>
Water efficiency (Policy EV 14)	£9 per dwelling - this is based Communities and Local Government Housing Standards Review Cost Impact September 2014 by EC Harris.
Electric Vehicle Charging Points (Policy T5)	<p>We have included a cost of:</p> <ul style="list-style-type: none"> • £1,000 per dwelling (housing) • £10,000 for a multi-charging point (for every 4 apartments)
SANGs (Policy G3 / H3 / EV6)	£4,215 per dwelling on sites above 75 dwellings – see detail below this table.
Solent SPA (Policy EV3)	<p>We have adopted a cost based on the following and our housing mix:</p> <ul style="list-style-type: none"> • £337 for 1 bed dwellings • £487 for 2 bed dwellings • £637 for 3 bed dwellings • £749 for 4 bed dwellings
Contingency	<p>3.0% of the above construction costs for greenfield sites and; 5.0% for brownfield sites.</p> <p>Higher contingencies are sometimes included in site specific appraisals, but these are generally for specific abnormal costs or ground conditions which are not part of a high-level plan wide viability assessment.</p>
Professional Fees	8.0% - these are construction related professional fees as opposed to the 'Planning Application Professional Fees and Reports' professional fees included above at the feasibility stage.
Disposal Costs	1.5% - Sale Agents on the open market housing

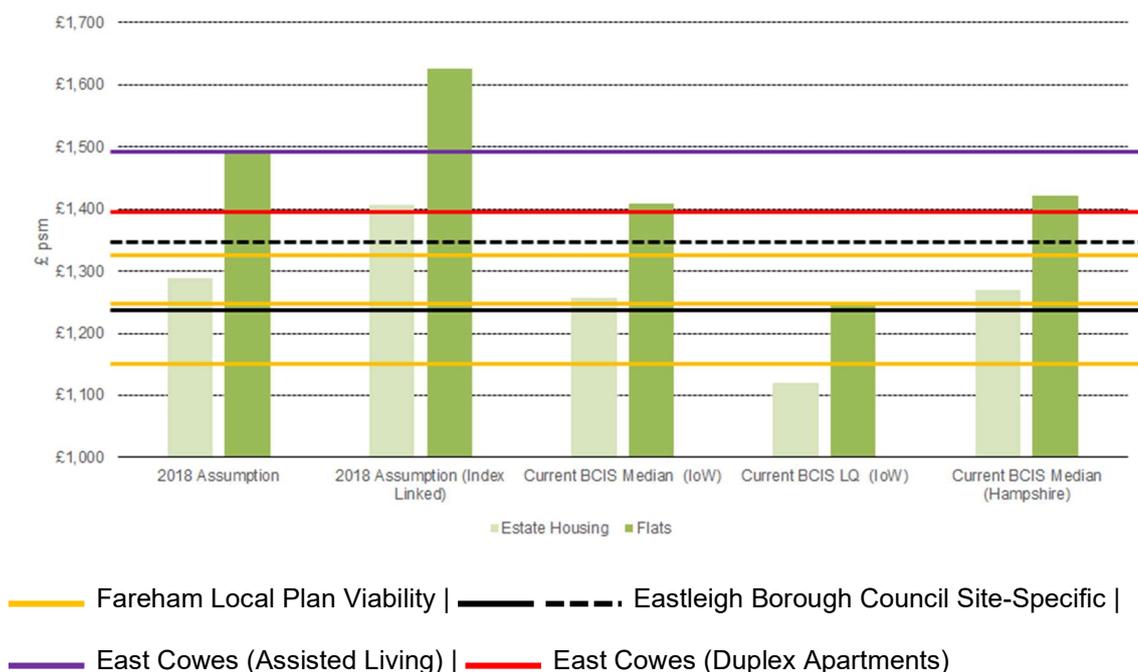
Item	Comment
	<p>0.5% - Sales Legal fees on the open market housing and a £10,000 lump sum for affordable housing legal fees</p> <p>1.5% - Marketing & Disposal on the open market housing</p> <p>Note that the marketing and promotion costs have to be considered 'in-the-round' with the sales values and gross profit (where developers have internal sales functions).</p> <p>On specialist housing typologies we have used 5.0% for marketing and disposal based on the Harman Report⁵¹.</p>
Finance Costs	6.0% interest rate (Applies to 100% of cashflow to include Finance Fees etc).

Source: AspinallVerdi

House / Apartment Build Costs

5.17 The graph below shows our 2018 build cost assumption for estate housing and flats. It shows where the cost would be if we index linked the costs using the BCIS General Build Cost Index (from October 2018 to July 2021). We then compare this to the current BCIS median and lower quartile rates for Isle of Wight and the median rate for Hampshire as a comparison.

Figure 5.5 - Build Cost Analysis



Source: AspinallVerdi

⁵¹ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report, Page 35)

- 5.18 Looking at these comparisons, taking the approach of index linking would result in costs far greater than the current median rates for the Isle of Wight and Hampshire. A rate just over £1,400 psm is very high based on our experience of work on reviewing site-specific viability assessments. We therefore, consider it necessary to review some other data to clarify our approach. As a result, we have plotted a series of lines across the chart.
- 5.19 The orange lines reflect a range of assumptions used for estate housing in the Fareham Local Plan Viability study (2019). Whilst on the mainland it is a local comparable and the conclusions of this study were re-visited in 2021 and no changes to build costs were made. The lowest orange line is for larger development sites and the highest for smaller sites. Only on smaller sites does the cost exceed our 2018 assumption and the current median BCIS for the Isle of Wight.
- 5.20 The black lines also represent data from the mainland and a site-specific viability (of a circa 125-unit scheme on a greenfield site) where AspinallVerdi have advised Eastleigh Borough Council in 2021. The dotted line reflects the cost for flats and the hard line for estate housing. These reflect the costs used in our financial appraisal, which the applicant has not challenged and is delivering the required level of policy. The rate for estate housing and flats are below our 2018 assumption and the current median for the Isle of Wight and Hampshire.
- 5.21 Finally, the red and purple lines reflect evidence from a scheme on the Isle of Wight in East Cowes. These are costs put forward by the applicant on a 144-unit scheme on a brownfield site with the red line reflecting the cost of duplex apartments and purple line assisted living accommodation. The scheme is not considered 'typical' as shown by Figure 5.6 which illustrates the level of design and complexity with undercroft parking and deck access.

Figure 5.6 - CGI from Isle of Wight Cost Comparable





Source: Debenham Smith Architecture

- 5.22 Taking all of this into consideration, we believe retaining our cost assumption of £1,288 psm for the estate housing is a robust and reasonable approach given that this exceeds the current BCIS median rates for the Isle of Wight and Hampshire, as well as the Fareham Local Plan Viability study in two / three scenarios. It also reflects an uplift from the rate used on an agreed site-specific viability in Eastleigh which was based around the median BCIS. Therefore, we have factored in a premium for the additional cost of transporting materials to the Island which we understand can be an issue from our experience.
- 5.23 In terms of flats, we have adopted £1,385 psm which is between the agreed rate on the site in Eastleigh referenced above and the rate put forward by the applicant on the scheme in East Cowes. As shown above, this scheme is not considered to be 'typical' and is a higher quality of development that would achieve sales values far exceeding those that we have assumed as part of our Local Plan viability testing. The rate for flats at £1,385 psm is just £23 psm lower than the current BCIS median rate for the Isle of Wight.

Suitable Alternative Natural Greenspace (SANG)

5.24 The Council does not have a cost to deal with SANGs on the Island, we have therefore considered the cost evidence from Surrey Heath Borough Council. The Surrey Heath Borough Council evidence shows that SANGs contributions can be around £2,000 per person.⁵² We have used this £2,000 per person figure and translated this into a dwelling cost £4,215 – the calculation is set out below.

Table 5.8 – SANGs Calculation

Item	1-Bed	2-Bed	3-Bed	4-Bed
Market Sale Mix	5.00%	35.00%	40.00%	20.00%
Affordable Mix	50.00%	30.00%	15.00%	5.00%
Blended Mix (A)	20.75%	33.25%	31.25%	14.75%
# Persons Per Dwelling (B)	1.40	1.85	2.50	2.85
C = (A x B)	0.29	0.62	0.78	0.42
Average Cost Per Dwelling (D)	£2,000			
Sub-Total Cost Per Dwelling (C x D)	£581	£1,230	£1,563	£841
Housing Mix Adjusted Cost Per Dwelling	£4,215			

Source: AspinallVerdi

⁵² Surrey Heath Borough Council (27.01.2015) Use of suitable alternative natural greenspace (SANG) land at Shepherd Meadows Sandhurst

Timescales

5.25 The table below summarises the timing assumptions we have made in our appraisals.

Table 5.9 - Timing Assumptions

	Smaller Sites (<49 Dwellings)	Larger Sites (>50 Dwellings)
Planning	6 Months	8 Months
Pre-Development	3 Months	6 Months
Construction	3 Units Per Month	3 Units Per Month
First Sale	4 Months	6 Months
Sales	3 Units Per Month	3 Units Per Month

Source: AspinallVerdi

Developer's Profit

- 5.26 We have adopted a baseline profit of 20% on the Gross Development Value of the open market sale housing (OMS) - with a sensitivity analysis which shows the impact of profit between 15-20%. This is consistent with the PPG (May 2019) which refers to profit of 15-20%⁵³ being *'considered a suitable return to developers in order to establish the viability of plan policies.'*
- 5.27 Our baseline assumption of 20% profit is at the top end of the range and we have included sensitivities down to 15% profit within the appraisals. However, we consider this to be a generous margin and allows for 'buffer' in addition to the contingency allowance (3% - 5% included). At the site-specific stage, the profit level will need to be informed by the characteristics of that scheme.
- 5.28 For the affordable tenure types, we have used 6% profit on value (where applicable). This is considered to be an industry accepted standard and the PPG states a lower percentage than 15-20% is more appropriate for affordable housing as it carries less risk when there is a guaranteed, known end value⁵⁴.
- 5.29 It is important to note that it is good practice for policy obligations not to be set right up to the margins of viability. However, in certain circumstances developers will agree lower profit margins in order to secure planning permission and generate turnover. The sensitivity analyses within the appendices show the 'balance' (i.e. RLV – BLV) for developer's profit from 20% on private

⁵³ Paragraph: 018 Reference ID: 10-018-201 90509, Revision date: 09 05 2019

⁵⁴ Paragraph: 018 Reference ID: 10-018-20190509, Revision date: 09 05 2019

housing down to 15%. This clearly shows the significant impact of profit on viability (especially for larger schemes).

Land Value (Benchmark Land Value)

5.30 Table 5.10-Table 5.13 summarise our BLV assumptions for plan making purposes. The detail behind these assumptions is provided at Appendix 3. Note that all of these land value assumptions are for plan making purposes only. No responsibility is accepted to any party in respect of the whole or any part of its contents.

Table 5.10 – Greenfield Benchmark Land Value Assumptions (Lower Value Area)

Typology	EUV			Uplift x over EUV	BLV	
	(per acre) (gross)	Net: Gross (%)	(per acre) (net)		(per acre) (net dev.) (rounded)	(per ha) (net dev.) (rounded)
Smaller Residential (<10 units)	£7,000	100%	£7,000	14.3	£100,000	£247,100
Smaller Residential (11-49 units)	£7,000	75%	£9,333	12.3	£115,000	£284,165
Larger Residential (50-200 units)	£7,000	65%	£10,769	12.5	£135,000	£333,585

Source: AspinallVerdi

Table 5.11 –Brownfield Benchmark Land Value Assumptions (Lower Value Area)

Typology	EUV			Uplift x / % over EUV	BLV	
	(per acre) (gross)	Net: Gross (%)	(per acre) (net)		(per acre) (net dev.) (rounded)	(per ha) (net dev.) (rounded)
Strategic Sites (Mixed)	£7,000	50%	£14,000	14.3	£200,000	£494,200
Smaller Residential (<10 units)	£90,000	100%	£90,000	11.1%	£100,000	£247,100
Smaller Residential (11-49 units)	£90,000	80%	£112,500	11.1%	£125,000	£308,875
Larger Residential (50-200 units)	£90,000	75%	£120,000	12.5%	£135,000	£333,585

Source: AspinallVerdi

Table 5.12 – Greenfield Benchmark Land Value Assumptions (Higher Value Area)

Typology	EUV			Uplift x over EUV	BLV	
	(per acre) (gross)	Net: Gross (%)	(per acre) (net)		(per acre) (net dev.) (rounded)	(per ha) (net dev.) (rounded)
Smaller Residential (11-49 units)	£7,000	75%	£9,333	18.8	£175,000	£432,425
Larger Residential (50-200 units)	£7,000	65%	£10,769	20.0	£215,000	£531,265

Source: AspinallVerdi

Table 5.13 –Brownfield Benchmark Land Value Assumptions (Higher Value Area)

Typology	EUV			Uplift % over EUV	BLV	
	(per acre) (gross)	Net: Gross (%)	(per acre) (net)		(per acre) (net dev.) (rounded)	(per ha) (net dev.) (rounded)
Smaller Residential (11-49 units)	£100,000	80%	£125,000	20.0%	£150,000	£370,650
Larger Residential (50-200 units)	£100,000	75%	£133,333	20.0%	£160,000	£395,360

Source: AspinallVerdi

6 Viability Appraisal Results

6.1 Below we summarise the financial appraisal results (provided at Appendix 5) in a series of tables.

Table 6.1 - Appraisal Summary of Typologies A-D (Lower Value Areas)

Scheme Ref:	A	B	C	D
No Units:	10	10	20	20
Development Scenario:	Greenfield	Brownfield	Greenfield	Brownfield
Policy Assumptions				
Affordable Housing	35% Affordable Housing: 52.5% Affordable Rent 25% First Homes (40% Discount) 22.5% Other Intermediate			
Section 106 (£/unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£2,145,803	£2,145,803	£4,291,605	£4,291,605
GDV (£ per unit)	£214,580	£214,580	£214,580	£214,580
Total Cost (Excl. Land + Profit)	£1,566,639	£1,616,344	£3,122,128	£3,222,084
Cost (£ per unit)	£156,664	£161,634	£156,106	£161,104
Profit KPI's				
Total Developers Profit (£)	£370,353	£370,353	£740,706	£740,706
Developers Profit (% blended)	17.26%	17.26%	17.26%	17.26%
Land Value KPI's				
RLV (£/acre)	£195,477	£242,359	£195,100	£241,370
RLV (£)	£193,209	£149,718	£385,674	£298,213
Benchmark Land Value				
BLV (£/acre)	£100,000	£100,000	£100,000	£100,000
BLV Total (£)	£98,840	£61,775	£197,680	£123,550
Viability Assessment				
Surplus/Deficit (£/acre)	£95,477	£142,359	£95,100	£141,370
Surplus/Deficit	£94,369	£87,943	£187,994	£174,663
Plan Viability comments	Viable	Viable	Viable	Viable

Source: AspinallVerdi

Table 6.2 - Appraisal Summary of Typologies E-H (Lower Value Areas)

Scheme Ref:	E	F	G	H
No Units:	50	50	100	100
Development Scenario:	Greenfield	Brownfield	Greenfield	Brownfield
Policy Assumptions				
Affordable Housing	35% Affordable Housing: 52.5% Affordable Rent 25% First Homes (40% Discount) 22.5% Other Intermediate			
Section 106 (£/unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£10,048,588	£10,048,588	£20,097,177	£20,097,177
GDV (£ per unit)	£200,972	£200,972	£200,972	£200,972
Total Cost (Excl. Land + Profit)	£7,435,927	£7,686,886	£15,178,459	£15,655,974
Cost (£ per unit)	£148,719	£153,738	£151,785	£156,560
Profit KPI's				
Total Developers Profit (£)	£1,737,003	£1,737,003	£3,474,006	£3,474,006
Developers Profit (% blended)	17.29%	17.29%	17.29%	17.29%
Land Value KPI's				
RLV (£/acre)	£188,596	£180,368	£180,541	£156,034
RLV (£)	£776,701	£557,112	£1,274,623	£856,797
Benchmark Land Value				
BLV (£/acre)	£135,000	£135,000	£135,000	£135,000
BLV Total (£)	£555,975	£416,981	£953,100	£741,300
Viability Assessment				
Surplus/Deficit (£/acre)	£53,596	£45,368	£45,541	£21,034
Surplus/Deficit	£220,726	£140,131	£321,523	£115,497
Plan Viability comments	Viable	Viable	Viable	Viable

Source: AspinallVerdi

Table 6.3 - Appraisal Summary of Typologies I-L (Lower Value Areas)

Scheme Ref:	I	J	K	L
No Units:	200	200	500	1,200
Development Scenario:	Greenfield	Brownfield	Greenfield	Mixed
Policy Assumptions				
Affordable Housing	35% Affordable Housing: 52.5% Affordable Rent 25% First Homes (40% Discount) 22.5% Other Intermediate			
Section 106 (£/unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£40,051,028	£40,051,028	£100,127,570	£240,306,169
GDV (£ per unit)	£200,255	£200,255	£200,255	£200,255
Total Cost (Excl. Land + Profit)	£29,783,528	£30,726,292	£76,192,634	£186,553,480
Cost (£ per unit)	£148,918	£153,631	£152,385	£155,461
Profit KPI's				
Total Developers Profit (£)	£6,939,412	£6,939,412	£17,348,529	£41,636,470
Developers Profit (% blended)	17.33%	17.33%	17.33%	17.33%
Land Value KPI's				
RLV (£/acre)	£206,981	£191,005	£163,558	£161,051
RLV (£)	£2,922,577	£2,097,659	£5,773,606	£10,612,191
Benchmark Land Value				
BLV (£/acre)	£135,000	£135,000	£135,000	£200,000
BLV Total (£)	£1,906,200	£1,482,600	£4,765,500	£13,178,667
Viability Assessment				
Surplus/Deficit (£/acre)	£71,981	£56,005	£28,558	-£38,949
Surplus/Deficit	£1,016,377	£615,059	£1,008,106	-£2,566,476
Plan Viability comments	Viable	Viable	Viable	Marginal

Source: AspinallVerdi

Table 6.4 - Appraisal Summary of Typologies N-P (Higher Value Areas)

Scheme Ref:	M	N	O	P	Q
No Units:	20	25	100	150	150
Development Scenario:	Brownfield	Greenfield	Greenfield	Brownfield	Brownfield
Policy Assumptions					
Affordable Housing	35% Affordable Housing: 52.5% Affordable Rent 25% First Homes (40% Discount) 22.5% Other Intermediate				
Section 106 (£/unit)	£6,000	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs					
Total GDV (£)	£5,121,142	£6,401,428	£23,126,992	£34,613,707	£23,378,227
GDV (£ per unit)	£256,057	£256,057	£231,270	£230,758	£155,855
Total Cost (Excl. Land + Profit)	£3,489,904	£4,216,036	£16,146,914	£25,060,263	£20,900,832
Cost (£ per unit)	£174,495	£168,641	£161,469	£167,068	£139,339
Profit KPI's					
Total Developers Profit (£)	£882,844	£1,103,554	£3,992,495	£5,984,135	£3,927,944
Developers Profit (% blended)	17.24%	17.24%	17.26%	17.29%	16.80%
Land Value KPI's					
RLV (£/acre)	£538,523	£387,336	£371,761	£371,716	£-577,321
RLV (£)	£665,346	£957,108	£2,624,635	£3,061,702	£-1,258,730
Benchmark Land Value					
BLV (£/acre)	£150,000	£175,000	£215,000	£160,000	£160,000
BLV Total (£)	£185,325	£432,425	£1,517,900	£1,317,867	£348,847
Viability Assessment					
Surplus/Deficit (£/acre)	£388,523	£212,336	£156,761	£211,716	£-737,321
Surplus/Deficit	£480,021	£524,683	£1,106,735	£1,743,835	£-1,607,577
Plan Viability comments	Viable	Viable	Viable	Viable	Not Viable

Source: AspinallVerdi

Table 6.5 - Appraisal Summary of Typologies R-U (Island Wide)

Scheme Ref:	R	S	T	U
No Units:	35	8	8	25
Development Scenario:	Brownfield Apartments	Rural Exception Site	First Homes Exception Site	First Homes Exception Site
Policy Assumptions				
Affordable Housing	35%	100%	100%	100%
Mix	52.5% Affordable Rent 25% First Homes (40% Discount) 22.5% Other Intermediate			
Section 106 (£/unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£4,734,639	£1,203,346	£1,250,732	£3,904,059
GDV (£ per unit)	£135,275	£150,418	£156,341	£156,162
Total Cost (Excl. Land + Profit)	£7,839,635	£1,066,309	£1,108,806	£3,435,043
Cost (£ per unit)	£223,990	£133,289	£138,601	£137,402
Profit KPI's				
Total Developers Profit (£)	£792,086	£57,607	£62,496	£195,300
Developers Profit (% blended)	16.73%	6.00%	6.00%	6.00%
Land Value KPI's				
RLV (£/acre)	-£2,948,008	£80,940	£80,940	£80,939
RLV (£)	-£3,399,447	£80,001	£80,001	£250,001
Benchmark Land Value				
BLV (£/acre)	£125,000	£80,939	£80,939	£80,939
BLV Total (£)	£144,142	£80,000	£80,000	£250,000
Viability Assessment				
Surplus/Deficit (£/acre)	-£3,073,008	£1	£1	£0
Surplus/Deficit	-£3,543,588	£1	£1	£1
Plan Viability comments	Not Viable	Viable with grant	Viable	Viable

Source: AspinallVerdi

Summary of Appraisal Results

6.2 The table below provides a summary of the financial appraisal results.

Table 6.6 - Summary of Financial Appraisal Results

Ref	#Units	Typology	% Affordable	Result
A	10	Lower Value Zone - Greenfield	35%	Viable
B	10	Lower Value Zone - Brownfield	35%	Viable
C	20	Lower Value Zone - Greenfield	35%	Viable
D	20	Lower Value Zone - Brownfield	35%	Viable
E	50	Lower Value Zone - Greenfield	35%	Viable
F	50	Lower Value Zone - Brownfield	35%	Viable
G	100	Lower Value Zone - Greenfield	35%	Viable
H	100	Lower Value Zone - Brownfield	35%	Viable
I	200	Lower Value Zone - Greenfield	35%	Viable
J	200	Lower Value Zone - Brownfield	35%	Viable
K	500	Lower Value Zone - Greenfield	35%	Viable
L	1200	Lower Value Zone - Mixed	35%	Marginal
M	20	Higher Value Zone - Brownfield	35%	Viable
N	25	Higher Value Zone - Greenfield	35%	Viable
O	100	Higher Value Zone - Greenfield	35%	Viable
P	150	Higher Value Zone - Brownfield	35%	Viable
Q	150	Higher Value Zone – Brownfield (Apartments)	35%	Unviable
R	35	Island Wide – Brownfield (Apartments)	35%	Unviable
S	8	Island Wide – Rural Exception Site	100%	Viable (G)
T	8	Island Wide – First Homes Exception Site	100%	Viable (G)
U	25	Island Wide – First Homes Exception Site	100%	Viable (G)

(G = Grant)

Source: AspinallVerdi

6.3 We discuss the results below.

Lower Value Areas

6.4 All typologies are shown to be viable at 35% affordable housing with the exception of the large 1,200-unit strategic site. The appraisal of this typology produces a positive Residual Land Value totalling £10.6 million (£161,000 per net acre). However, based on a Benchmark Land Value of £200,000 per net acre the typology is unviable with a deficit of around £2.6 million. We are not

concerned by this typology being marginal as there is considered to be sufficient sensitivity in the appraisal and given the land is in public sector control there can be a more flexible approach to certain assumptions such as land value to enable delivery of a policy compliant scheme. There may be also be funding opportunities from other public sector organisations that will assist with viability and deliverability.

Higher Value Areas

6.5 All typologies are shown to be viable at 35% affordable housing with the exception of typology Q which is a 150-unit brownfield apartment scheme. The viability of apartments can be challenging given higher construction costs which are not necessarily recouped by the equivalent uplift in value. The value is heavily dependent upon the location and quality of development and for the purposes of plan viability, we have adopted a more cautious approach. Apartment schemes have been successfully delivered on the Island and our appraisal results do not indicate that apartment development cannot come forward.

Island Wide

6.6 In terms of the 'Island Wide' typologies, the smaller apartment typology (R) is also unviable. Typologies S-U are a series of Exception Sites and these are viable on the basis of receiving grant as follows:

- S – Rural Exception Site at £30,403 per unit
- T – First Homes Exception Site (8 Units) at £26,141 per unit
- U – First Homes Exception Site (25 Units) at £25,962 per unit

6.7 The results indicate that the gap is reduced by utilising the First Homes tenure over a policy compliant tenure mix which includes the less valuable affordable rent tenure. The results also suggest that the level of grant would decrease with a higher number of units.

7 Conclusions and Recommendations

- 7.1 Based on the assumptions set out in this report and the financial appraisals appended, we recommend that the Draft Island Planning Strategy is viable on the basis of 35% affordable housing with a 40% discount for First Homes.
- 7.2 This is subject to consultation with industry and we would recommend that as part of next steps the Council engages with key stakeholders. This process should request where considered necessary, clear evidence to help inform this process.
- 7.3 The exception to the rule on 35% affordable housing may be on brownfield regeneration sites in urban areas. Typologies including apartments were less viable and wholly apartment-led schemes were unviable. This does not mean apartment schemes are not deliverable on the Island because there are examples of new-build schemes being delivered. As we have demonstrated in our market report, there is a premium for apartments in waterfront locations and some sites will lend themselves to this typology. However, we would recommend that the Council takes a flexible approach to affordable housing policy on such sites to enable regeneration to take place on brownfield land in urban locations.
- 7.4 We recommend that, in accordance with best practice, the plan wide viability is reviewed on a regular basis to ensure that the Island Plan remains relevant as the property market cycle(s) change.
- 7.5 Furthermore, to facilitate the process of review, we recommend that the Council monitors the development appraisal parameters herein, but particularly data on land values across the Island.

Appendix 1 – Policies Matrix

All draft policy included in the table below has been taken from the Draft Island Planning Strategy shared by James Brewer on 18th June 2021.

Planning Policy	Impact	Local Plan Viability implications	AspinallVerdi comment
G 1 - Our Approach Towards Sustainable Development and Growth	Low	<p>Policy seeks to encourage highest possible design quality and meet housing need through range of allocated sites, focusing on smaller / medium sized developments complemented by large allocation at HMP Isle of Wight.</p>	<p>Our development appraisals are based on BCIS median build costs, adjusted for the Island. These costs are sufficient to reflect design quality set out in this policy. Any design requirements for site specific mitigation are considered an abnormal cost and will need to be reflected in reduced land value.</p> <p>We have also analysed the land allocations to ensure our development typologies appraised reflect the sites coming forward.</p>
G 2 – Priority Locations for Development and Growth	Low	<p>This policy prioritises development within settlement boundaries of the primary and second settlements as well as rural service centres:</p> <ul style="list-style-type: none"> • Primary - Cowes, East Cowes, Newport, The Bay and Ryde • Secondary - Bembridge, West Wight, Wootton and Ventnor • Rural Service Centres – Arreton, Brading, Brighstone, Godshill, Niton, Rookley, St Helens, Wroxall and Yarmouth <p>Policy states that non-allocated sites coming forward will have to deliver all policy requirements and be located within settlement boundaries (as above),</p>	<p>Based on the allocations in the draft Plan, we have used a range of scenarios and sites of different scales and density to ensure the type of growth identified is reflected in the viability testing – this includes greenfield and brownfield typologies across the settlement hierarchy.</p>

		contribute to need, and make use as much as possible of previously developed land.	
G 3 – Developer Contributions	High	The policy explains that the Council will seek developer contributions for affordable housing, highway infrastructure, ecological / environmental mitigation, education and health infrastructure, coastal and flood risk reduction (including water management), digital infrastructure, open space, SANGs, cultural, public realm provision, community and sports infrastructure/ facilities. An applicant is expected to provide evidence of dialogue with relevant infrastructure providers.	We have adopted a cost of £6,000 per dwelling within our models to reflect these policy requirements and have undertaken a sensitivity analysis to understand the margin for viability if the contributions were expected to be more or less. This analysis has informed our recommendations. With regards SANGs our appraisal includes a cost of £4,215 per dwelling to reflect this cost on sites greater than 75 dwellings.
G 4 – Managing Viability	Low	<p>The policy states that if a viability assessment demonstrates a proposal cannot meet the requirements of the plan, the Council would work with applicant to understand whether any of the following approaches would be appropriate to facilitate delivery of the site:</p> <ul style="list-style-type: none"> • Securing public subsidy • Flexibility in affordable housing tenure, type and size mix • Changes to the density of the proposal • Re-phasing the proposal • Deferment of the delivery of the plan requirements • Reducing the policy requirements 	We have assessed typologies assuming full policy compliance with on-site delivery. This is a policy that provides the Council with some flexibility should a site-specific viability assessment be submitted. It is not considered a policy that requires addressing through the plan viability study, however, our sensitivity tables on density for example or Section 106 illustrate how the policy could be used.

		The policy states the Council would refuse applications if none of the above are considered appropriate.	
G 5 – Ensuring Planning Permissions are Delivered	Low	This policy requires major development proposals to provide a delivery timetable and masterplan to provide certainty of delivery. The policy indicates that the Council will impose a planning condition or legal agreement requiring development to be delivered in line with delivery timetable.	The cost for meeting the expectations of this policy would be covered in the professional fees allowance. The financial appraisals have been based upon build and sales rates from market research and our professional experience.
H 1 – Planning for Housing Delivery	Low	The policy seeks to deliver 7,290 net additional dwellings over plan period from: <ul style="list-style-type: none"> • 1,083 dwelling from large sites with planning permission • 4,707 dwellings from sites allocated in policy • 1,500 dwellings from windfall sites 	Our viability testing is based on typologies of development informed by the proposed site allocations in the draft Plan – therefore reflect of the proposed housing growth.
H 2 – Sites Allocated for Housing	Low	Policy relates to sites allocated for housing or residential-led mixed use development. It requires proposals for these sites to demonstrate how they will be phased in according with DHWN 3 and other requirements in the plan. It states that the number of houses deliverable will be determined through the planning application process.	As stated above, our viability testing is based on typologies of development informed by the proposed site allocations in the draft Plan – therefore reflect of the proposed housing growth. This policy does not impact the viability of the plan.
KPS 1 – Key Priority Site 1: HA39 Camp Hill	High	This policy relates to a strategic site and sets out the specific requirements of the development including: at least 1,200 dwellings with 35% affordable housing and a mix / size of housing in compliance with DHWN5 and DHWN8. There are requirements in terms of land for	This policy places specific requirements upon the site and we have appraised a strategic site typology to reflect this. We would recommend engaging with the landowner / promoter / developer up front before plan adoption to ensure the viability modelling reflects the

		commercial and community uses as well as necessary site infrastructure. The policy requires a masterplan to address sustainable development issues.	known infrastructure requirements but also appraisal inputs in terms of land value.
KPS 2 – Key Priority Site 2: HA44 Newport Harbour	High	This policy relates to a strategic site and sets out the specific requirements of the development including: at least 250 dwellings with 35% affordable housing and a mix / size of housing in compliance with H5 and H8. There are requirements in terms of land for commercial and community uses as well as necessary site infrastructure. The policy requires a masterplan to address sustainable development issues.	This policy places specific requirements upon the site and we have appraised a strategic site typology to reflect this. We would recommend engaging with the landowner / promoter / developer up front before plan adoption to ensure the viability modelling reflects the known infrastructure requirements but also appraisal inputs in terms of land value.
H 3 – Housing Allocations General Requirements	High	<p>Policy requires allocated sites to deliver sustainable, high quality design which is sensitive to local context – appropriate mix / type of housing, transport / highway improvements / biodiversity net gain of at least 10% / landscaping etc. / protected trees.</p> <p>For sites of 10+ dwellings, specific requirements:</p> <ul style="list-style-type: none"> • Affordable housing in line with H5 • Onsite play and open space or contribution (as required) • Children’s services facilities (if required) • Proportionate contributions to off-site junction improvements (if required) 	<p>We have formulated typologies of development to be appraised based on market evidence and allocations in the plan.</p> <p>We have included a specific cost for achieving biodiversity net gain as well as SANGs. An allowance has also been made for other site-specific mitigation (e.g. education or highways) through Section 106. Onsite open space to be provided on the balance of the gross to net area of the site.</p> <p>Affordable housing impacts the Gross Development Value of a development and therefore has a significant impact on viability.</p> <p>The appraisals test the affordable housing requirement and other section 106 contributions to understand their impact on viability. The sensitivity analysis enables</p>

		Developments of 75+ dwellings will be expected to provide any Suitable Alternative Natural Greenspace (SANG) in line with HQE4/5.	changes in these requirements or other appraisal inputs to be understood in relation to viability.
H 4 – Infill Opportunities outside Settlement Boundaries	Low	Policy explains that housing outside and not immediately adjacent the settlement boundaries will be supported where it would be infilling a small gap in a row of houses, or an otherwise built-up frontage.	Any infill development of sites smaller than 10 dwellings will not be subject to affordable housing contributions as per the revised NPPF which sets a 10 threshold for seeking affordable contributions, except in designated rural areas. We have tested small (10 unit) greenfield and brownfield site typologies to assess policy implications on the viability of these sites.
H 5 – Delivering Affordable Housing	High	<p>The policy sets out the Council’s affordable housing requirement and tenure split. On sites of 10+ dwellings, there is a 35% affordable housing requirement of which at least 25% are to be available as First Homes with a discount of 40% from full market value. We have also tested two other scenarios with a 30% discount and 50% discount.</p> <p>From the remaining 75% of affordable homes required on-site, there is a requirement for 70% of these to be affordable rent and 30% intermediate tenures.</p> <p>The requirement for sites of up to a net gain of 9 dwellings within the AONB is anticipated to be via an off-site contribution.</p>	<p>Affordable housing has a direct impact on development viability. On-site affordable housing provision results in a reduced GDV compared to market housing. Any off-site provision is reflected through a cost to the development. The off-site provision will be reflected in a direct cost to the development. An off-site provision, in viability terms, should be the equivalent to delivery on-site i.e. the developer is no better or worse off than delivering on or off-site.</p> <p>We have modelled the affordable housing requirements and tenure splits in accordance with policy (on-site), including the specified reduction in value for First Homes. We have also tested variations in discount from market value. Our sensitivity tables also show the impact of changes to the overall affordable housing target.</p>

H6 – Housing in the countryside	Low	This policy relates to isolated dwellings in the countryside.	This is not considered to have an impact on plan viability as it relates to single dwellings.
H 7 – Rural and First Homes Exception Sites	High	The rural exception sites policy supports the principle of affordable housing in perpetuity on exception sites. It also states that it will consider small number of market homes where it can be demonstrated they will facilitate the delivery of the scheme. First Homes exception sites are not acceptable in designated rural areas and should be located adjacent to an existing settlement.	As these sites require 100% affordable housing, there is a clear impact on viability, because the GDV is effectively capped but build costs are not. However, benchmark land values are adjusted to reflect a lower premium because of the site designation as an exception. We have tested a rural and first homes exception site typologies, to assess the level of grant required or see if any market housing is required to cross-subsidise the affordable units.
H 8 – Ensuring the Right Mix of Housing	Medium	On sites of 10+ dwellings, the scheme needs to deliver the percentage set out in the latest housing needs assessment or provide evidence to support the adopted mix.	Our testing reflects the dwelling mix set out in the Council's housing needs assessment. Dictating the housing mix has a slight impact on viability as some house types will be more economically rewarding than others depending on market demand which is not necessarily the same thing as need.
H 9 – New Housing on Previously Developed Land	Low	The policy supports residential led development in principle on all brownfield sites. It places general requirements upon developments in terms of meeting need, making efficient use of land and appropriate in terms of scale / built form.	Our viability testing is based on typologies of development informed by the proposed site allocations in the Draft Plan – therefore reflect of the proposed housing growth. It is difficult to predict the nature of windfall brownfield sites and the onus will be on the applicant to factor in planning policy requirements in their appraisal of the site.
H 10 – Self & Custom Build	Low	This policy requires developments of 25+ dwellings to include 5% of dwelling plots to self and custom building.	Self-build housing can be delivered in various ways from individual self-builder to larger schemes involving self-

		<p>If there are over 10 self-build plots in a scheme then a design code would be agreed between the Council and developer.</p>	<p>build enabling development. All our residential typologies are on the basis that land can be acquired and developed into a new unit (including appropriate allowance for profit). Where self-building involves plot sales and/or part completed units (e.g. foundations, or 'wind and watertight') the working assumption is that the developers profit is commensurate with the development work undertaken and therefore there is sufficient development surplus to incentivise the self-builder to complete the unit.</p> <p>In terms of the design code, the median build costs, professional fees, and contingency allowances assumed will be sufficient to cover design code requirements.</p>
<p>H 11 – Planning for Gypsy, Traveller and Travelling Showpeople Provision</p>	<p>Low</p>	<p>This policy concerns the provision of transit and permanent pitches for Gypsy, Traveller and Travelling Showpeople.</p>	<p>All retained and potential new locations may have minor impacts on the viability of developments on adjacent sites. Should viability be reduced in these scenarios then we would expect this to be reflected in a reduced land value on these specific sites.</p>
<p>E 1 – Supporting and Ground our Economy</p>	<p>Low</p>	<p>This policy allocates land for Class E, B2 and B8 uses. It also supports economic development proposals that result in re-use of previously developed land.</p> <p>Employment site allocations are as follows:</p> <ul style="list-style-type: none"> • 2.8 hectares at Pan Lane, Newport for Class E and B2 uses 	<p>In our 2018 viability testing we had regard to the viability of employment uses through testing B2/B8 and Class E office development. Our conclusions remain valid.</p>

		<ul style="list-style-type: none"> • 14.7 hectares at Nicholson Road, Ryde for Class E, B2, B8 and community uses • 1.9 hectares at Somerton Farm, Cowes for Class E, B2 and B8 uses • 6.2 hectares at Kingston Marine Park, East Cowes for Class E, B2 & B8 uses • 0.7 hectares at Lowtherville, Ventnor for Class E and B8 uses • 2.9 hectares at Sandown Airport, Sandown for Class E, B2 and B8 uses <p>In addition, the Council support's intensification and/ or expansion of existing employment uses in the following employment opportunity areas:</p> <ul style="list-style-type: none"> • Golden Hill Industrial Estate, Freshwater • Land at Afton Road, Freshwater • Cowes Industrial Estates, Cowes • College Close Industrial Estate, Sandown 	
<p>EA 1-EA 7 – Employment Allocations</p>	<p>Low</p>	<p>Detailed policy on proposed employment allocations for Class E, B2 and B8 uses: general requirements from these sites and proposals is to deliver infrastructure i.e. spine roads, flood prevention and other site-specific requirements that carry a cost.</p>	<p>Employment allocations will be serviced through existing infrastructure. Our external works allowance reflects the cost of dealing with internal estate roads junctions to main highway.</p>

E 2 - Sustainable Economic Development	Low	<p>The policy explains that proposals for economic development will be supported where they:</p> <ul style="list-style-type: none"> i. Deliver the strategic employment allocations. ii. Allow for the intensification and/ or expansion of existing industrial estates or employment sites. iii. Result in the re-use of previously developed land and/ or buildings, including agricultural buildings. <p>The Council will support a range of employment development types from small and medium enterprises to larger organisations.</p> <p>The policy also seeks to protect the loss of employment land and employment uses.</p>	<p>In our 2018 viability testing we had regard to the viability of employment uses through testing B2/B8 and B1 office development. Our conclusions remain valid.</p>
E 3 – Upskilling the Island	Low	<p>Support development which improves workforce skills / employability. Development proposals resulting in a net gain of 25+ dwellings or 1,000 sqm of non-residential space must produce an employment and skills plan.</p>	<p>The cost of producing an employment and skills plan is reflected in the professional fees in our appraisal.</p>
E 4 – Supporting the Rural Economy	Low	<p>Council will resist development on best quality agricultural land. It sets out the ways in which the Island’s rural economy will be supported - so that it may grow and diversify in a sustainable way to provide long term economic, environmental and social benefits for local communities.</p>	<p>There is no direct impact on the value/cost assumptions in respect of our appraisals. However, by protecting the best quality agricultural land it indicates that sites allocated will be poorer quality and have a lower existing use value than the better-quality land.</p>
E 5 – Maintaining Employment Sites	Low	<p>This policy resists the loss of employment sites with water front locations and support new employment that requires waterfront access.</p>	<p>New employment development requiring waterfront access is not considered critical to the development of</p>

with Water Access			the plan therefore no specific testing has been undertaken.
E 6 – Future Proofing Digital Infrastructure	Low	This policy seeks to enhance the digital infrastructure on the Island. Digital connectivity to exceed the requirements set out in the building regulations.	The policy is not clear what is required to exceed current building regulations. We consider that developers will also want to deliver this for new schemes as it will aid the marketability of the units. For Local Plan viability purposes, it is considered the cost of delivering broadband would be recouped in the value of the property – therefore, no specific assumptions have been made and it assumed that the allowance for external works in our appraisals will be sufficient to meet these requirements.
E 7 – Supporting and Improving Our Town Centres	Low	<p>This policy supports proposals which contribute to the diversity, choice, vitality and viability of town centres. It states that new retail development is expected to be located within Town Centre Boundaries.</p> <p>The policy requires that applications for retail development resulting in new retail floor space, or changes of use and variations of condition to remove or amend restriction on how units operate in practice, outside of the Town Centre Boundaries must be submitted with a retail impact assessment based on the following local floorspace thresholds:</p> <ul style="list-style-type: none"> • 750 sqm gross for Newport; • 500 sqm gross for Ryde and Cowes; and 	Our 2018 viability testing includes comparison and convenience retail scenarios, the allowance assumed for professional fees will be sufficient to cover the cost of a retail impact assessment. Our conclusions remain valid.

		<ul style="list-style-type: none"> 350 sqm gross for Sandown, Shanklin, Ventnor, Freshwater and East Cowes. 	
E 8 -Supporting the Evening Economy	Low	The Council supports development proposals that seeks to increase the footfall into the centres in the evenings.	The policy does not provide set out any specific development proposals to test.
E 9 – Supporting High Quality Tourism	Low	This policy to enable sustainable growth in tourism.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
E 10 –Tourism Opportunity Area	Low	This policy supports the principle of development which improves the tourism offer within the bay.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
E 11 – Ryde Tourism Opportunity Zones	Low	This policy supports the principle of development where it can be demonstrated it contributes to the aspirations of the opportunity zones.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
T 1 – A Better Connected Island	High	<p>The policy explains that the Council will seek financial contributions towards a number of infrastructure improvements and list the projects as follows:</p> <ul style="list-style-type: none"> Provision of a new multi-user Newport - West Wight route Completion of the multi-user Newport - East Cowes route Improvements to the multi-user Newport - Sandown route 	Our viability assessments have considered the level of developer contributions development can viably deliver to support the Council's infrastructure requirements. Any site-specific mitigations which is not accounted for in S.106 contributions are considered abnormal cost and will need to be reflected in a reduced land value then assumed in our testing.

		<ul style="list-style-type: none"> • Provision of a Park and Ride Scheme on Fairlee Road, Newport • Key road junctions in Newport • Key road junctions in Ryde • Key road junctions in Sandown and Shanklin <p>All development proposals should not cause a significantly adverse impact on the local or strategic road network that cannot be managed or mitigated.</p>	
T 2 – Supporting Sustainable Transport	Low	Policy supports proposals that increase travel choice and provide alternative means of travel.	This policy is to maintain and protect transport routes offering opportunities for future infrastructure improvements and sustainable travel. There are no specific cost implications associated with this policy and therefore does not have a direct impact on viability.
T 3 – Cross-Solent Transport	Low	Policy supports maintaining transport routes and methods across the Solent to the mainland.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
T 4 – Supporting Our Railway Network	Low	This policy recognises the importance of railway infrastructure.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
T 5 – Electric Vehicle Charging Points	High	Policy states that proposals for major development should ensure an adequate provision of charging infrastructure in active or passive parking spaces.	In our scenario testing we have allowed a cost for the provision of new charging point per dwelling.
T6 – Parking Provision in New Development	Low	Policy requirement for all development proposals to provide integrated vehicle and bicycle parking in accordance with the SPD.	The cost of providing parking is captured in our external cost allowance assumed in our appraisal.

C 1 – High Quality Design for New Development	Low	This policy states that development proposals should be of a high-quality design.	Our development appraisals are based on BCIS median build costs, adjusted for the Island. These costs are sufficient to reflect design quality set out in this policy. Any design requirements for site specific mitigation are considered an abnormal cost and will need to be reflected in reduced land value.
C 2 – Improving Our Public Realm	Low	Policy ensures major development proposals have high quality and well-integrated public realm.	It is assumed that any public realm requirements are captured in our external cost allowance assumed in our appraisal.
C 3 – Improving Our Health and Wellbeing	Low	This policy requires development proposals of 25+ dwellings to include a Health Impact Assessment.	This has a low impact on viability, it is a standard assumption to incorporate an allowance for 'professional fees' in development appraisals.
C 4 – Health Hub at St Mary's Hospital	Low	Policy relates development of the health hub at St Mary's Hospital. Development to include; extra care village incorporating dementia care, assisted living complex, independent living lodges. Residential development to include key worker, affordable and open market housing.	In our viability testing we have considered elderly accommodation and extra care, with the inclusion of affordable housing.
C 5 – Facilitating Independent Living	Medium	Proposals for major development are expected to provide at least 20% of the dwellings to be suitable for older people and / or those with mobility problems.	This policy is not prescriptive on how it will be delivered, typically we see such as policy through the "Optional requirement M4(2): Category 2 – Accessible and adaptable dwellings" of the building regulations. Part M4(2): Category 2 requires: <i>"An approach route for a Category 2 dwelling should comply with all of the following. a. The approach route is level, gently sloping or, where necessary, ramped. b. Private parts of the approach route have a minimum</i>

			<p><i>clear width of 900mm or 750mm where there are localised obstructions. c. Communal parts of the approach route (except communal stairs) have a minimum clear width of 1200mm or 1050mm where there are localised obstructions. d. Any localised obstruction does not occur opposite or close to a doorway, or at a change of direction, and is no longer than 2m in length. e. All external parts of the approach route have a suitable ground surface. f. Every gate (or gateway) along the approach route has both: a minimum clear opening width of 850mm a 300mm nib to the leading edge of the gate.”</i></p> <p>We have made an appropriate cost allowance for 20% of dwellings to achieve Part M4(2): Category 2 to reflect this policy.</p>
C 6 – Providing Annexe Accommodation	Low	This policy is based on single dwelling extensions.	This policy falls below the threshold for developer contributions and has no impact on viability.
C 7 – Delivering Locality Hubs	Low	Allocations for locality hubs – incorporating leisure, public health and wellbeing support services. One incorporates an element of housing.	There is no direct impact on the value/cost assumptions in respect of our appraisals
C 8 – Facilitating a Blue Light Hub	Low	This policy supports the delivery of a hub for emergency services.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
C 9 – Education Provision	Low	This policy supports the delivery of new, replacement or extended / altered schools where the scale is in keeping with the location and it accords with other local plan policies.	There is no direct impact on the value/cost assumptions in respect of our appraisals.

C 10 – Supporting Renewable Energy and Low Carbon Technologies	Low	Policy supports proposals for renewable energy and low carbon technologies. It places no requirements on residential developments.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
C 11 – Lowering Carbon and Energy Consumption in New Development	Medium	<p>Policy states that development proposals should include measures to reduce carbon dioxide emissions from energy use in accordance with the following hierarchy:</p> <ul style="list-style-type: none"> • Minimising energy requirements • Incorporating renewable energy sources • Incorporating low carbon energy sources including heat networks • Consider off-site solutions, retro-fitting and carbon reduction schemes <p>Proposals for major residential development will include an energy statement that must demonstrate how they will meet the requirements of the policy.</p> <p>This policy places specific requirements for non-residential developments, which should exceed 'Very Good' BREEAM rating.</p> <p>All major development to include renewable energy systems to provide at least 10% of the predicted energy requirements.</p>	The policy is caveated by viability and feasibility. We have however, included £4,000 per dwelling across the whole site for complying with changes to Part L of the building regulations. We have then provided a sensitivity showing the impact of the cost being up to £10,000 to achieve Future Homes Standard (2025).

		Proposals for 250+ homes should incorporate community district heating systems that use low carbon heat sources.	
C 12 – Utility Infrastructure Requirements for New Development	Medium	The policy supports proposals for improving the Island's utility infrastructure. New development will need to demonstrate a strategy for connecting to public utilities or delivery required infrastructure to support development.	The cost of connecting to existing utilities infrastructure is considered to be covered by our external works allowances. Any new infrastructure would be an abnormal cost that should come off the value of the land.
C 13 – Maintaining Key Utility Infrastructure	Low	This policy seeks to maintain or improve number of treatment works and mains supplies.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
C 14 - Providing Social and Community Infrastructure	Low	The policy sets out the expectations for the provision or improvements to cultural, educational, leisure and community facilities. It also resists the loss of such facilities.	These will need to be considered on a site-by-site basis, and if required will be deemed an abnormal development costs which will need to be reflected in the land value paid.
C 15 - Community-led Planning	Low	Where town and parish councils have undertaken place plans and/ or masterplanning work that has been endorsed by the council, development proposals should demonstrate how they contribute to achieving the aims of the community-led planning.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
EV 1 - Conserving and Enhancing our Historic Environment	Low	This policy deals with conserving and enhancing the special character of the Island's historic environment.	There is no direct impact on the value/cost assumptions in respect of our appraisals. It is expected that proposals where there is a listed building would be subject to a site-specific viability assessment. This would consider optimum viable uses, enabling development etc. and is not possible to model as part of a plan viability study.

EV 2 - Ecological Assets and Opportunities for Enhancement	Medium	This covers the mitigation measures to protect the ecology of the Island and where possible enhance it. Applications for development are required to include an ecology assessment, a biodiversity mitigation plan and demonstrate how a net gain of 10% for biodiversity will be achieved.	We have included a specific cost for complying with the 10% net gain in biodiversity. The cost for preparing the assessment and mitigation plan is assumed to be covered by the professional fees allowance.
EV 3 – Recreation Impact on the Solent European Sites	Medium	Development proposals located within 5.6km of the Solent SPAs and that meets the relevant criteria should provide mitigation through either: a. A financial contribution in accordance with the Bird Aware Solent Strategy; or b. A developer-led mitigation scheme that achieves the requirements of the Bird Aware Solent Strategy; or c. A combination of the above.	We have made a cost allowance in our appraisal for sites that fall within the 5.6km of the Solent SPAs.
EV 4 – Water Quality Impact on Solent European Sites (Nitrates)	Low	Development involving a net increase in dwellings, must demonstrate that the scheme would not result in a net increase in nutrients.	We consider the cost for demonstrating compliance with this would be met through professional fees allowance. Any cost associated with mitigating the impact of nitrates may have a higher impact on viability (medium). We understand from the Fareham Local Plan Viability that a cost of £1,900-£3,775 per dwelling was used to mitigate this issue. We have made a comment on this issue in our analysis of appraisals using the sensitivity tables.
EV 5 – Trees, Woodland and Hedgerows	Low	This policy requires development proposals to retain trees, woodland and hedgerows.	It is assumed any retention of trees, woodland and hedgerows will be part of the gross development area assumed. All sites have been appraised on a gross site area with deductions for a net developable area, therefore the land cost is reflected in our assessment.

EV6 - Providing and Protecting Green Spaces	High	This is the Council's greenspace policy, with a preference for greenspace to be provided on-site or if off-site then through a legal agreement. The policy also requires that large development in 5.6 km of the designated Solent SPAs are required to provide Suitable Alternative Natural Greenspace (SANGs).	It is assumed that greenspace will be delivered on-site on the element between the net and gross development area. With regards SANGs our appraisal includes a cost of £4,215 per dwelling to reflect this cost on sites greater than 75 dwellings.
EV 7 – Local Green Spaces	Low	This policy enables the Council to designate Local Green Spaces.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
EV 8 – Protecting High Grade Agricultural Land	Low	The policy protects the best and most versatile agricultural land from development on the island. An agricultural land classification survey is required on sites over 5 hectares.	The cost of doing a land classification survey would be met through our professional fees allowance. We consider this policy supports adopting an Existing Use Value for greenfield sites which is not reflective of prime agricultural land because this is not likely to be the type of site that comes forward for development.
EV 9 - Protecting Our Seascapes and Landscape	Low	Policy protects the seascapes and landscapes.	This policy will be reflected in development design and does not have a direct impact on the value/cost assumptions in respect of our appraisals.
EV 10 – Preserving Settlement Identity	Low	This policy seeks to preserve green space between settlements.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
EV 11 – Isle of Wight AONB	Low	This policy concerns development proposals that effect the AONB.	No development is planned in close proximity to the AONB. Any development which does occur which does impact the AONB the cost of any mitigation will need to be reflected in the price paid for the land.

EV 12 – Dark Skies	Low	This policy seeks to reduce light pollution within development proposals in the south west of the Island.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
EV 13 - Managing Our Water Resource	Medium	This policy places requirements on development proposals to conserve water resources, reduce surface water run-off and where appropriate deliver SUDs.	The cost of providing drainage measures will be met through the external costs assumed in the appraisal. We have made a cost allowance of £9 per dwelling to achieve water efficiency consumption to 100lppp.
EV 14 - Managing Flood Risk in New Development	High	This policy sets out the Council's flood risk management	<p>The Council has identified the following sites that will be affected by flood risk:</p> <ul style="list-style-type: none"> • HA018 • HA080 • HA060 • HA035 • HA044 <p>The Council is not prescriptive on how flood risk should be mitigated and it will be dealt with on a site-by-site basis. Measures could include raising ground levels or raising the buildings. We have not included a cost for mitigation flood risk as we do not consider it a typical issue across all sites. The cost of mitigating this should be reflected in the land value.</p>
EV 15 - Monkton Mead Catchment Area	High	Policy deals with the specifics of development coming forward in the Monkton Mead Catchment Area. Developments of greater than 1 hectare and in floods zones 2 and 3 should be supported by on-site SUDs.	<p>The Council has identified one sites affected by Monkton Mead Catchment Area - HA062 - 30 dwellings.</p> <p>It is assumed that SUDs will be captured through the general external cost allowance.</p>
EV 16 – Managing Our Coast	Low	Policy seeks to manage development in coastal areas with development proposals having to demonstrate they have taken a sustainable and practicable approach to	Within our assumptions we have made an allowance for professional fees which would cover the cost of complying with this policy. Any site-specific mitigation

		coastal protection and flood risk management. All development proposals will also need a coastal erosion vulnerability assessment.	would be considered an abnormal development costs and will need to be reflected in a reduced land value then assumed in our testing.
EV 17 – Facilitating Relocation from Coastal Change Management Areas	Low	This policy concerns relocating existing development from the Coastal Change Management Areas (CCMAs) which is forecasted to be affected within 20 years.	There is no direct impact on the value/cost assumptions in respect of our appraisals.
EV18 – Improving Resilience from Coastal Flooding	High	This policy requires development proposals to contribute towards future coastal and flood risk reduction schemes.	The viability assessments assess the potential contribution development could make towards coastal flooding mitigation. We understand based on a local precedent from East Cowes, that a contribution of £1,500 per dwelling may be required if this was an issue which it is not expected to be based on allocations.
EV 19 - Managing Ground Instability in New Development	Low	In areas at risk from ground stability, development proposals are expected to demonstrate that the site is suitable for the use, measures are in place to minimise the amount of water entering the ground and that surface water run-off is accommodated.	There is no planned growth in the areas affected by ground instability.

Appendix 2 – Typologies Matrix

Isle of Wight Residential Typologies Matrix

Ref.	# Resi Units	Market Area	Site Typology	Gross Site Area (ha)	Development Density (dph) [1]	Net Developable Site Area (ha)	Net Developable Site Area (acres)	DEFRA Biodiversity [2]	SANGs [3]	SPA [4]	Electric Vehicle Charging [5]	Other S.106 Contributions [6]	AH Target [7]	AH Basis [7]	AH Tenure Mix [7]:			Market Housing Mix [8]:						Affordable Rent Housing Mix: [8]						Affordable Intermediate Tenures Housing Mix: [8]						Cat. M4(2) [9]	Cat. M4(3) [9]			
															Affordable Rent (% of AH)	Intermediate (% of AH)	First Homes (% of AH)	1B F	2B F	1B H	2B H	3B H	4B+ H	Total	1B F	2B F	1B H	2B H	3B H	4B+ H	Total	1B F	2B F	1B H	2B H			3B H	4B+ H	Total
A	10	Lower Value Zone	Greenfield	0.40	25.00	0.40	0.99	£1,011	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
B	10	Lower Value Zone	Brownfield	0.25	40.00	0.25	0.62	£287	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
C	20	Lower Value Zone	Greenfield	1.00	25.00	0.80	1.98	£1,011	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
D	20	Lower Value Zone	Brownfield	0.63	40.00	0.50	1.24	£287	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
E	50	Lower Value Zone	Greenfield	2.08	30.00	1.67	4.12	£1,011	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
F	50	Lower Value Zone	Brownfield	1.56	40.00	1.25	3.09	£287	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
G	100	Lower Value Zone	Greenfield	3.86	35.00	2.86	7.06	£1,011	£4,215	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
H	100	Lower Value Zone	Brownfield	3.00	45.00	2.22	5.49	£287	£4,215	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
I	200	Lower Value Zone	Greenfield	7.71	35.00	5.71	14.12	£1,011	£4,215	£550	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	5.0%	-	-	35.0%	40.0%	20.0%	100.0%	25.0%	10.0%	25.0%	20.0%	15.0%	5.0%	100.0%	20.0%	10.0%	5.0%	35.0%	25.0%	5.0%	100.0%	20%	0%
J	200	Lower Value Zone	Brownfield	6.00	45.00	4.44	10.98	£287	£4,215	£550	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	5.0%	-	-	35.0%	40.0%	20.0%	100.0%	25.0%	10.0%	25.0%	20.0%	15.0%	5.0%	100.0%	20.0%	10.0%	5.0%	35.0%	25.0%	5.0%	100.0%	20%	0%
K	500	Lower Value Zone	Greenfield	21.43	35.00	14.29	35.30	£1,011	£4,215	£550	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	25.0%	10.0%	25.0%	20.0%	15.0%	5.0%	100.0%	20.0%	10.0%	5.0%	35.0%	25.0%	5.0%	100.0%	20%	0%
L	1200	Lower Value Zone	Mixed (GF / BF)	40.00	45.00	26.67	65.89	£1,011	£4,215	£550	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	25.0%	10.0%	25.0%	20.0%	15.0%	5.0%	100.0%	20.0%	10.0%	5.0%	35.0%	25.0%	5.0%	100.0%	20%	0%
M	20	Higher Value Zone	Brownfield	0.60	40.00	0.50	1.24	£287	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
N	25	Higher Value Zone	Greenfield	1.25	25.00	1.00	2.47	£1,011	£0	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
O	100	Higher Value Zone	Greenfield	3.86	35.00	2.86	7.06	£1,011	£4,215	£550	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
P	150	Higher Value Zone	Brownfield	4.17	45.00	3.33	8.24	£287	£4,215	£550	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	25.0%	10.0%	25.0%	20.0%	15.0%	5.0%	100.0%	20.0%	10.0%	5.0%	35.0%	25.0%	5.0%	100.0%	20%	0%
Q	150	Higher Value Zone	Brownfield - Flatted Scheme	1.10	170.00	0.88	2.18	£287	£4,215	£430	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	30.0%	70.0%	-	-	-	-	100.0%	75.0%	25.0%	-	-	-	-	100.0%	30.0%	70.0%	-	-	-	-	100.0%	20%	0%
R	35	Island Wide	Small Brownfield Flatted Scheme	0.54	75.00	0.47	1.15	£287	£0	£425	£2,500	£6,000	35%	On-site	52.50%	22.50%	25.00%	35.0%	65.0%	-	-	-	-	100.0%	75.0%	25.0%	-	-	-	-	100.0%	30.0%	70.0%	-	-	-	-	100.0%	20%	0%
S	8	Island Wide	Greenfield Rural Exception Site	0.40	20.00	0.40	0.99	£1,011	£0	£473	£1,000	£6,000	100%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
T	8	Island Wide	First Homes Exception Site	0.40	20.00	0.40	0.99	£1,011	£0	£473	£1,000	£6,000	100%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
U	25	Island Wide	First Homes Exception Site	1.25	20.00	1.25	3.09	£1,011	£0	£473	£1,000	£6,000	100%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	35.0%	40.0%	20.0%	100.0%	-	-	50.0%	30.0%	15.0%	5.0%	100.0%	-	-	25.0%	45.0%	25.0%	5.0%	100.0%	20%	0%
V	50	Island Wide - Sheltered Housing	Greenfield	0.77	75.00	0.67	1.65	£1,011	£0	£425	£2,500	£6,000	35%	On-site	52.50%	22.50%	25.00%	35.0%	65.0%	-	-	-	-	100.0%	75.0%	25.0%	-	-	-	-	100.0%	30.0%	70.0%	-	-	-	-	100.0%	N/A	N/A
W	50	Island Wide - Sheltered Housing	Brownfield	0.77	75.00	0.67	1.65	£1,011	£0	£425	£2,500	£6,000	35%	On-site	52.50%	22.50%	25.00%	35.0%	65.0%	-	-	-	-	100.0%	75.0%	25.0%	-	-	-	-	100.0%	30.0%	70.0%	-	-	-	-	100.0%	N/A	N/A
X	50	Island Wide - Extra-Care Housing	Greenfield	0.77	75.00	0.67	1.65	£1,011	£0	£425	£2,500	£6,000	35%	On-site	52.50%	22.50%	25.00%	35.0%	65.0%	-	-	-	-	100.0%	75.0%	25.0%	-	-	-	-	100.0%	30.0%	70.0%	-	-	-	-	100.0%	N/A	N/A
Y	50	Island Wide - Extra-Care Housing	Brownfield	0.77	75.00	0.67	1.65	£1,011	£0	£425	£2,500	£6,000	35%	On-site	52.50%	22.50%	25.00%	35.0%	65.0%	-	-	-	-	100.0%	75.0%	25.0%	-	-	-	-	100.0%	30.0%	70.0%	-	-	-	-	100.0%	N/A	N/A

Notes

- [1] Based on previous viability study 2018
- [2] Policy H3 / E3 - Cost taken from Biodiversity Net Gain and Local Nature Recovery Strategies, 2019
- [3] Policy H3 / E4/5 - Cost based on evidence from Surrey Heath Borough Council set out in main report
- [4] Policy E3
- [5] Policy BCIS for electric charging vehicles - cost from experience elsewhere and assumes one per dwelling
- [6] To cover any additional infrastructure provision required from policy G5
- [7] Policy H5
- [8] Policy H8
- [9] Policy C5

Appendix 3 – Land Market Review

Final Report

Land Value Paper (Appendix 3)

Isle of Wight Council

June 2021

Private and Confidential

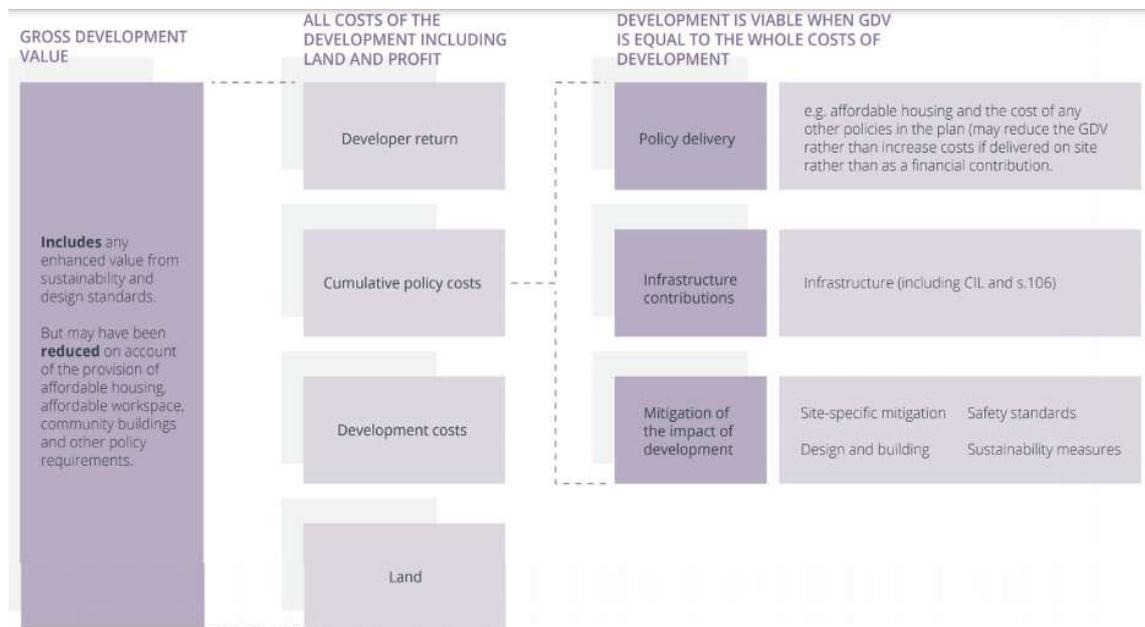
1 Introduction

- 1.1 As set out in section 4 of our Viability Appraisal report, the (benchmark) land value assumption(s) are fundamental in terms of plan viability. This update reflects the revisions in the NPPF and the Viability PPG which introduced the use of an approach referred to as Existing Use Value plus premium.
- 1.2 We set out below our approach to land values for the Viability Assessment, before reviewing land values across the Island in order to inform our assumptions for the Benchmark Land Values (BLV) used in the appraisals.

Land Value Approach

- 1.3 In a development context, the land value is calculated using a residual approach – the Residual Land Value (RLV).
- 1.4 The RLV is calculated by the summation of the total value of the development, less the development costs, planning obligations, developers return/profit to give the land value. This is illustrated on the following diagram (see Figure 1.1).

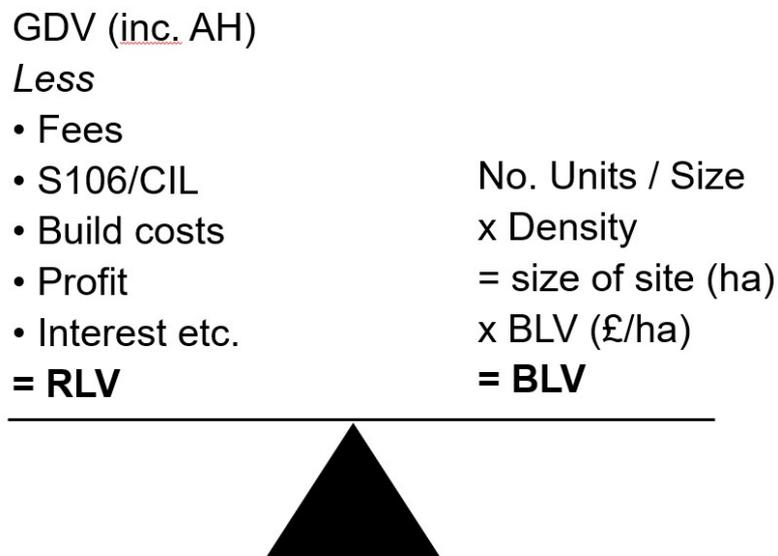
Figure 1.1- Development Viability



Source: RICS (Assessing viability in planning under the NPPF 2019 for England, March 2021)

- 1.5 For plans and schemes to be viable the RLV has to be tested against a Benchmark Land Value (BLV), which would enable sites to come forward – this is illustrated on the following diagram.

Figure 1.2 - Balance between RLV and BLV



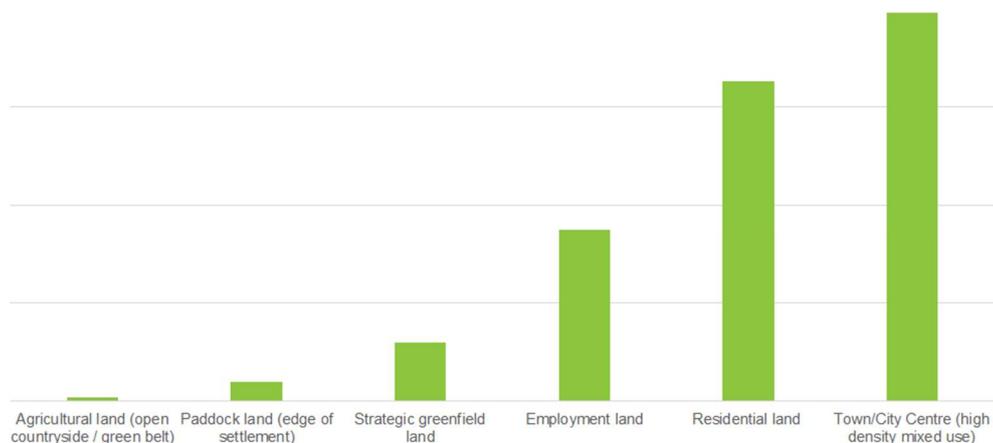
Source: AspinallVerdi (© Copyright)

1.6 The NPPG Viability provides guidance on the land values and particularly the BLV:

- How should land value be defined for the purpose of 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'. Paragraph: 013 Reference ID: 10-013-20190509
- What factors should be considered to establish benchmark land value?
'In plan making, the landowner premium should be tested and balanced against emerging policies'. Paragraph: 014 Reference ID: ID: 10-014-20190509
- What is meant by existing use value in viability assessment?
'EUV is the value of the land in its existing use. Existing use value is not the price paid and should disregard hope value. Existing use values will vary depending on the type of site and development types. EUV can be established in collaboration between plan makers, developers and landowners by assessing the value of the specific site or type of site using published sources of information such as agricultural or industrial land values, or if appropriate capitalised rental levels at an appropriate yield (excluding any hope value for development)'. Paragraph: 015 Reference ID: 10-015-20190509
- How should the premium to the landowner be defined for viability assessment?
'The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements'. Paragraph: 016 Reference ID: 10-016-20190509

- 1.7 The above PPG guidance is described in detail in the main report (section 2 – National Policy Context). The PPG does not provide any guidance on the quantum of premiums.
- 1.8 The fundamental question is, ‘*what is the appropriate BLV?*’ The land market is not perfect but there is a generally accepted hierarchy of values based on the supply and demand for different uses. This is illustrated on an indicative basis in the chart below (Figure 1.3). It should be stated that employment and residential land values are development land values and not necessarily reflective of existing use value. Indeed, in a town or city centre redevelopment context, the existing use value of a site will be dependent upon the condition of the land and property.

Figure 1.3- Indicative Land Value Hierarchy

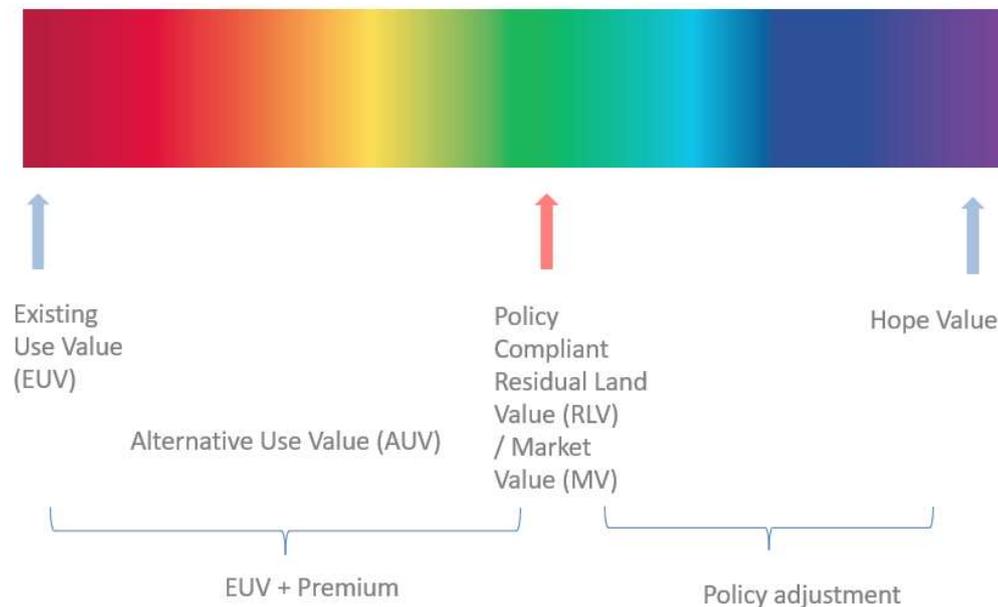


Source: AspinallVerdi (© Copyright)

- 1.9 Clearly, the value of individual sites depends on the specific location and site characteristics. In order for development to take place (particularly in the brownfield land context) the value of the alternative land use has to be significantly above the existing use value to cover the costs of site acquisition and all the cost of redevelopment (including demolition and construction costs) and developers profit / return for risk. In a plan-wide context, we can only be broad-brush in terms of the BLV as we can only appraise a representative sample of development typologies.
- 1.10 We also recognise that some vendors have different motivations for selling sites and releasing land. Some investors take a very long-term view of returns, where as other vendors could be forced sellers (e.g. when a bank forecloses).
- 1.11 Finally, ‘hope value’ has a big influence over land prices. Hope value is the element of value in excess of the existing use value, reflecting the prospect of some more valuable future use or development. The NPPG specifically states that hope value (and the price paid) should be disregarded from the EUV. However, hope value is a fundamental part of the market mechanism and therefore is relevant in the context of the premium.

1.12 Figure 1.4 illustrates the concepts set out above.

Figure 1.4 - Benchmark Land Value Approaches



Source: AspinallVerdi (June 2019)

1.13 In most circumstances it is acknowledged that there needs to be a premium over EUV in order to incentivise the land owner to sell. This approach works in the context of greenfield agricultural land, where the existing use value is clear and a premium can be assessed, however, it works less well in urban areas where there is competition for land among a range of alternative uses. In an urban context, it begs the question EUV “for what use?” It is impossible to appraise every possible permutation of existing use (having regard to any associated legacy costs¹)/ development potential.

1.14 The HCA (now Homes England) Area Wide Viability Model (Annex 1 Transparent Viability Assumptions) is a source of specific guidance on the size of the premium. The guidance states:
*There is some practitioner convention on the required premium above EUV, but this is some way short of consensus and the views of Planning Inspectors at Examination of Core Strategy have varied. Benchmarks and evidence from planning appeals tend to be in a range of 10% to 30% above EUV in urban areas. For greenfield land, benchmarks tend to be in a range of 10 to 20 times agricultural value.*²

1.15 The reference above predates the updated NPPF and PPG Viability.

¹ E.g. Existing buildings to be demolished and/or contamination requiring remediation.

² HCA Area Wide Viability Model (Annex 1 Transparent Viability Assumptions), August 2010, Transparent Assumptions v3.2 06/08/10

2 Land Market Overview

2.1 This section provides some background context to development land values and agricultural land values at a national level.

Development Land

2.2 Figure 2.1 is taken from Savills Research on the residential land market in its Q4 2020. The headline is that land values have remained ‘robust’ despite Covid-19, with greenfield land values increasing by 0.3% and urban (brownfield) land values increasing by 0.6% on the quarter. In the most recent research report (Q1 2021), Savills reported increases of 0.9% and 0.7% respectively, bringing annual growth to 0% for greenfield and 0.8% for urban land.

2.3 Looking at the trends, greenfield land values remain above urban land values³ but the gap has narrowed in recent years following a period of faster growth for greenfield land following the Global Financial Crisis (GFC). What is also clear is that following the GFC house prices did not fall as much as land prices and since 2015 house price growth has outstripped land value growth which has been relatively flat, with the exception of a slight increase in brownfield land values.

Figure 2.1 – UK Greenfield and Urban Residential Land Value Index



Source: Savills Research, Nationwide

³ However, it is not clear how urban land is defined and or how much remediation is required (vis-à-vis our Indicative Land Value Hierarchy chart above)

- 2.4 In our opinion, land values hit a ‘ceiling’ in around 2017-2018. Since the Brexit referendum vote there has been ongoing political and economic uncertainty, which was exacerbated by Covid-19. We also consider that the plateauing of the greenfield land values is perhaps an indication of changes to the PPG highlighted above, placing a greater emphasis on Existing Use Values and premiums reflecting policy requirements, enabling developers to negotiate with landowners.
- 2.5 All of these are factors that have will restrict development land value growth (both greenfield and brownfield), in particular: the economic challenges and risks of Covid-19; increased build costs due to labour shortages; supply chain issues but also increasing emphasis on sustainability to achieve carbon net zero by 2050. The impact of the cost of achieving net zero on land pricing was highlighted prior to Covid-19 in the Q4 2019 residential development land market update by Savills⁴.
- 2.6 In a brownfield context specifically, Covid-19 has accelerated the decline of the retail and leisure market, whilst posing a threat to the future of the office market. The impact is likely to increase vacancies and reduce rental and capital valuations which will feed into land pricing. As a result, there is likely to be increased opportunity for redevelopment in town and city centres, with landowners potentially forced to sell. Distressed sales are a trend picked up by Savills Research in their land market report⁵.
- 2.7 Despite these challenges, development market activity will continue as the Government sees the sector as a way of driving the economic recovery. There also remains a ‘housing shortage’ which will have only been exacerbated by development stalling through the pandemic. The Savills Research paper highlights a mixed response to land acquisitions from the sector at present. Housing associations are said to be acting more competitively using grant to support acquisitions. In comparison, some larger housebuilders are acting more cautiously and focusing on their committed pipelines whilst others such as Taylor Wimpey have raised £500 million of capital funding to finance acquisitions⁴.

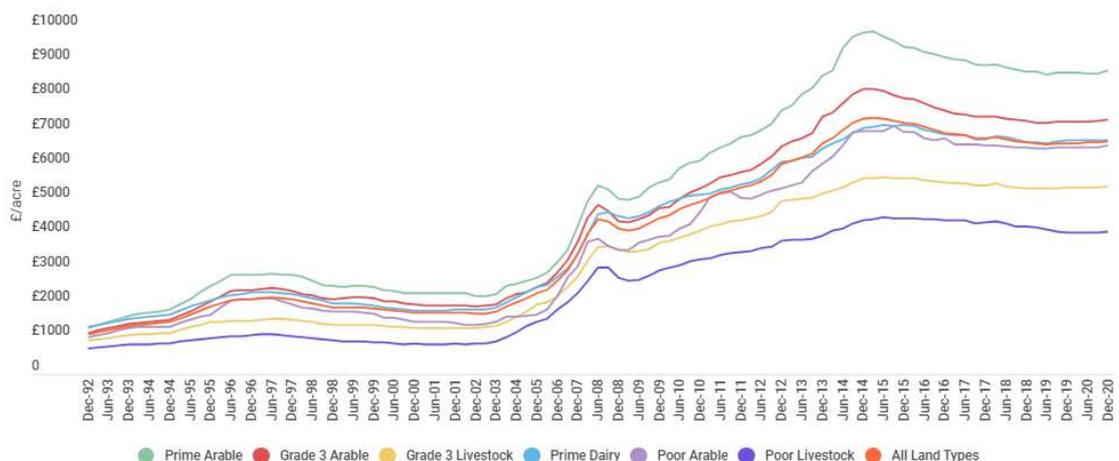
⁴ Savills Research, Residential Development Land Q4 2019, page 2

⁵ Savills Research, Residential Development Land Q2 2020, page 1

Agricultural Land

- 2.8 Whilst understanding the development land market is important, with the changes to the PPG on viability as set out above in Chapter 1, exploring agricultural land values is equally as important to understand. This informs the Benchmark Land Value of greenfield allocations and 40% of the proposed allocated dwellings in the Island Planning Strategy are on greenfield sites and 39% on mixed greenfield / brownfield sites.
- 2.9 Figure 2.2 below shows the long-term trend in average agricultural land values by type. It shows that following a relatively small drop in the average price post GFC (by approximately £500 per acre), there was a sustained period of growth up to early 2015. At this point prime arable land achieved on average just short of £10,000 per acre. Since then, there has been a negative trend until December 2020 where there is a slight uptick with the average price for prime arable land around £8,800 per acre. Grade 3 arable land stands at £7,360 per acre at the end of 2020.
- 2.10 According to Savills Research, the downwards trend has been influenced by weakness in commodity pricing during 2014 which started to drag average prices down. Then in 2016 the Brexit referendum vote resulted in material uncertainty over the future prosperity of UK agriculture. Despite publishing its own UK agricultural and environmental policy changes in 2018, not much policy has been legislated and uncertainty remains which has slowed the rural land market. Covid-19 also contributed to a slowing of the market as impacted business confidence. Despite this Savills report that average farmland values remained resilient in 2020 at £6,470 per acre which was a 0.7% increase on the year.

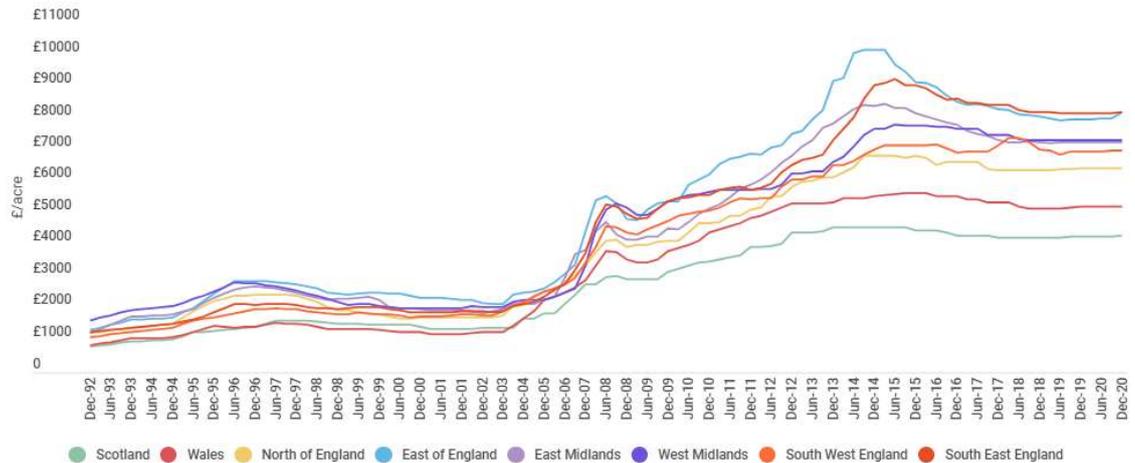
Figure 2.2 - Average Agricultural Land Values Per Acre (by land type)



Source: Savills Research

2.11 On a regional level, agricultural land values have been strongest in the South East and East of England at around £8,150 and £8,000 per acre respectively (as shown by Figure 2.3). This graph provides an overall average and does not distinguish between grade of land.

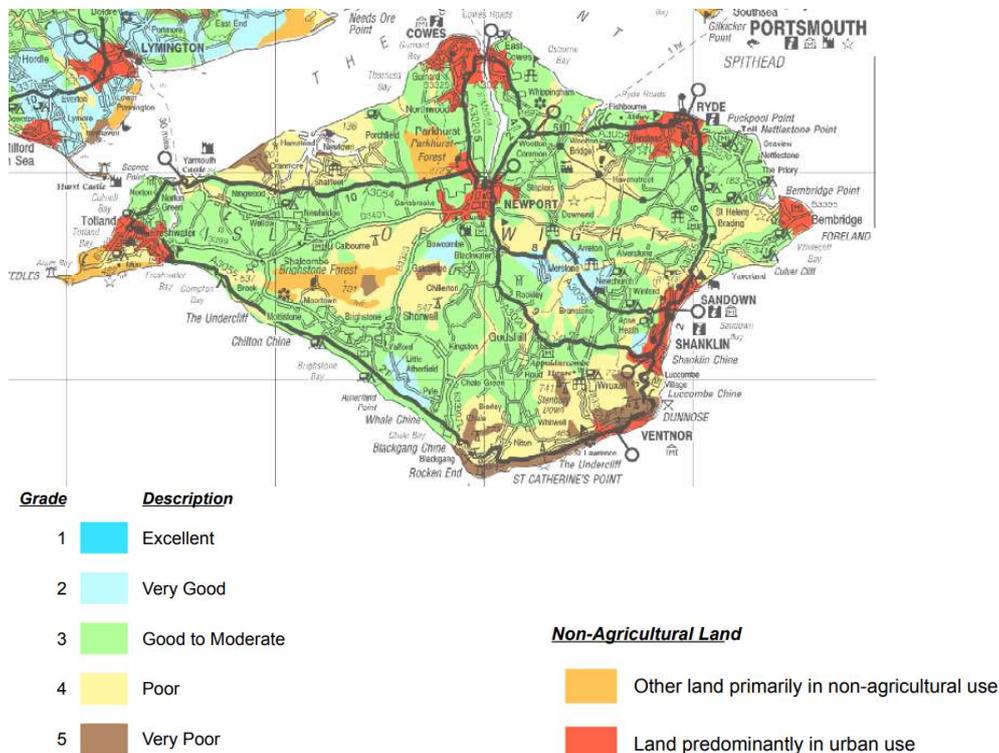
Figure 2.3 - Average Agricultural Land Values Per Acre (by region)



Source: Savills Research

2.12 Figure 2.4 below shows the quality of agricultural land on the Island which shows that generally the agricultural land is rated good to moderate (Grade 3) or poor (Grade 4).

Figure 2.4 - Agricultural Land Classification Map, East Midlands



Source: Natural England

- 2.13 If land is generally Grade 3 or Grade 4, we can equate this back to the evidence presented above in Figure 2.2 and Figure 2.3. Grade 3 land nationally is on average between £7,000-£7,500 per acre and Grade 4 around £6,000-£6,500 per acre. In the South East, agricultural land values are on average £7,500-£8,000 per acre. This is generally higher than Grade 3-4 land, but this will be driven by the prime agricultural land in the South East which is found on areas of the east coast; around Oxfordshire; and around Chichester. We will consider this evidence later once we have reviewed any market specific data, but it suggests a value of between £6,000-£7,500 per acre for agricultural Existing Use Value.

Impact of Covid-19 on Agricultural Land

- 2.14 As with development land, the graphics above do not yet provide any indication as to how the market will respond to Covid-19. Both Savills⁶ and Knight Frank⁷ cite a shortage in supply of land as an issue in terms of market constraint that means limited deals are taking place. Knight Frank indicate that Covid-19 may result in farmland being seen as attractive, safe investment which could stimulate demand and result in price growth akin to that post Global Financial Crisis. However, their optimism is curtailed by the uncertainty which remains around Brexit which forced the current downward trends shown in Figure 2.2 and Figure 2.3.
- 2.15 As with development land, the market will have to be closely monitored moving forwards but we consider it unlikely prices for agricultural land are going to increase significantly in the short to medium term. In the following chapter, we consider more regional and local evidence to inform our Benchmark Land Value assumptions for both greenfield and brownfield scenarios.

⁶ <https://www.savills.co.uk/property-values/rural-land-values.aspx>

⁷ <https://www.knightfrank.co.uk/research/article/2020-03-24-covid-rural-update>

3 Market Evidence

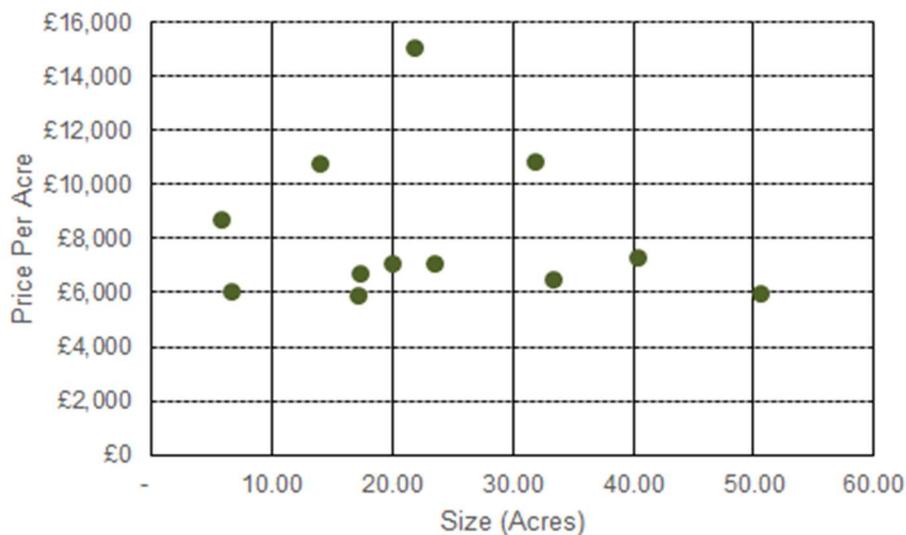
3.1 This section is split into agricultural and development land values.

Agricultural Land

3.2 Agricultural land values will vary dependent upon a number of variables including access, water supply, size, topography and quality of soil / ground conditions. Each greenfield site that comes forward on the Island for development will have different characteristics. It is therefore appropriate to look at a range of sites to establish an appropriate Existing Use Value for viability purposes.

3.3 As part of our 2018 study, we identified a number of agricultural sites being marketed. The asking prices ranged from £5,800-£15,000 per acre but there is a clear cluster shown by the graphic below between £6,000-£8,000 per acre. The median asking price across the twelve sites was £7,000 per acre.

Figure 3.1 - Asking Price Data (LPV 2018 Study)

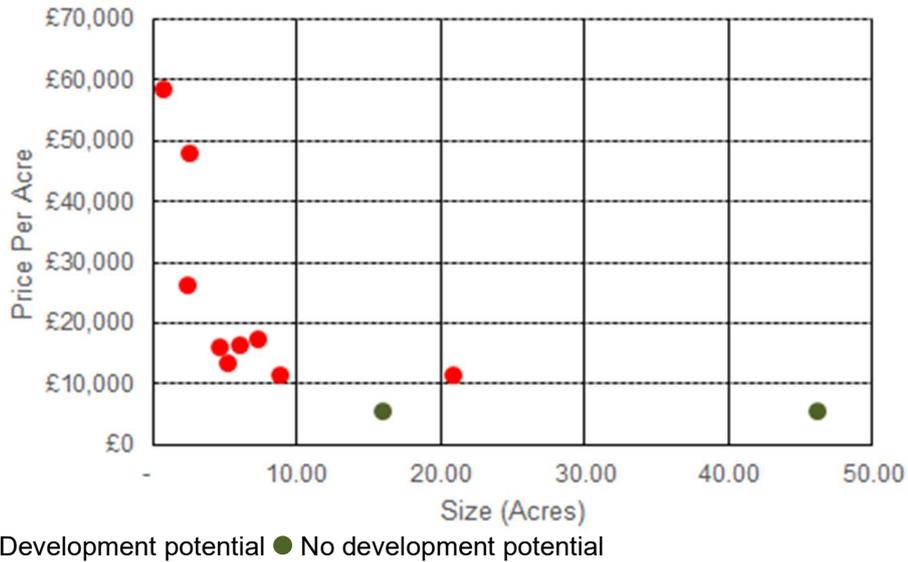


Source: AspinallVerdi

3.4 As part of our updated study, we have searched EG Radius Data Exchange for land sales and online databases for asking prices for land. We have not been able to identify any land sales through our search of EG Radius Data Exchange. However, we found more evidence of asking prices for agricultural land. The difference on this occasion is that there are more sites being marketed with development potential. Figure 3.2 summarises the data with the red dots reflecting sites where there is some development potential and consequently, asking prices are generally over £10,000 per acre with some even up to around £60,000 per acre. However, this site is less than 1 acre in size and general, the sites on the market currently are much smaller (than in 2018)

which is having an upwards impact on the land value per acre. We discuss these sites in more detail below.

Figure 3.2 - Asking Prices for Agricultural Land (With & Without Development Potential)



Source: AspinalVerdi

3.5 The site mentioned at nearly £60,000 per acre is shown as lot 4 below and whilst this is a greenfield site, we do not believe the asking price is reflective of agricultural value (for EUV). The site might not have planning but the location of it on the edge of a settlement, bounded by a recent development with access makes it a site with development potential despite being located in a nature conservation area. The particulars even state that there is an overage clause to capture any uplift in value. This indicates that there is an expectation that the site could be built out and ultimately, we consider the asking price reflects this also and is aspirational.

Figure 3.3 - Land at Heytesbury Farm



Source: BCM

- 3.6 The three other lots shown above are all in the database too and as they are slightly bigger in size, the asking price is lower around £15,000-£17,000 per acre. However, we still hold the view that these are aspirational and include some hope value for development given their location.
- 3.7 There is another site in the dataset, which has an asking price around £47,500 per acre, but this agricultural site includes a barn which the particulars state has potential for an alternative use and therefore, we consider this has been factored into the asking price. It is not therefore, representative of an agricultural land and barn for agricultural purposes.
- 3.8 The only two sites that have no development potential are some copse / woodland where the asking prices are around £5,350 per acre. This is more in line with the asking prices that we identified as part of our 2018 study and is more in line with the agricultural land values reported by Savills.
- 3.9 Taking into consideration all of the evidence presented above, we consider that an appropriate Existing Use Value for agricultural land in a plan viability context is £7,000 per acre. We discuss the premium above EUV shortly. This figure was the median asking price for agricultural land without development potential in our previous study and is in the range of average values for grade 3 and 4 agricultural land according to Savills.

Residential Development Land Values

- 3.10 For the purpose of this research, residential development land is land which has either obtained planning permission or has outline planning consent for residential use and/or is allocated for residential development within the Council's adopted policy documents.
- 3.11 As with agricultural land, we have utilised EG Radius Data Exchange well as the asking values of sites currently listed online. We have analysed the data to establish a value per acre / hectare and a value on a per unit basis. We also analyse this evidence to assess the typical market values for residential land (greenfield and/or brownfield).
- 3.12 Careful consideration has to be given to whether the values are aspirational and / or may not represent policy compliant market values. It should be noted that within our database of evidence we have carried out background research wherever possible into the planning consent the site has, and whether that is policy compliant or not. However, it is difficult to be certain that developers have not offered values (and landowners have not asked for values) which are not sustainable in planning policy terms and therefore challenge viability at detailed planning stage.

3.13 We also recognise that it is difficult to generalise what a ‘typical’ greenfield or brownfield residential development site is worth across the Island given that all sites are unique. It is therefore important to reiterate that this is a Plan-wide study and thus the purpose of our research is to establish a suitable Benchmark Land Value for the respective typologies of development to be appraised, utilising both existing use and policy compliant market values for greenfield and brownfield land. The BLV does not mean that this is the price that all land has to transact at – it is simply the benchmark for Plan viability purposes.

Greenfield Sites

3.14 The table below summarises the asking prices we have identified for greenfield development sites being marketed on the Island.

Table 3.1 - Asking Prices for Greenfield Development Land

Address	Size (Acre)	Planning Status	# Units	Asking Price	£ per acre	£ per unit	Source
Ashey Road, Ryde	0.42	Extant permission (P/01340/10)	2	£175,000	£416,667	£87,500	BCM
Main Road, Arreton	13.00	Extant permission (P/01870/12)	89	£3,950,000	£303,846	£44,382	Hose Rhodes Dickson
Palmers Road, Wootton	17.00	Outline permission (P/00741/18)	40	£2,500,000	£147,059	£62,500	Hose Rhodes Dickson
Harry Cheek Gardens, Northwood	3.50	Outline permission (P/01262/16)	28	£875,000	£250,000	£31,250	Hose Rhodes Dickson
Chatfield Road, Niton	1.66	Permission (21/00036/ARM)	9	£750,000	£453,016	£83,333	BCM
Burnt House Lane, Newport	4.63	Permission (P/01228/17)	9	£650,000	£140,539	£72,222	BCM
Min	0.42		2	£175,000	£140,539	£31,250	
Average	6.70		30	£1,483,333	£285,188	£63,531	
Max	17.00		89	£3,950,000	£453,016	£87,500	

Source: AspinallVerdi

3.15 We provide some commentary in relation to these sites below in terms of their usefulness to inform the Benchmark Land Value for viability in planning purposes.

- Ashley Road, Ryde – this site has extant permission for 2 holiday units. The principle for residential development is arguably there, but the site is very small and below the affordable housing threshold so this can be discounted as being useful for Benchmark Land Value purposes.
- Main Road, Arreton – this site also has extant permission, but for a much bigger site with the capacity for 89 dwellings based on the previous permission. We understand that the permission was policy compliant 35% affordable housing. However, there can be no certainty that this asking price enables a policy compliant scheme to be delivered. The price could be aspirational and as the permission has not been implemented, so we do not consider this is a useful comparable to inform the Benchmark Land Value.
- Palmers Road, Wootton – this site has outline permission with 35% affordable housing albeit we understand the S.106 agreement is still being finalised. The density is low and this is because there is some woodland retained and the net land value per acre equates to around £219,500. This site is in a higher value area on the Island and it can be considered a useful comparable, but we would expect land values to be lower where sales prices are lower. We also retain some caution as this is an asking price so there is potential for it to be aspirational.
- Harry Cheek Gardens, Northwood – this is another site with outline permission but there is no comment on affordable housing in the particulars and it states that the S.106 is still to be agreed. The price at £250,000 per acre is therefore a useful indicator but there can be no certainty that this is based on a policy compliant development and whether any future S106 costs would be netted off this amount.
- Chatfield Road, Niton – this small site has planning permission but it falls below the affordable housing threshold so the price is not the most useful comparable for Benchmark Land Value purposes.
- Burnt House Lane, Newport – this is another small site with permission but below the affordable housing threshold. The price per acre is around £300,000 per acre less than the Niton site and this may reflect the location of the two sites, with Newport being a lower value area. The development density of this site is also very low and this is because there is 2.5 acres of land that is not part of the planning permission. However, this land may have development potential according to the particulars and there is an overage mechanism to capture future uplift of value from this part of the site. We consider this is a more useful indicator to Benchmark Land Value as it shows a landowner is willing to sell greenfield land at £140,500 per acre and this site does not have any affordable housing obligations in relation to the 9 units permitted.

Brownfield Sites

- 3.16 For plan-viability studies, arriving at a brownfield land value is challenging given the numerous variables (e.g. existing use, site clearance costs and/or historic legacy costs) which influence the value of brownfield development land. Of the allocations in the Local Plan, 31% are brownfield.
- 3.17 We have identified six brownfield sites being marketed with development potential. However, the information provided with the marketing particulars is limited and the size of sites are also restricted meaning the data is not very useful for informing a view of Benchmark Land Value for planning viability purposes. The majority of them falling below the affordable housing threshold.
- 3.18 The information we have gathered is summarised below. If we are able to obtain information on the asking price for Savoy Court, this could provide some more useful information.

Table 3.2 - Asking Prices for Brownfield Development Land

Address	Size (Acre)	Planning Status	# Units	Asking Price	£ per acre / unit	Source
Land adjacent Curraghmore Hotel, Hope Road, Shanklin	*	Conditional Permission	8	£250,000	£31,250 per unit	Pitts
Parkbury Hotel, 29-31 Broadway, Sandown	0.72	No permission – former empty hotel on site	*	£450,000	£621,544 per acre	Gully Howard
Savoy Court, Avenue Road, Sandown	0.43	Outline permission (P/01281/14)	19	*POA	*	Gully Howard
Land between 46 & 52 Madeira Road, Ventnor	0.19	Permission (P/00663/17)	3	£350,000	£1,866,180 per acre / £116,667 per unit	Wright Estate Agents
17-19 Orchardleigh Road, Shanklin	*	Permission (TCP/26067/E)	7	£200,000	*	Arthur Wheeler
Medina Avenue, Newport	*	Planning permission implemented	8	£350,000	£43,750 per unit	Marvins

*No information

Source: AspinallVerdi

- 3.19 With a lack of further evidence, we have retained our assumptions as per the 2018 study. These are shown on the page over.

4 Benchmark Land Value Assumptions

4.1 The tables below set out our Benchmark Land Value (BLV) assumptions for plan making purposes.

Table 4.1 – Benchmark Land Value Assumptions (Lower Value - Greenfield)

Typology	Location	Type	EUV				Uplift x [X] x [Y]%	BLV	
			(per acre) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		(per acre) (net dev.) (rounded)	(per ha) (net dev.) (rounded)
Smaller Residential (<10 units)	Lower Value Area	Greenfield	£7,000	100%	£7,000	£17,297	14.3	£100,000	£247,100
Smaller Residential (11-49 units)	Lower Value Area	Greenfield	£7,000	75%	£9,333	£23,063	12.3	£115,000	£284,165
Smaller Residential (11-49 units)	Higher Value Area	Greenfield	£7,000	75%	£9,333	£23,063	18.8	£175,000	£432,425
Larger Residential (50-200 units)	Lower Value Area	Greenfield	£7,000	65%	£10,769	£26,611	12.5	£135,000	£333,585
Larger Residential (50-200 units)	Higher Value Area	Greenfield	£7,000	65%	£10,769	£26,611	20.0	£215,000	£531,265
Strategic Sites	Lower Value Area	Mixed	£7,000	50%	£14,000	£34,594	14.3	£200,000	£494,200
Smaller Residential (<10 units)	Lower Value Area	Brownfield	£90,000	100%	£90,000	£222,390	11.1%	£100,000	£247,100
Smaller Residential (11-49 units)	Lower Value Area	Brownfield	£90,000	80%	£112,500	£277,988	11.1%	£125,000	£308,875

Typology	Location	Type	EUV				Uplift x [X] x [Y]%	BLV	
			(per acre) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		(per acre) (net dev.) (rounded)	(per ha) (net dev.) (rounded)
Smaller Residential (11-49 units)	Higher Value Area	Brownfield	£100,000	80%	£125,000	£308,875	20.0%	£150,000	£370,650
Larger Residential (50-200 units)	Lower Value Area	Brownfield	£90,000	75%	£120,000	£296,520	12.5%	£135,000	£333,585
Larger Residential (50-200 units)	Higher Value Area	Brownfield	£100,000	75%	£133,333	£329,467	20.0%	£160,000	£395,360
Rural Exception Sites	Island Wide	Greenfield	n/a				£10,000 per plot		

Source: AspinallVerdi

- 4.2** It is important to note that the EUVs/ BLV's contained herein are for Plan / CIL viability purposes and the appraisals should be read in the context of the BLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular BLV in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications. Where sites have obvious abnormal costs, these costs should be deducted from the value of the land. The land value for site specific viability appraisals should be thoroughly evidenced having regard to the EUV of the site (as is best practice in the NPPG). This report is for plan-making purposes and is 'without prejudice' to future site-specific planning applications.
- 4.3** Furthermore, we are not saying that land can only be acquired in the District for these EUVs/ BLV's. As the appraisals show there is often a surplus between the RLV and BLV which could be put to a stronger land bid or retained as profit. Conversely, if a site has high abnormal costs then then land may be worth less than the BLV presented. Furthermore, the sensitivity scenarios show the impact on the surplus (i.e. difference between RLV and BLV) for various levels of BLV and profit (%).

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Appendix 4 – Residential Market Paper

Final Report

Residential Market Paper (Appendix 4)

Isle of Wight Council

July 2021

Private and Confidential

1 Introduction

1.1 This Appendix provides the detail and evidence behind the sales value assumptions used in our financial appraisals. Below we summarise the conclusions of our residential market research from the 2018 study. This provides useful context before presenting the recent market data.

Summary of 2018 Conclusions

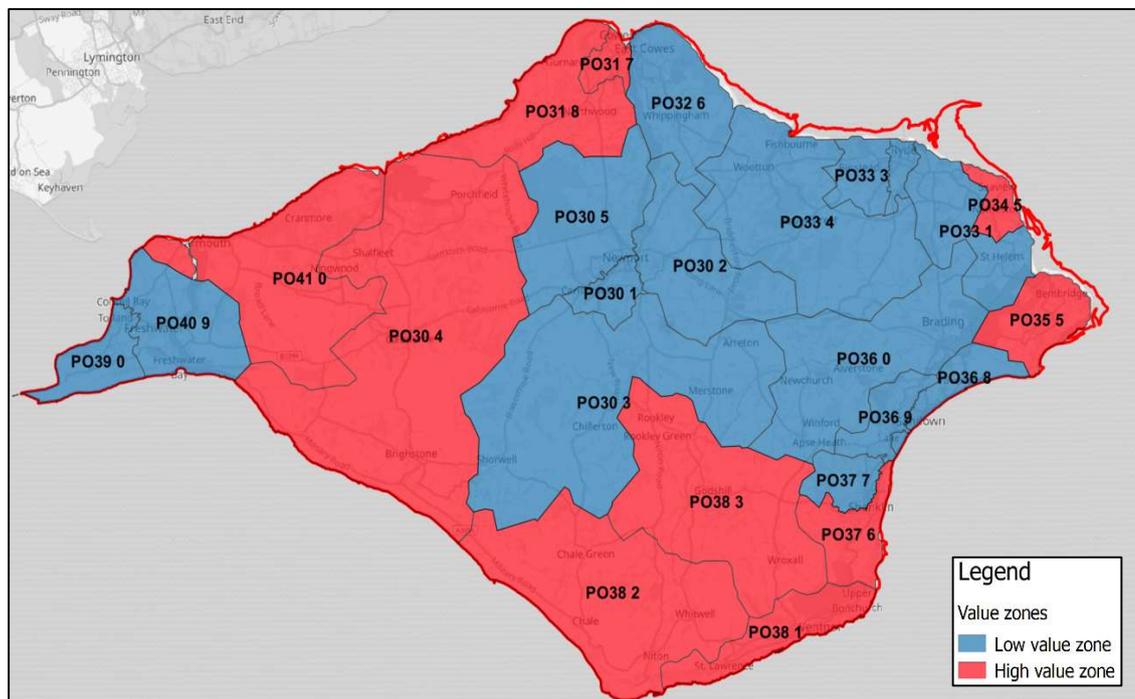
1.2 Through our market research, we identified the lower and higher value zones shown in the figure below. The higher value areas included:

- the primary settlement of Cowes
- the local centres of Shanklin (part of The Bay) and Ventnor
- the village centre and rural settlements of Bembridge and Seaview (pockets on east coast)

1.3 The lower value areas included:

- the primary settlements of Newport and Ryde
- the local centres of East Cowes, Sandown (part of The Bay) and Freshwater (West Wight)

Figure 1.1 – Isle of Wight Housing Value Zones (2018)



Source: Isle of Wight Council, OS data © Crown copyright and database rights 2018

- 1.4 The value zones shown above were established through looking at second-hand property sales. This was because there was no clear trend in values by looking at new-build residential sales. The research found that the new build residential market on the Isle of Wight was complex due to the variation in type of development coming forward.
- 1.5 Within each market area, there was the potential to ‘buck’ the norm in terms of values, with a clear price premium for large, bespoke properties on smaller developments. This was enhanced where sites had a particularly attractive location and setting, potentially offering sea views for example. This type of development was attracting demand from second-home owners.
- 1.6 On the other hand, there were a couple of examples of larger national housebuilder type schemes in Newport and East Medina by Barratt and David Wilson Homes. These are considered to be more ‘standard large-scale schemes’ delivering housing for the local resident/working population and there was a clear value differentiation. However, this was less clear cut on a price per square metre basis because of the broad variation in size of properties.
- 1.7 For the purpose of the 2018 plan-wide viability study, we reflected the different types of development coming forward by formulating development typologies that distinguish between smaller sites i.e. up to 50 units and larger schemes (over this threshold) in terms of unit sizes.
- 1.8 Table 1.1 sets out the value assumptions made for small sites up to and including 50 units. The values shown were reflective of comparable evidence from smaller schemes across the island. It was recognised that there was a ‘jump’ between the price of a 2 and 3-bed house in the lower value areas. This was driven by the variation in unit sizes and through our work with private developers we understood that due to help to buy, 2-bed properties were becoming harder to sell as the scheme made larger house types more affordable, in market terms.

Table 1.1 – 2018 Value Assumptions (Sites up to 50 units)

Typology	Lower (£ psm)	Higher (£ psm)
1-Bed Flat / House (55 sqm)	£140,000 (£2,545)	£175,000 (£3,182)
2-Bed Flat (75 sqm)	£170,000 (£2,267)	£220,000 (£2,933)
2-Bed House (78 sqm)	£190,000 (£2,435)	£240,000 (£3,077)
3-Bed House (100 sqm)	£275,000 (£2,750)	£300,000 (£3,000)
4-Bed House (130 sqm)	£375,000 (£2,885)	£425,000 (£2,833)

Source: AspinallVerdi

- 1.9 Table 1.2 sets out the value assumptions we used for larger sites over 50 units. It can be seen that the value assumptions were lower across all of the typologies and that there was less of a ‘jump’ between the unit sizes and thus the unit pricing was generally tighter.

- 1.10 The lower values were derived from analysis of the Barratt and David Wilson developments and reflect the general mid-point of values achieved across these schemes. There was no evidence of larger schemes being delivered in higher value areas. Therefore, the value assumptions shown below were arrived at through considering the upper end of values achieved on the Barratt and David Wilson developments and second-hand sales in the higher value areas.

Table 1.2 – 2018 Value Assumptions (Sites over 50 units)

Typology	Lower Value	Higher Value
1-Bed Flat / House (45 sqm)	£122,500 (£2,722)	£150,000 (£3,333)
2-Bed Flat (60 sqm)	£165,000 (£2,750)	£185,000 (£3,083)
2-Bed House (70 sqm)	£190,000 (£2,714)	£215,000 (£3,071)
3-Bed House (80 sqm)	£227,500 (£2,844)	£250,000 (£3,125)
4-Bed House (106 sqm)	£345,000 (£3,255)	£375,000 (£3,538)

Source: AspinallVerdi

- 1.11 It was considered that the value assumptions set out above were reflective of what was being achieved and that there was potential for schemes to exceed these sales values.
- 1.12 In the sections below we set out up to date market research which can inform our review of the sales value assumptions.

2 Market Evidence

2.1 This section presents updated market evidence to support our sales value assumptions.

Market Overview

2.2 Since the 2018 study, the wider economy and property market has experienced a general election, Britain formerly withdrawing from the European Union and a global pandemic in Covid-19. Prior to Covid-19, the housing market was experiencing a 'bounce' following the Conservative election win in the late-2019 election.

2.3 However, this was short-lived when the global pandemic meant the housing market was effectively shut down in March 2020. The government introduced measures to support the economy and the housing market, specifically stamp duty relief which meant that purchasers did not pay the tax on properties worth up to £500,000 and were able to save up to £15,000.

2.4 The graphic below is an illustration of the initial 'bounce' in early 2020 followed by the initial shock of the pandemic and then the subsequent growth stimulated by economic support measures.

Figure 2.1 - Prices and Market Activity in the UK Housing Market



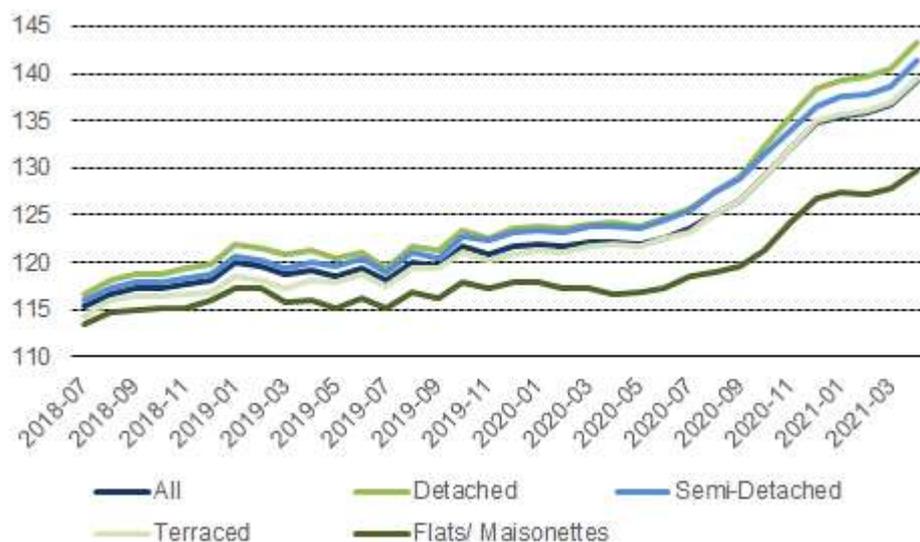
Source: Savills Research

2.5 Nationally, the impact of stamp duty relief has resulted in the number of transactions being increased sales and also growth in prices. This has been the case on the Isle of Wight and Land

Registry data indicates prices on the island have increased faster than the national average. As of April 2021, the average house price on the island is £255,153 which is an increase of 14% on the year (from £223,734).

2.6 Since July 2018¹, the Land Registry House Price Index indicates that house prices have increased by 21% overall which is around 7-8% per annum. This is illustrated in the graphic below which also shows the house price growth by property type.

Figure 2.2 - Land Registry House Price Index for Isle of Wight



Source: AspinallVerdi using Land Registry

2.7 Growth has been strongest for detached properties at 23%, followed by semi-detached and terraced at 22%. Price growth has been weakest for flatted properties and maisonettes at 14%. Whilst historically flatted properties have been worth less than houses, growth rates were similar before the pandemic and this has widened as presumably the restrictive measures placed upon society have increased demand for more space inside but also outside of property.

2.8 One approach to updating our value assumptions could be to index link the 2018 sales values in line with the Land Registry House Price Index². Table 2.1 - Table 2.2 show the impact of this with 1 and 2 bed flat value assumptions increasing by between £17,747-£31,872. The increase for 2-4 bed houses would be greater, between £41,774-£96,998.

2.9 Figure 2.3 - Figure 2.4 show the changes on a per square metre basis with 1 and 2-bed flats increasing by between £328-£483 psm and 2-4 bed houses increasing by between £536-£807 psm. Notably, all assumptions would be over £3,000 psm on larger sites regardless of market

¹ This is the date when the last sales were registered in our database for the 2018 study

² Flats up 14% from 113.41 to 129.84, 2-bed houses up 22% from 114.39 to 139.54, 3-bed houses up 22% from 115.92 to 141.45 and 4-bed houses up 23% from 116.68 to 143.31

area. On smaller sites, values in lower value areas would exceed £2,500 psm and in some instances be over £3,000 psm.

Table 2.1 – 2018 Value Assumptions Index Linked (Small Sites <49 dwellings)

Typology	Lower Value (2018)	Lower Value (Indexed)	Change (+/-)	Higher Value (2018)	Higher Value (Indexed)	Change (+/-)
1-Bed Flat / House (55 sqm)	£140,000	£160,282	£20,282	£175,000	£200,353	£25,353
2-Bed Flat (75 sqm)	£170,000	£194,628	£24,628	£220,000	£251,872	£31,872
2-Bed House (78 sqm)	£190,000	£231,774	£41,774	£240,000	£292,767	£52,767
3-Bed House (100 sqm)	£275,000	£335,565	£60,565	£300,000	£366,071	£66,071
4-Bed House (130 sqm)	£375,000	£460,587	£85,587	£425,000	£521,998	£96,998

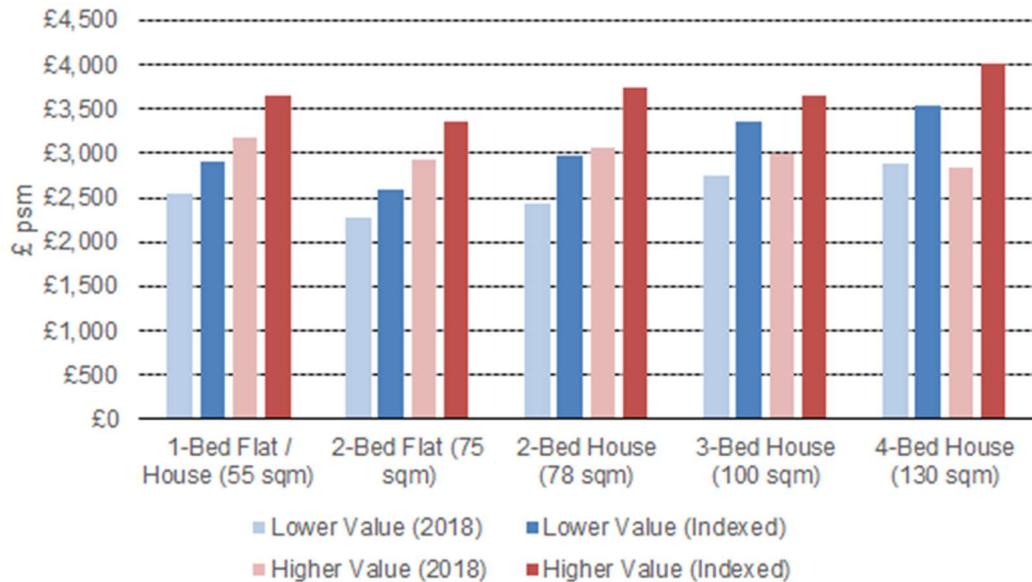
Source: AspinallVerdi

Table 2.2 – 2018 Value Assumptions Index Linked (Larger Sites >50 dwellings)

Typology	Lower Value (2018)	Lower Value (Indexed)	Change (+/-)	Higher Value (2018)	Higher Value (Indexed)	Change (+/-)
1-Bed Flat / House (55 sqm)	£122,500	£140,247	£17,747	£150,000	£171,731	£21,731
2-Bed Flat (75 sqm)	£165,000	£188,904	£23,904	£185,000	£211,801	£26,801
2-Bed House (78 sqm)	£190,000	£231,774	£41,774	£215,000	£262,270	£47,270
3-Bed House (100 sqm)	£227,500	£277,604	£50,104	£250,000	£305,060	£55,060
4-Bed House (130 sqm)	£345,000	£423,740	£78,740	£375,000	£460,587	£85,587

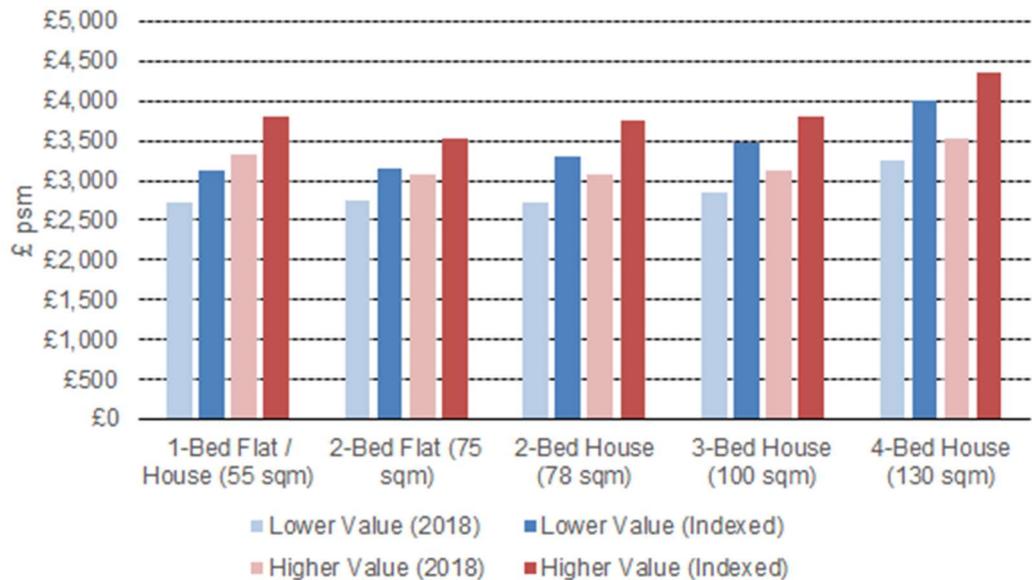
Source: AspinallVerdi

Figure 2.3 – 2018 Value Assumptions (£ psm) Index Linked (Small Sites <49 dwellings)



Source: AspinallVerdi using Land Registry

Figure 2.4 – 2018 Value Assumptions (£ psm) Index Linked (Larger Sites >50 dwellings)



Source: AspinallVerdi using Land Registry

2.10 To sense-check whether the above approach is justifiable, we have undertaken a review of Land Registry new-build sales and online search engines for new-build asking prices. This research is set out below.

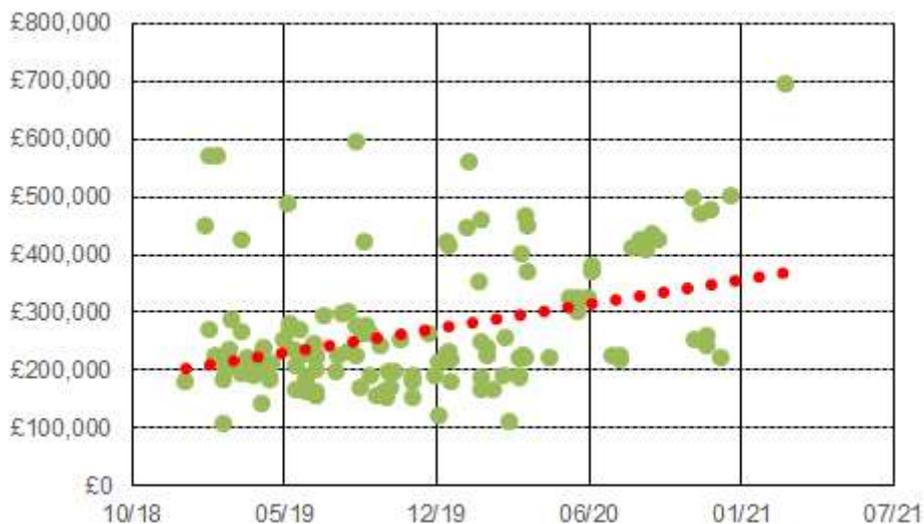
New-Build Sales Prices

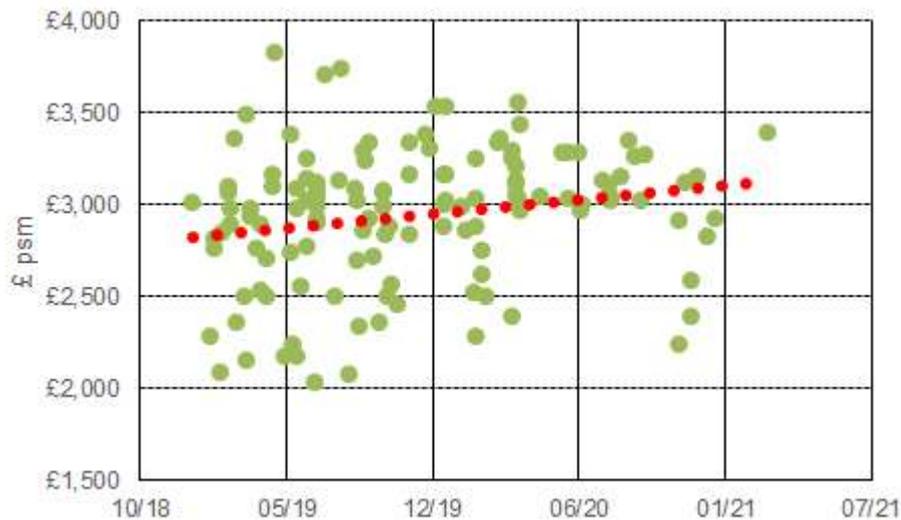
2.11 We have undertaken a review of Land Registry new-build sales between January 2019 and March 2021. There is normally a three-month lag in Land Registry data being uploaded, but Covid-19 disrupted this and then a subsequent increase in sales since June 2020 has meant sales are registering at a slower rate. To illustrate this, from the 135 sales we have identified, only one of these has taken place in 2021.

2.12 The new-build sales registered on the Land Registry are plotted below, over time on both a total value and value per square metre basis. This shows:

- there is a spread of sales over time but the majority are before the first Covid-19 national lockdown in March 2020.
- the trendline over time is positive on both an absolute and value per square metre basis indicating growth over the period.
- there is a strong cluster of sales between £100,000-£300,000 particularly before March 2020 and since then, there is a small group of sales between £200,000-£300,000 but also some up between £400,000-£500,000. The median across all data points is £225,000.
- values on a per square metre (psm) basis are quite varied from around £2,000 psm up to around £3,800 psm with the median across all data points £3,009 psm.

Figure 2.5 - New-Build Sales Values (Over-Time)





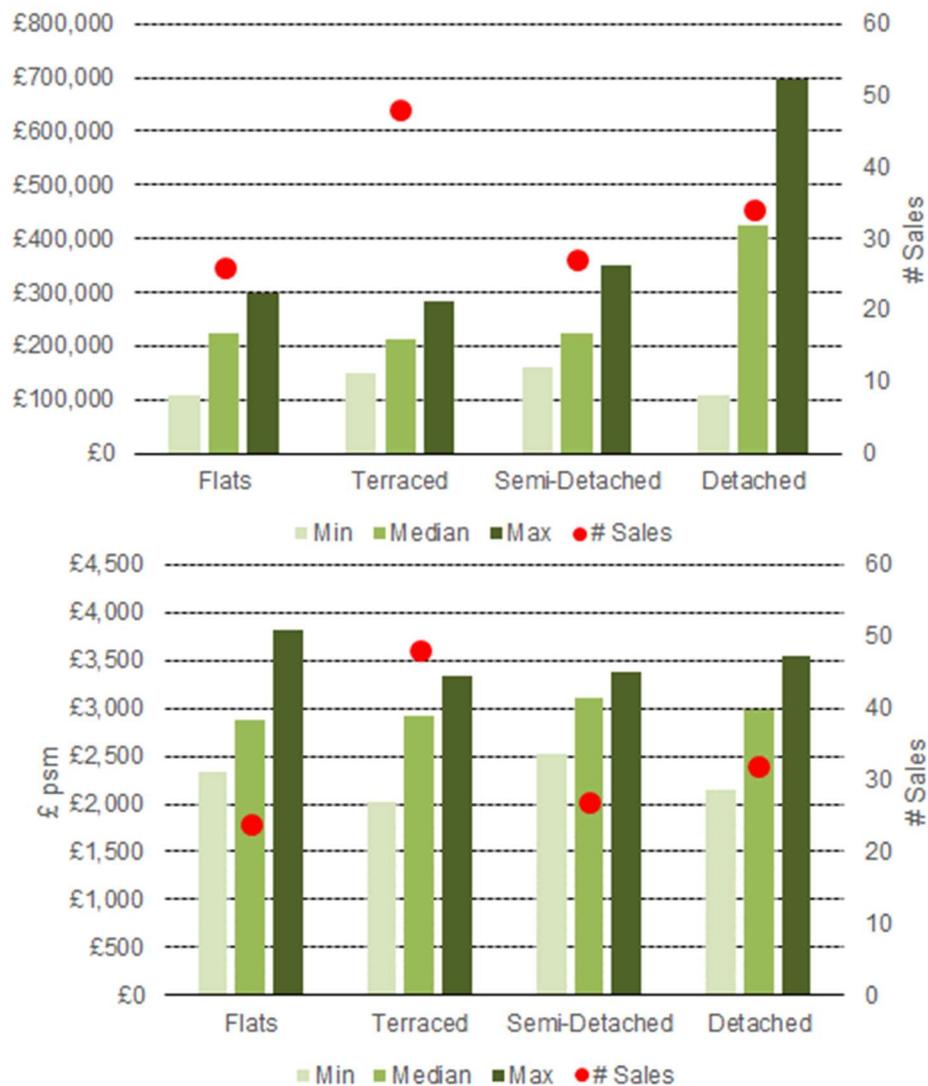
Source: AspinallVerdi using Land Registry

New-Build Sales by Property Type

- 2.13 Figure 2.6 shows the new-build sales by property type on a sales price and price per square metre (psm) basis. The graphs also show the number of sales per property type. We have over 20 sales per property type in the database and most sales have been for terraced properties, followed by detached, semi-detached and then flats. The higher quantity of terraced housing is driven by 31 sales in the Hawthorn Meadows scheme by Barratt Homes. There were also 14 sales of terraced properties at Whitecroft Park, part of the Gatcombe Manor redevelopment³. This is a unique scheme, with the terraced houses built in the grounds of a redeveloped Grade II listed former hospital building. We look at this scheme in more detail later in this section.
- 2.14 The data in Figure 2.6 shows that detached properties command a premium, with the value for flats, terraced and semi-detached properties more closely aligned. The median price for flats being in line with terraced and semi-detached properties is driven by the value premium that can be achieved by flats with sea views. We discuss this in more detail below.
- 2.15 On a price per square metre basis, the highest price has been achieved for flats which is likely to be driven by a combination of a smaller sized property, but also the premium for sea views. The median price across all house types is relatively similar at £2,876 psm (flats), £2,928 psm (terraced), £2,989 psm (detached) and £3,111 psm (semi-detached).

³ <https://www.mildrenconstruction.co.uk/case-study/gatcombe-manor/>

Figure 2.6 - New-Build Sales by Property Type



Source: AspinallVerdi using Land Registry

2.16 To illustrate the value premium for flats in a waterfront location, we have analysed the sales by location. Whilst the sample size is relatively small, the graph below shows that whilst the maximum price is around £300,000 at the waterfront and inland, the median price is over £50,000 greater in waterfront locations. On a price per square metre basis the median price is around £650 psm greater. It should be re-stressed that this is a small sample and that some developments in key locations will exceed these levels of value.

Figure 2.7 - New-Build Flat Sales by Location

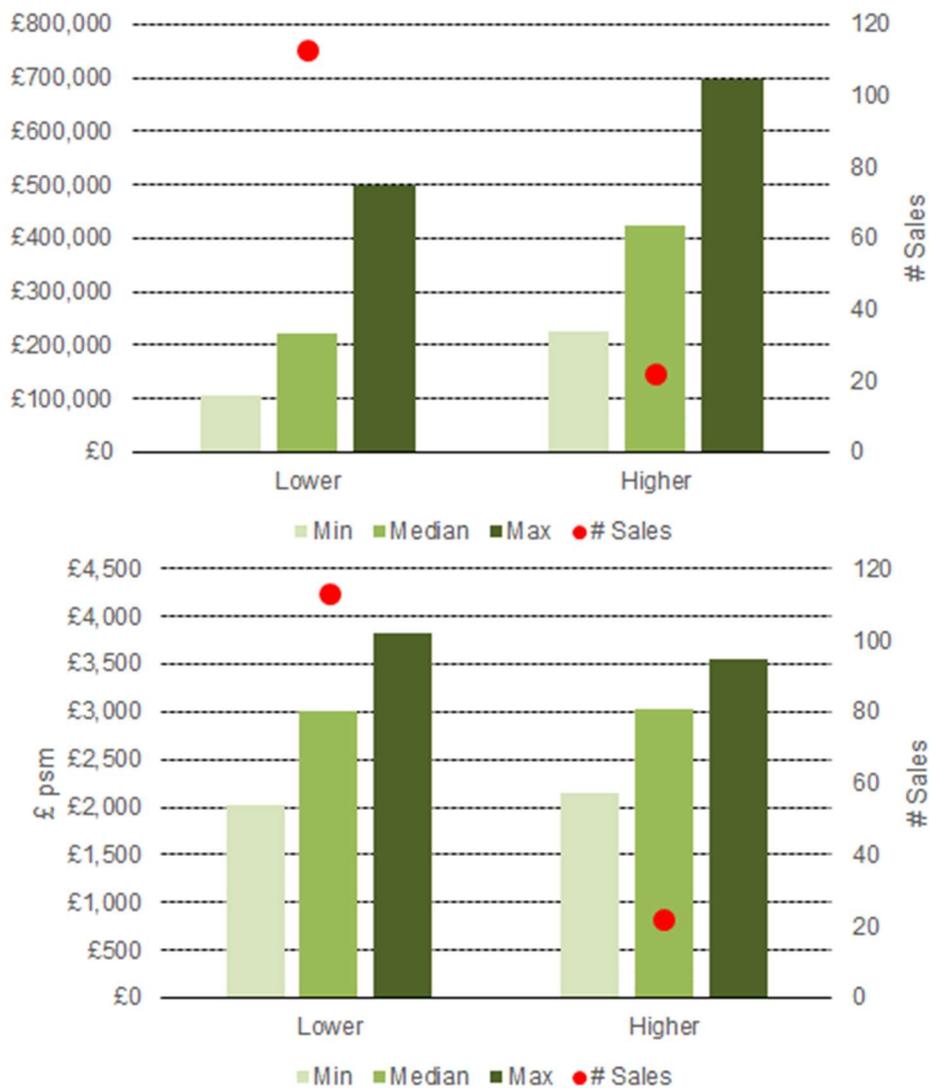


Source: AspinallVerdi using Land Registry

New-Build Sales by Value Zone

2.17 We have also analysed the data by the 2018 market value zones set out in Figure 1.1 earlier. Figure 2.8 shows that there have been more sales registered in the lower value area. In terms of the values achieved, the data supports our approach in 2018 with the minimum, median and maximum price all greater in the higher value area. It is interesting that on a value per square metre basis, the maximum price is greater in the lower value zone and the median is broadly the same at £3,008 psm and £3,023 psm respectively. We explore this in more detail below.

Figure 2.8 - New-Build Sales by Value Zone

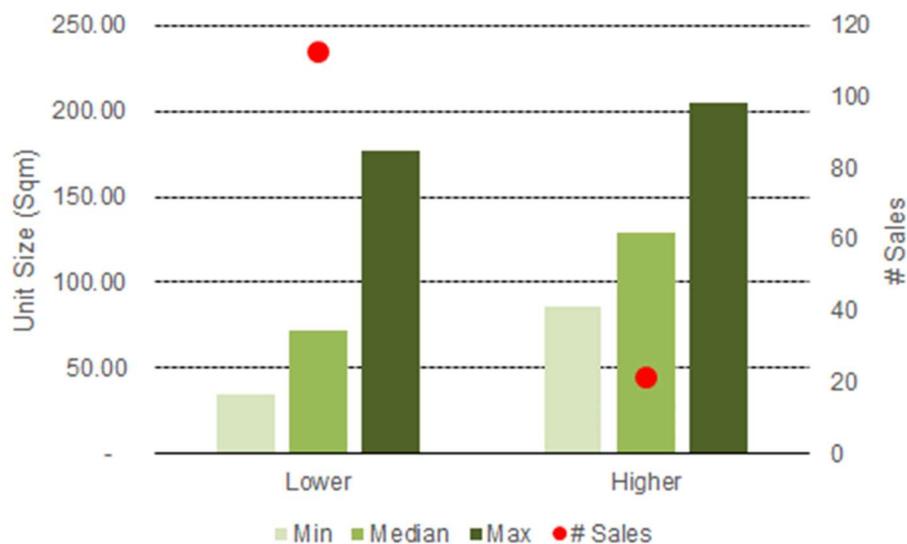


Source: AspinallVerdi using Land Registry

2.18 To explore the price per square metre data further, we present below analysis of the sales by unit size. This shows that the median size (sqm) of a property in the lower value area has been around 72 sqm between January 2019-March 2021 compared to 129 sqm in the higher value area. Using national space standards, the medians reflect a 2 storey 2-bed in the lower value area and a 2 storey 4 bed plus property in the higher value area.

2.19 Whilst the sample size is small in the higher value area, the data illustrates that in lower value areas schemes will be more efficient and delivered at a higher density. This enables them to be more value efficient, hence the median price being equivalent with the higher value area. In the higher value area 82% of sales have been for detached properties and explains partly why the median size of a property is so high. The overall size of the dwelling having a slight compression on the value per square metre, which is in line with the lower value area. This evidence justifies our approach to the value zones, but also having different typologies of development and unit sizes in each value area.

Figure 2.9 - New-Build Property Unit Sizes (Sqm)



Source: AspinallVerdi using Land Registry and Energy Performance Certificates

2.20 We look at some case study schemes in the database to explore the data in more detail.

Hawthorn Meadows Case Study

2.21 This is a large-scale development by Barratt Homes in East Cowes which we identified as a lower value area. In our database we have 52 sales registered during the review period with 59.5% of sales being terraced properties and 36.5% semi-detached. The remaining 4.0% is split equally between flatted and detached properties. The median unit size is small at 59 sqm.

2.22 The data presented in Figure 2.10 shows four clusters of sales:

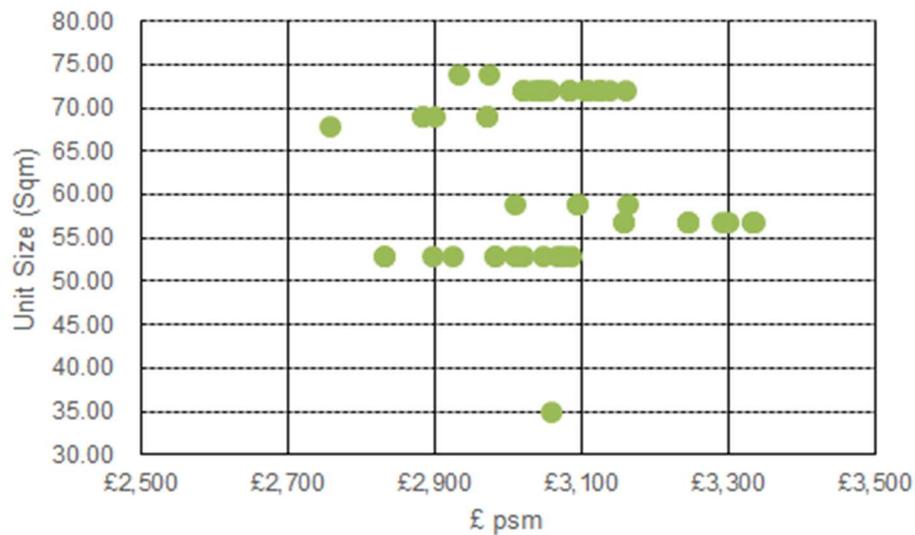
- One around £150,000-£165,000 for properties between 50-55 sqm
- Another around £175,000-£190,000 for properties between 55-60 sqm
- A smaller group around £200,000 for properties between 65-70 sqm.
- Another between £217,000-£227,500 for properties between 70-75 sqm.

2.23 On a price per square metre basis, the data shows a range of prices for similar property sizes:

- from £2,800-£3,100 psm for 50-55 sqm properties
- from £3,000 psm to over £3,300 psm for 55-60 sqm properties
- from just over £2,700 psm to around £3,000 psm for 65-70 sqm properties
- from just over £2,900 psm up towards £3,200 psm for 70-75 sqm properties

Figure 2.10 – Hawthorn Meadows Sales Values (By Unit Size)





Source: AspinallVerdi using Land Registry

- 2.24 On a price per square metre basis, the sales values achieved are higher than those assumed in the 2018 study for larger sites in the lower value area which were between £2,714-£2,844 psm with the exception of 4-bed properties at £3,255 psm.
- 2.25 Given that we have a sufficient sample size (52 sales), we have also looked at sales over time. The first sale in the database was recorded in January 2019 and the last in July 2020 meaning there has been a sales rate of 2.9 units per month during this period. This is considered a relatively typical sales rate on a large scheme even though this period has been disrupted by Covid-19.
- 2.26 The data shown in Figure 2.11 indicates that over time there is an upward trend in achieved sales prices with every property sold in 2020 achieving £185,000 (£3,000 psm) or more. It also shows that the majority of sales were registered in 2019 and therefore, the sales rate during this period is likely to have been in excess of 3 per month.

Figure 2.11 – Hawthorn Meadows Sales Values Over Time

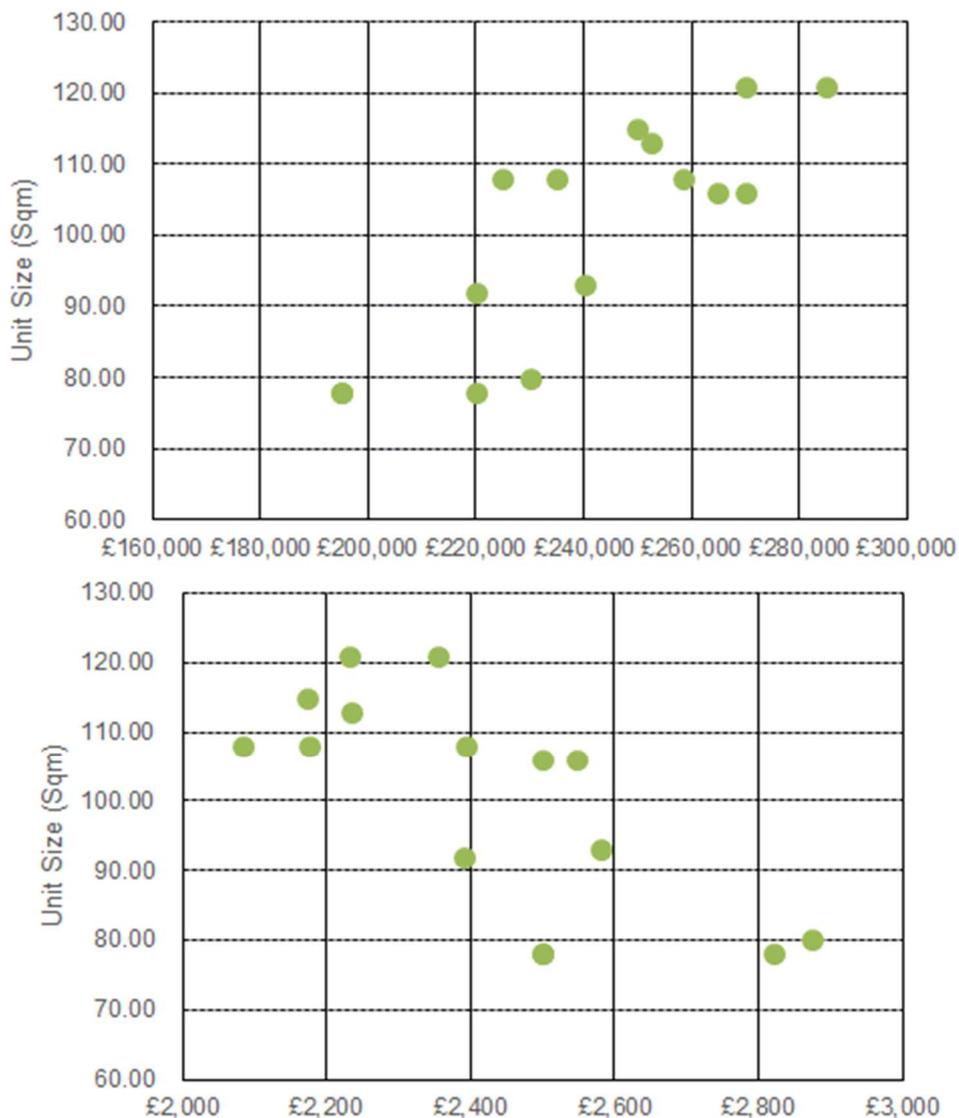


Source: AspinallVerdi using Land Registry

Gatcombe Manor Case Study

2.27 This scheme is a redevelopment of a former hospital site near Newport (lower value area) and included conversion / refurbishment of a grade II listed structure and new-build development. We have 15 sales in our database with all but one of these terraced houses. The data presented in Figure 2.12 shows a clear trend of higher sales prices for larger sized properties with 78-93 sqm properties achieving from £195,000 up to £240,000. Properties over 100 sqm sold for between £235,000 up to £285,000.

Figure 2.12 – Gatcombe Manor Sales Values (By Unit Size)



Source: AspinallVerdi using Land Registry

- 2.28 On a price per square metre basis, the data shows the larger properties had a lower value, generally less than £2,400 psm compared to properties below 100 sqm achieving with the exception of one, in excess of £2,400 psm up to £2,875 psm. These sales prices are in the range of assumptions made in 2018 for the lower value area on smaller sites (£2,267-£2,885 psm).

Meadow View Park Case Study

- 2.29 We understand that this is the first phase of a development of around 100 dwellings by Penwood Developments off Place Road on the edge of Cowes (in the higher value area). We understand there is a second-phase anticipated to be completed in 2022.
- 2.30 We have identified 9 sales in the database and a summary is provided below with the median sales price being £325,000 and £2,987 psm which is broadly in line with the assumptions in the 2018 study that were around £3,000 psm in the higher value area.

Table 2.3 - Meadow View Sold Prices

Address	Type	Sold Date	Size (Sqm)	Sold Price	£ psm
7 Deauville Avenue	Detached	01/02/2019	197.00	£450,000	£2,284
8 Deauville Avenue	Detached	10/01/2020	149.00	£445,000	£2,987
30 Deauville Avenue	Semi	04/06/2020	99.00	£300,000	£3,030
31 Deauville Avenue	Semi	04/06/2020	99.00	£325,000	£3,283
33 Deauville Avenue	Semi	26/05/2020	99.00	£325,000	£3,283
34 Deauville Avenue	Semi	19/06/2020	99.00	£325,000	£3,283
36 Deauville Avenue	Detached	07/02/2020	86.00	£225,000	£2,616
37 Deauville Avenue	Detached	06/02/2020	86.00	£236,000	£2,744
51 Place Road	Detached	22/03/2019	197.00	£422,500	£2,145

Source: AspinallVerdi using Land Registry

Wishing Well Close Case Study

2.31 This development off Pondwell Hill of 25 contemporary homes is an example of the value that can be realised from development on the Isle of Wight. Despite being in close proximity to Ryde (in a 'lower value' area), the scheme is evidence of bucking the market trend. This is shown in the table below where prices generally exceed £3,000 psm for a lower value area. On small sites in the 2018 study, we had a maximum sales rate of £2,885 psm in the lower value area and £3,269 psm in the higher value area. This scheme reflects sales values in the higher value areas.

Table 2.4 - Wishing Well Close Sold Prices

Address	Type	Sold Date	Size (Sqm)	Sold Price	£ psm
2 Wishing Well Close	Semi	06/09/2019	89	£260,000	£2,921
3 Wishing Well Close	Semi	02/09/2019	85	£275,000	£3,235
4 Wishing Well Close	Semi	23/05/2019	83	£280,000	£3,373
5 Wishing Well Close	Detached	12/11/2020	151	£470,000	£3,113
6 Wishing Well Close	Detached	27/11/2020	151	£475,000	£3,146

Source: AspinallVerdi using Land Registry

Sold Prices Summary

- 2.32 In the 2018 study, we had value assumptions between £122,500-£375,000 (£2,267-£3,225 psm) in the lower value area and £150,000-£425,000 (£2,933-£3,538 psm) in the higher value area.
- 2.33 Sold prices between January 2019-March 2021 in the lower value area have been between £106,995-£499,950 (£2,025-£3,818 psm) and £225,000-£695,000 (£2,145-£3,550 psm) in the higher value area. The median sold prices have been £220,000 (£3,008 psm) and £423,750 (£3,023 psm) respectively. Looking at the data overall, our 2018 assumptions were reasonable because they do not exceed the market evidence of subsequent sales.
- 2.34 Analysing the data in more detail indicates that perhaps we were conservative, particularly in the lower value area on a price per square metre basis with only one typology (on larger sites) valued in excess of £3,000 psm when the median has exceeded this. This suggests we should increase our assumptions.
- 2.35 Whilst adopting an approach of indexing linking our value assumptions to the House Price Index could be one way of updating our assumptions, having looked at the evidence we consider this might overstate sales prices as it would result in assumptions which in some instances would exceed the maximum sold prices that we have seen on a per square metre basis.

Asking Prices

- 2.36 This section reviews asking price data from a number of new-build schemes we have identified on the island.

West Acre Park – Captiva Homes

- 2.37 West Acre Park is a scheme on the edge of Ryde (see below). We note from the planning portal (P/00760/16) that the West Acre Park scheme provided 35% affordable housing. This is a useful precedent for greenfield sites delivering policy compliance in terms of affordable housing. A layout plan for the West Acre Park scheme is provided below.

Figure 2.13 – Location and Layout of West Acre Park



- Site location

Source: Captiva Homes and Google

- 2.38 Table 2.5 summarises the asking price information we have gathered from Rightmove and Wright Estate Agents. The majority of these are marked online as sold correlating to the agent who indicated there was only two properties left. The sold price data is yet to be registered with the Land Registry, but based on our dialogue with the local agent we can be confident that asking prices have been achieved at this scheme.

Table 2.5 - West Acre Park Asking Prices

House Type and Size		Asking Price
The Alverstone	2-bed coach house (74 sqm)	£175,000 (£2,369 psm)
The Afton	2-bed terrace (79 sqm)	£195,000 (£2,481 psm)
The Atherfield	2-bed bungalow	£299,995
The Shorwell	3-bed semi-detached (84 sqm)	£247,500 (£2,950 psm)
The Merstone	3-bed semi-detached	£274,995
The Newbridge	3-bed detached*	£325,000
The Porchfield	4-bed detached (140 sqm)	£379,000 (£2,711 psm)
The Bouldnor	4-bed detached (155 sqm)	£439,000 (£2,833 psm)

Note – Floor areas based on planning application not marketing particulars

**we know from the planning portal that no 3-beds exceed 100 sqm thus, this would have a minimum value £ psm of £3,250.*

Source: Rightmove and Wright Estate Agents

2.39 The images below illustrate some of the house types in the development. These are a relatively standard housing product akin to larger, national housebuilders. The evidence above indicates a premium for detached properties (in particular 3-beds). The asking prices are in line with our 2018 sales value assumptions in the lower value area.

Figure 2.14 - West Acre Park House Types





Source: Captiva Homes

Spencer Park, Ryde – Element Housing

2.40 Spencer Park is more bespoke, contemporary housing development of 14 properties located on the west of Ryde.

Figure 2.15 - Location and Layout of Spencer Park Development



● Site location

Source: Google and Spence Willard

2.41 Table 2.6 illustrates that the asking prices for this scheme are up to £3,750 psm which is at the top end of achieved sales values since January 2019. This is a high-quality development and has an strong attractive location, which overlooks Ryde Golf Course and is set in 2 acres of woodland. However, it again demonstrates that quality housing products can achieve very strong sales prices despite being in a typically lower value area.

Table 2.6 - Spencer Park House Prices

Property Type	Price	Image
3-bed semi-detached (113 sqm)	Asking price £400,000 (£3,540 psm)	
4-bed detached (140 sqm)	Sale agreed, asking price was £525,000 (£3,750 psm)	
4-bed detached (192 sqm)	Asking price £625,000 (£3,255 psm)	
5-bed detached (250 sqm)	Sale agreed, asking price was £725,000 (£2,900 psm)	

Source: Spence Willard

Steyne Road, Bembridge – Thornwood Estates

2.42 This scheme is located in Bembridge which is a pocket of higher values on the south east coast of the Isle of Wight. The scheme is a small development and the evidence presented below shows that new-build houses in Bembridge command a premium over Ryde. However, it reiterates the evidence from Wishing Well Close and Spencer Park show, in that there is strong value potential on the Island.

Figure 2.16 - Location & Layout of Steyne Road Development, Bembridge



● Site location

Source: Google

Table 2.7 - Asking Prices for New-Builds at Steyne Road

House Type	Asking Price
2-bed semi-detached (80 sqm)	£300,000-£325,000 (£3,750-£4,063 psm)
3-bed detached (100 sqm)	£425,000 (£4,250 sm)
3-bed bungalow (200 sqm)	£625,000 (£3,125 psm)
4-bed detached (163 sqm)	£575,000 (£3,528 psm)
4-bed detached (150 sqm)	£650,000 (£4,333 psm)
4-bed detached (220 sqm)	£725,000 (£3,295 psm)

Source: Rightmove and Hose Rhodes Dickson

St George's Gate – Barratt Homes and David Wilson Homes

- 2.43 This is a development by two national housebuilders on the eastern fringe of Newport which is in a lower value area. There is only a handful of properties currently being marketed with only 2 and 3-beds available between £202,500-£227,000 as shown below. These represent quite a significant discount from the smaller schemes identified above where 2-bed properties have been marketed in excess of £300,000. The asking prices for 2-beds are more in line with the Captiva Homes scheme in Ryde but the 3-bed properties reflect a discount from this scheme.

Table 2.8 - Asking Prices for New-Builds at St George's Gate

House Type	Asking Price
2-bed semi-detached	£202,500-£204,000
3-bed terrace	£215,000-£227,000

Source: Rightmove

Ash Lane – Self Build and Small Builders

- 2.44 We are aware of two new-build properties being marketed at Ash Lane, in the Gunville and Carisbrooke area of Newport. We understand that the site had planning permission for a combination of self-build plots and small house builder units. The smaller house builder plots were being marketed at between £55,000-£100,000 per plot.
- 2.45 The asking prices for the houses represent a slight premium to the large housebuilder typology available on the other side of Newport.

Table 2.9 - Asking Prices for New-Builds at Ash Lane

House Type	Asking Price
2-bed terrace	£215,000
3-bed terrace	£240,000
3-bed semi-detached	£245,000-£249,950
3-bed detached	£329,950-£355,000
4-bed detached	£425,000

Source: Rightmove

Willow Drive

2.46 This is a small development of 12 dwellings on the south western edge of Newport, a lower value area. The asking prices are in line with those at Ash Lane. The image below shows the house types are relatively similar to those of a national housebuilder.

Table 2.10 - Asking Prices for New-Builds at Willow Drive

House Type	Asking Price
2-bed terrace (82.9 sqm)	£210,000-£215,000 (£2,533-£2,593 psm)
3-bed semi-detached (89.4 sqm)	£250,000 (£2,796 psm)
3/4-bed detached chalet bungalow	£395,000

Source: Rightmove

Figure 2.17 - Breakwater Scheme CGI



Source: Hose Rhodes Dickson

Breakwaters – Clemens & Tanner Ltd

2.47 This scheme is a combination of luxury apartments and townhouses on the seafront in Sandown. Despite being in a 'lower value area', the asking prices in Table 2.11 show the value potential on the Island when the scheme is of high quality and the site has sea views and in this instance proximity to the beach. We provide an example image of the scheme below to show the quality of development.

Table 2.11 - Asking Prices for New-Builds at Breakwaters

House Type	Asking Price
2-bed apartment	£289,950-£550,000
3-bed apartment	£490,000
3-bed penthouse apartment	£750,000
4-bed townhouse	£475,000

Source: Rightmove

Figure 2.18 - Breakwater Scheme CGI



Source: Hose Rhodes Dickson

Baring Road

2.48 This is a small 10-unit development of detached properties being built to a high specification. The properties currently being marketed are all 4-bed detached with prices between £650,000-£725,000 and the image below shows the scale of the property, a factor behind the pricing.

Figure 2.19 – Example Property at Baring Road Development



Source: Hose Rhodes Dickson

Asking Prices Summary

- 2.49 The table below summarises all of the data above into lower and higher value areas. In brackets we indicate whether the asking prices exceed our 2018 assumptions. It shows that in no instances were our assumptions in 2018 too high, rather that the assumptions could be higher in particular for 3 and 4-bed properties.
- 2.50 The table shows that there are more property types on the market in the ‘lower value’ areas and reflects the sold price data where only 16% of sales came from higher value areas. Despite this, we have demonstrated examples of high-quality development in lower value areas where asking prices are more akin to those in higher value areas.

Table 2.12 - Asking Prices Summary (Change on 2018 Assumptions)

	Lower Value	Higher Value
2-bed apartment	£289,950-£550,000 (↑)	
3-bed apartment	£490,000 (N/A)	
3-bed penthouse apartment	£750,000 (N/A)	
2-bed terrace	£175,000-£215,000 (✓)	
2-bed semi-detached	£202,500-£204,000 (✓)	£300,000-£325,000 (✓)
2-bed bungalow	£299,995 (N/A)	
3-bed terrace	£215,000-£240,000 (✓)	
3-bed semi-detached	£245,000-£400,000 (↑)	
3-bed detached	£325,000-£355,000 (↑)	£425,000 (↑)
3/4-bed detached chalet bungalow	£395,000 (N/A)	£625,000 (N/A)
4-bed detached	£379,000-£625,000 (↑)	£575,000-£725,000 (↑)
5-bed detached	£725,000 (N/A)	

Key: ↑Higher than 2018 | ↓ Lower than 2018 | ✓ Equal to or in the range of 2018 assumptions

Source: AspinallVerdi

Financial Viability Assessments

2.51 Since the 2018 Local Plan Viability study, we have worked with the Council on some site-specific viability assessments. Through this process, we have been presented with information from applicants. The table below summarises the assumptions used by two applicants and shows that our 2018 assumptions were either correct or understated based on their opinion of value. This is further evidence to suggest we could increase our assumptions.

Table 2.13 - Site-Specific Viability Evidence and 2018 Assumptions

Value Zone	Local Plan (2018)		Applicant 1	Applicant 2
	Lower	Higher	Lower	Higher
2-Bed Flat	£2,267-£2,750	£2,933-£3,083	N/A	£3,950
2-Bed House	£2,436-£2,714	£3,071-£3,077	£3,071	N/A
3-Bed House	£2,750-£2,844	£3,000-£3,125	£2,917	£3,739
4-Bed House	£2,885-£3,255	£3,269-£3,538	£3,196	N/A
5-Bed House	N/A	N/A	£3,091	N/A
Assisted Living	£2,600-£2,625	£2,875-£3,800	N/A	£4,160

Source: AspinallVerdi

3 Market Value Assumptions

- 3.1 The data we have reviewed confirms our finding from 2018 that the new-build market is complex on the Island with pockets of high values but the potential for schemes to command premiums all over the Island, perhaps with the exception of Newport.
- 3.2 We set out below our updated unit size and sales value assumptions for the lower and higher value areas. We have retained our approach of having different assumptions based on the size of sites, acknowledging the evidence from smaller sites commanding a sales premium over larger sites that would be typically delivered by a large national house builder. The unit size assumptions have been adjusted since the 2018 study to reflect the most recent data which indicates properties being much bigger in the higher value area.
- 3.3 At Table 3.3 below we summarise the level of change.

Table 3.1 – Unit Size and Sales Value Assumptions (>49 Unit Schemes)

Typology	Lower Value			Higher Value		
	Size (Sqm)	Value	(£ psm)	Size (Sqm)	Value	(£ psm)
1-Bed Flat / House	55.00	£140,000	£2,545	55.00	£175,000	£3,182
2-Bed Flat	70.00	£170,000	£2,429	70.00	£225,000	£3,214
2-Bed House	72.00	£210,000	£2,917	78.00	£250,000	£3,205
3-Bed House	87.00	£275,000	£3,161	97.00	£325,000	£3,351
4-Bed House	115.00	£375,000	£3,261	128.00	£450,000	£3,516

Source: AspinallVerdi

Table 3.2 – Unit Size and Sales Value Assumptions (>50 Unit Schemes)

Typology	Lower Value			Higher Value		
	Size (Sqm)	Value	(£ psm)	Size (Sqm)	Value	(£ psm)
1-Bed Flat / House	45.00	£125,000	£2,778	45.00	£150,000	£3,333
2-Bed Flat	60.00	£165,000	£2,750	60.00	£200,000	£3,333
2-Bed House	70.00	£200,000	£2,857	75.00	£225,000	£3,000
3-Bed House	84.00	£250,000	£2,976	93.00	£300,000	£3,226
4-Bed House	110.00	£365,000	£3,318	115.00	£400,000	£3,478

Source: AspinallVerdi

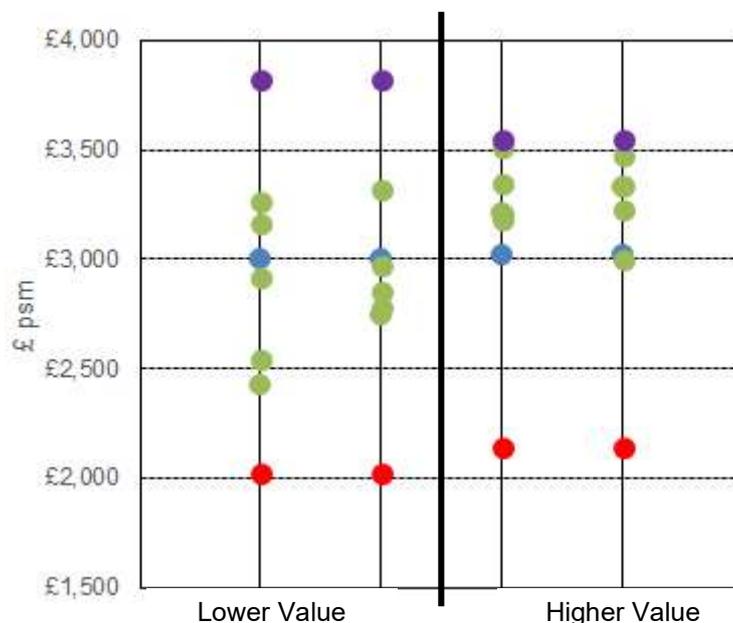
- 3.4 Generally, there is an increase in value, albeit the value per square metre has fallen slightly in two instances. The increases in value are not as great as if we were to apply indexation to our 2018 assumptions using the Land Registry data as shown earlier in this report.
- 3.5 To inform our approach, the sold price data has had the greatest weight. Figure 3.1 shows that our assumptions are generally around the median rate up to towards the maximum on a per square metre basis but importantly not exceeding this Figure 2.5. We consider that we have adopted a reasonable approach given that asking price data suggests it could be possible for sales values to achieve £3,500 psm up to and in excess of £4,000 psm.

Table 3.3 – Change in Value Assumptions from 2018 Study

Typology	Lower Value		Higher Value	
	<49 Units	>50 Units	<49 Units	>50 Units
1-Bed Flat / House	+£0 (£0 psm)	+£2,500 (+£56 psm)	+£0 (£0 psm)	+£0 (£0 psm)
2-Bed Flat	+£0 (+£162 psm)	+£0 (£0 psm)	+£5,000 (+£281 psm)	+£15,000 (+£250 psm)
2-Bed House	+£20,000 (+£481 psm)	+£10,000 (+£143 psm)	+£10,000 (+£128 psm)	+£10,000 (-£71 psm)
3-Bed House	+£0 (+£411 psm)	+£22,500 (+£132 psm)	+£25,000 (+£351 psm)	+£50,000 (+£101 psm)
4-Bed House	+£0 (+£376 psm)	+£20,000 (+£63 psm)	+£25,000 (+£246 psm)	+£25,000 (-£59 psm)

Source: AspinallVerdi

Figure 3.1 - Assumptions and Comparison to Sold Price Data (January 2019-March 2021)



● Minimum ● Median ● Maximum Sold Price £ psm (January 2019-March 2021)

● Updated Value Assumptions

Source: AspinallVerdi

4 Older Persons Housing

4.1 Older persons housing can take various forms and we define these below:

- Age Restricted-Exclusive / Sheltered / Retirement Housing – This is accommodation that is built specifically for sale or rent to older people e.g. McCarthy and Stone or Churchill. They comprise self-contained units (apartments) with communal facilities and a live-in or mobile scheme manager and alarm call systems in case of emergency.
- Assisted Living / Extra Care / Very Sheltered Housing - This is similar to the Sheltered Housing, but is designed to enable residents to retain their independence as they grow older and their need for support and/or care increases. Residents still occupy their own self-contained home within blocks of flats, estates of bungalows or retirement ‘villages’ but often enjoy enhanced communal accommodation and occupants may also be offered individual care and assistance from support staff, within the complex, 24 hours per day.
- Close Care or Assisted Living Housing – This is normally situated within the grounds of a care home and takes the form of self-contained, independent flats or bungalows. Units may be rented or purchased by the occupier. Residents will also have access to the care home’s other facilities and will normally have some form of direct communication with the care home, for emergencies. There may well be an arrangement whereby, the care home management will buy-back the property if it becomes necessary for them to move into the care home.
- Care Homes / Residential care homes - Living accommodation for older people and employ staff who provide residents with personal care, such as washing and dressing. Residents normally occupy their own single room but have access to other communal facilities.
- Care Homes with Nursing / Nursing Homes – Similar to a residential home but, they offer the full-time service of qualified nursing. Such accommodation is suited to residents who are physically or mentally less capable and require a higher level of care.

4.2 The majority of supply is delivered by the private sector through age-restricted / exclusive or sheltered housing for sale.

4.3 Our value assumptions in 2018 were based on a combination of market evidence for sheltered housing and the Retirement Housing Group’s⁴ (RHG) research. Their methodology is set out in Table 4.1.

⁴ RHG Retirement Housing Group, Retirement Housing Viability Base Data (April 2013) / Briefing Paper for CIL Practitioners Retirement Housing and the Community Infrastructure Levy (June 2013) by Churchill Retirement Living and McCarthy and Stone

Table 4.1 - Sheltered housing and ECH sales values premiums

Typology	Assumption
Sheltered housing unit prices	<p>In high value areas -</p> <ul style="list-style-type: none"> • 10-15% premium to private market 1 – 2-bed flats <p>Or, in lower value areas (where no apartment scheme comparables) –</p> <ul style="list-style-type: none"> • 75% value of 3-bed semi-detached house for a 1 bed sheltered housing unit, and • 100% value of 3-bed semi-detached house for a 2-bed sheltered housing unit
Extra-care housing unit prices	<ul style="list-style-type: none"> • 25% premium to sheltered housing

Source: Retirement Housing Group 2013

4.4 The assumptions used in the 2018 study are set out below.

Table 4.2 Elderly Accommodation Values (2018)

Type	Size (Sqm)	Lower Value	Higher Value
Sheltered Housing 1-Bed	50	£150,000 (£3,000 psm)	£190,000 (£3,800 psm)
Sheltered Housing 2-Bed	80	£210,000 (£2,625 psm)	£230,000 (£2,875 psm)
Extra-Care 1-Bed	50	£208,125 (£4,163 psm)	£233,750 (£4,675 psm)
Extra-Care 2-Bed	80	£277,500 (£3,467 psm)	£281,875 (£3,523 psm)

Source: AspinallVerdi

4.5 Since then, we have been involved in a site-specific viability assessment for a site in Cowes which is in a higher value area of the Island. The applicant used £4,160 psm for sheltered housing which exceeds the assumptions we used between £2,875-£3,800 psm. However, the scheme is considered to be more superior than a standard development as it includes an on-site indoor swimming pool as well as other amenities as well as being a high-spec development.

Market Evidence

4.6 We summarise below evidence from three schemes on the Island to assess whether our 2018 assumptions need updating.

Woodland View

- 4.7 Woodland View is an over 55's development in Ryde which is a lower value area. The properties are being marketed on a shared ownership basis. The full market price of 2-bed apartment is £185,000-£195,000 with 25% ownership shares being offered. There are also 2-bed bungalows available at this scheme with a full market price of £202,500-£210,000.

Figure 4.1 - Woodland View CGI



Source: Hose Rhodes Dickson

Colwell Road

- 4.8 Hose Rhodes Dickson are marketing 2-bed apartments at an over 55's scheme between Totland and Norton Green. The 2018 study identified Totland and Freshwater as lower value areas on the north western edge of the Island. However, it is surrounded by high value areas and its proximity to Yarmouth which has a ferry terminal with connections to Lymington on the mainland make this a potentially attractive location, particular for the over 55 market.
- 4.9 The full market price of 2-bed apartment is £227,500-£240,000 with 25% ownership shares being offered. This is slightly higher than the Woodland View scheme in Ryde and is perhaps reflective of the quality of development but also location.

Figure 4.2 - Over 55's Apartment Scheme off Colwell Road



Source: Hose Rhodes Dickson

Princess Court – Captiva Homes

- 4.10 This is an over 55's development in East Cowes which is a lower value area compared to Cowes, the other side of the River Medina which is a higher value area and with a more extensive retail and leisure offering. The town centre of East Cowes is less well established.
- 4.11 This scheme is located close to the waterfront and some apartments will have a sea view, whilst others are obscured by the ferry terminal, shipyard and Classic Boat Museum.
- 4.12 Between January 2019 and March 2020, the median sales price was £257,500 (£3,508 psm) across eight sales at the scheme. However, we had previously looked into sales at this scheme and are aware that some properties have sold for in excess of £4,000 psm with 36 Princess Court achieving £360,000 (£4,286 psm) and 37 Princess Court achieving £350,000 (£4,667 psm). These are similar levels to the £4,160 psm assumed by the applicant on a site-specific viability assessment on a site in Cowes.
- 4.13 The sales values in this scheme reflect a premium to the asking prices shown above for Ryde. This indicates that over 55 developments can achieve values similar to those located in higher value areas.

Figure 4.3 – Princess Court



Source: Google and Captiva Homes

Older Persons Accommodation - Value Assumptions

4.14 Having reviewed the data set out above, we consider that our 2018 assumptions for the lower value area remain valid. It is likely that the values in the higher value area could be increased but we are only testing sites in the lower value area and will use the sensitivity tables to explore implications of higher sales values.

Table 4.3 - Older Persons Housing Value Assumptions

Type	Size (Sqm)	Lower Value
Sheltered Housing 1-Bed	50	£150,000 (£3,000 psm)
Sheltered Housing 2-Bed	80	£210,000 (£2,625 psm)
Extra-Care 1-Bed	50	£208,125 (£4,163 psm)
Extra-Care 2-Bed	80	£277,500 (£3,467 psm)

Source: AspinallVerdi

5 Affordable Housing Transfer Values

- 5.1 Affordable housing transfer values is the term for the price at which a Registered Provider (RP) will acquire an affordable property from a developer. This price is primarily driven by the tenure of affordable housing, but also the market rents and market values in the locality. This is because the rents and discounts a RP will offer are capped. It is therefore common for values to be based on a percentage of market value.
- 5.2 In the 2018 study, we adopted a blended 65% of market value figure for the affordable housing transfer prices. This was based on analysis of some site-specific viability assessments and consultation with RPs that indicated a blended price of between 60-65%. Since then, we have been involved in reviewing two site-specific viability assessments where the applicant has used the 65% of market value approach.
- 5.3 However, in the first half of 2021 there have been two legislative changes that may have an impact on affordable housing transfer values:
- The introduction of a new 'First Homes' tenure which is a form of intermediate housing, with the aim of getting people into home ownership. The minimum discount from market value is 30% (i.e. 70% of market value). However, the discount is to be set locally based on incomes and housing affordability.
 - Changes to shared ownership leases which have reduced the minimum initial equity share from 25% of the property value to 10%. This means prospective purchasers will require a smaller deposit and mortgage if they secure the minimum 10%, but a greater rental liability. The provider will also be responsible for maintenance for the first 10 years and this in our view affects the 'financial model' and thus value of this tenure.
- 5.4 Given the above, we consider it necessary to explore the implications of this on the transfer price. We set out below our approach to intermediate tenures and the affordable rent tenure.

Intermediate Tenures

- 5.5 Intermediate tenures can incorporate various different products including discounted market sale, which could be based on 80% of Market Value. This approach would maximise transfer values but would not comply with First Homes that will have a minimum 30% discount from Market Value (i.e. 70% of Market Value). The discount for First Homes is to be set locally and could be lower than 70% of Market Value.
- 5.6 As there is a set percentage requirement for the quantum of First Homes on-site, we have included these specifically and assumed a 40% discount in the base scenario. We have then tested two other scenarios 10% either side with the minimum 30% discount and a 50% discount.

- 5.7 For the other intermediate tenure included in the affordable housing mix, we have assumed they would be shared ownership. We have recently been involved in a site-specific viability assessment, where the applicant adopted an 80% of market value assumption for shared ownership units. From our experience, to achieve this kind of value then the initial equity share would need to be between 50-75%. This is because the lower the initial share, the more the value is driven by the capitalisation of income which includes making a judgement on management / maintenance costs and an investment yield. There is risk and uncertainty factored into this assessment of value which is not the case when stating a set discount from market value. We illustrate this below and the implication of the changes to shared ownership enabling the initial equity to be as low as 10%.
- 5.8 Table 5.1 shows the calculation assuming a 50% initial equity share, using the lower value zone assumptions on sites below 49 dwellings. The key assumptions are that the gross rent is based on 2.75% of the unsold equity with a 10% (of rent) management and maintenance allowance deducted to establish the net rent. We have then capitalised the net income using a 5.00% investment yield. The resulting transfer price equates to between 75-77% of market value.

Table 5.1 – Lower Value (<49 Units) Transfer Price Calculation (Shared Ownership – 50%)

	1-Bed Flat / House	2-Bed Flat	2-Bed House	3-Bed House	4-Bed House
Market Value	£140,000	£170,000	£210,000	£275,000	£375,000
Initial Equity (50%)	£70,000	£85,000	£105,000	£137,500	£187,500
Rent (on Unsold Equity)	2.75%				
Gross Yearly Rent	£1,925	£2,338	£2,888	£3,781	£5,156
Net Yearly Rent	£1,733	£2,104	£2,599	£3,403	£4,641
Investment Yield	5.00%				
Transfer Price	£104,650	£127,075	£156,975	£205,563	£280,313
% Of Market Value	75%				

Source: AspinallVerdi

- 5.9 To provide evidence of the approach above, we are aware of a 2-bed semi-detached property being marketed at Alvington Manor View in Newport by Hose Rhodes Dickson. It is being marketed on a 50% share basis with a full market price of £195,000. The annual rent totals £2,688 which is 2.75% of the remaining equity if 50% of the property is sold initially.
- 5.10 If we reduce the initial ownership share to just 10% then the impact on the transfer price as a percentage of market value is quite significant, down by 22.5% to 52.5% of market value. This is

shown in the calculation set out in Table 5.2 – in this we have adjusted the yield upwards by 0.25% to reflect the increased risk associated with the RP owning a greater share and potentially being burdened with more operational cost.

Table 5.2 - Lower Value (<49 Units) Transfer Price Calculation (Shared Ownership – 10%)

	1-Bed Flat / House	2-Bed Flat	2-Bed House	3-Bed House	4-Bed House
Market Value	£140,000	£170,000	£210,000	£275,000	£375,000
Initial Equity (10%)	£14,000	£17,000	£21,000	£27,500	£37,500
Rent (on Unsold Equity)	2.75%				
Gross Yearly Rent	£3,465	£4,208	£5,198	£6,806	£9,281
Net Yearly Rent	£3,119	£3,787	£4,678	£6,126	£8,353
Investment Yield	5.25%				
Transfer Price	£73,400	£89,129	£110,100	£144,179	£196,607
% Of Market Value	52.5%				

Source: AspinallVerdi

- 5.11 The calculations we set out above suggest a range of assumptions could be made to value the intermediate tenures which are not First Homes, from as low as 52.5% up to 80% of market value. As the new shared ownership lease model does not require all properties to be sold on the basis of a 10% initial share, it will be dependent upon market demand and local affordability. We consider that using a 65% of market value is a reasonable, balanced approach between the calculations set out above that equate to 52.5% and 75% of market value.

Affordable Rent

- 5.12 The value of affordable rented properties can be assessed by capitalising the rent a Registered Provider is likely to receive. We do this through looking at the Local Housing Allowance (LHA) Rates and benchmarking to 80% of the market rents (based on asking rents). Table 5.3 shows that the LHA rates are either below or between the 80% of market rent range. As a consequence of this, we consider using the LHA rates as the gross rent an RP is likely to achieve as reasonable.

Table 5.3 - Local Housing Allowance Rates and Market Rents Comparison

Type	2021 Weekly Rates	Market Rents	80% of Market Rents
1-Bed	£103.56	£98-£133	£78-£106
2-Bed	£132.33	£150-£196	£120-£157
3-Bed	£166.85	£173-£254	£138-£203
4-Bed	£205.97	£300	£240

Source: Isle of Wight Council and Rightmove / Zoopla

- 5.13 Table 5.4 shows the affordable rent transfer price calculation for both the lower value zone (on sites with less than 49 dwellings). We have made a 20% deduction from the gross rent for management, repairs, voids and bad debts to get a net rental figure per annum. We have done two income capitalisations as a sensitivity, with one at a yield of 4.5% and the other at 5.0%. This shows that transfer prices could range between a 43-66% deduction from market value.

Table 5.4 - Capitalisation of Affordable Rents (Lower Value Zone <49 Units)

	1 Bed Flat / House	2 Bed Flat	2 Bed House	3 Bed House	4-Bed House
Gross weekly rent*	£103.56	£132.33	£132.33	£166.85	£205.97
Gross yearly rent	£5,385	£6,881	£6,881	£8,676	£10,710
Net yearly rent	£4,308	£5,505	£5,505	£6,941	£8,568
Value (at 5.0% yield)	£86,162	£110,099	£110,099	£138,819	£171,367
% Of Market Value	59%	60%	49%	46%	43%
Value (at 4.5% yield)	£95,735	£122,332	£122,332	£154,244	£190,408
% Of Market Value	66%	66%	54%	51%	48%

*Based on Local Housing Allowance Rates

Source: AspinallVerdi

- 5.14 Given the number of variables in the calculation, our approach in the appraisals is to assume one rate as a deduction from market value. In order to establish this, it is important to consider the required mix of affordable rented properties (50% 1-Bed, 30% 2-Bed, 15% 3-Bed and 5% 4-Bed). As 1 and 2-Bed properties (80% of the mix) range from 49-66% we consider that a blended rate of 55% of market value is appropriate. This is considered conservative and is below the 65% of market value used recently by an applicant on a site-specific viability assessment.

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Appendix 5 – BCIS Build Costs

£/m2 study

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

Last updated: 17-Jul-2021 00:39

› Rebased to Isle of Wight (105; sample 19)

Maximum age of results: 5 years

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (5)	1,311	750	1,172	1,288	1,413	2,900	393
810.1 Estate housing							
Generally (5)	1,323	731	1,121	1,258	1,429	4,687	227
Single storey (5)	1,528	895	1,150	1,418	1,724	4,687	46
2-storey (5)	1,250	731	1,097	1,227	1,371	2,156	175
3-storey (5)	1,830	1,281	1,356	1,768	1,944	2,800	5
810.11 Estate housing detached (5)	2,485	1,101	1,743	2,156	2,738	4,687	5
810.12 Estate housing semi detached							
Generally (5)	1,274	800	1,127	1,260	1,383	2,357	54
Single storey (5)	1,373	1,047	1,131	1,319	1,513	2,357	19
2-storey (5)	1,220	800	1,102	1,190	1,350	2,014	35
810.13 Estate housing terraced							
Generally (5)	1,440	877	1,144	1,374	1,614	2,800	23
2-storey (5)	1,303	877	1,127	1,291	1,445	1,827	19
816. Flats (apartments)							
Generally (5)	1,510	857	1,249	1,408	1,708	3,364	208
1-2 storey (5)	1,487	1,060	1,204	1,378	1,787	2,168	48
3-5 storey (5)	1,494	857	1,257	1,403	1,675	3,364	134
6 storey or above (5)	1,638	1,156	1,380	1,640	1,819	2,340	26

Appendix 6 – Residential Development Appraisals

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		10 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -		Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units
1 Bed House		5.0%	0.3	50.0%	0.9	25.0%	0.4	17%	1.7
2 Bed House		35.0%	2.3	30.0%	0.6	45.0%	0.7	36%	3.6
3 Bed House		40.0%	2.6	15.0%	0.3	25.0%	0.4	33%	3.3
4 Bed House		20.0%	1.3	5.0%	0.1	5.0%	0.1	15%	1.5
1 Bed Flat		0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0
2 Bed Flat		0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0
Total number of units		100.0%	6.5	100.0%	1.8	100.0%	1.7	100%	10.0
OMS Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		55.0	592			55.0	592		
2 Bed House		72.0	775			72.0	775		
3 Bed House		87.0	936			87.0	936		
4 Bed House		115.0	1,238			115.0	1,238		
1 Bed Flat		55.0	592	85.0%		64.7	696		
2 Bed Flat		70.0	753	85.0%		82.4	886		
AH Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		55.0	592			55.0	592		
2 Bed House		72.0	775			72.0	775		
3 Bed House		87.0	936			87.0	936		
4 Bed House		115.0	1,238			115.0	1,238		
1 Bed Flat		55.0	592	85.0%		64.7	696		
2 Bed Flat		70.0	753	85.0%		82.4	886		
Total Gross Floor areas -		Mkt Units GIA (sqm)	(sqft)	AH units GIA (sqm) (sqft)		Total GIA (all units) (sqm) (sqft)			
1 Bed House		18	192	73 790		91	982		
2 Bed House		164	1,763	94 1,007		257	2,770		
3 Bed House		226	2,435	60 647		286	3,082		
4 Bed House		150	1,609	20 217		170	1,826		
1 Bed Flat		0	0	0 0		0	0		
2 Bed Flat		0	0	0 0		0	0		
		557	6,000	247 2,661		805	8,660		
		AH % by floor area:		30.73% AH % by floor area due to mix					
Open Market Sales values (£) -		£ OMS (per unit)	£psm	£psf	total MV £ (no AH)				
1 Bed House		140,000	2,545	236	232,313				
2 Bed House		210,000	2,917	271	750,619				
3 Bed House		275,000	3,161	294	905,094				
4 Bed House		375,000	3,261	303	553,125				
1 Bed Flat		140,000	2,545	236	0				
2 Bed Flat		170,000	2,429	226	0				
					2,441,150				
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		77,000	55%	0		84,000	60%	91,000	65%
2 Bed House		115,500	55%	0		126,000	60%	136,500	65%
3 Bed House		151,250	55%	0		165,000	60%	178,750	65%
4 Bed House		206,250	55%	0		225,000	60%	243,750	65%
1 Bed Flat		77,000	55%	0		84,000	60%	91,000	65%
2 Bed Flat		93,500	55%	0		102,000	60%	110,500	65%

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.3	@	140,000		45,500
2 Bed House	2.3	@	210,000		477,750
3 Bed House	2.6	@	275,000		715,000
4 Bed House	1.3	@	375,000		487,500
1 Bed Flat	0.0	@	140,000		-
2 Bed Flat	0.0	@	170,000		-
	6.5				1,725,750
Affordable Rent GDV -					
1 Bed House	0.9	@	77,000		70,744
2 Bed House	0.6	@	115,500		63,669
3 Bed House	0.3	@	151,250		41,688
4 Bed House	0.1	@	206,250		18,949
1 Bed Flat	0.0	@	77,000		-
2 Bed Flat	0.0	@	93,500		-
	1.8				195,051
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.2	@	84,000		18,375
2 Bed House	0.4	@	126,000		49,613
3 Bed House	0.2	@	165,000		36,094
4 Bed House	0.0	@	225,000		9,844
1 Bed Flat	0.0	@	84,000		-
2 Bed Flat	0.0	@	102,000		-
	0.9				113,925
Intermediate GDV -					
1 Bed House	0.2	@	91,000		17,916
2 Bed House	0.4	@	136,500		48,372
3 Bed House	0.2	@	178,750		35,191
4 Bed House	0.0	@	243,750		9,598
1 Bed Flat	0.0	@	91,000		-
2 Bed Flat	0.0	@	110,500		-
	0.8	3.5			111,077
Sub-total GDV Residential			10		2,145,803
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	295,348
			367 £ psm (total GIA sqm)	29,535 £ per unit (total units)	
Grant	4	AH units @		per unit	-
Total GDV					2,145,803

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(4,620)
Planning Application Professional Fees, Surveys and reports					(10,000)
CIL		557 sqm (Market only)	0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
total		10 units @	6,000 per unit		(60,000)
	S106 analysis:	150,000 £ per ha	2.80% % of GDV	6,000 £ per unit (total units)	(60,000)
AH Commuted Sum		805 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref: A
No Units: 10 **Location / Value Zone:** Lower **Development Scenario:** Greenfield
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		0.40	ha @		0	£ per ha (if brownfield)
Net Biodiversity costs		10	units @		1,011	£ per unit
Site Infrastructure costs -						
	total		10 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		91	sqm @		1,288	psm
2 Bed House		257	sqm @		1,288	psm
3 Bed House		286	sqm @		1,288	psm
4 Bed House		170	sqm @		1,288	psm
5 Bed House		-	sqm @		1,288	psm
1 Bed Flat		-	sqm @		1,385	psm
2 Bed Flat		805	sqm @		1,385	psm
External works		1,036,305	@		15.0%	
	Ext. Works analysis:				15,545	£ per unit
M4(2) Category 2 Housing	Aff units	2	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	2	units @	0% @	10,111	£ per unit
M4(2) Category 2 Housing	Mrkt units	7	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mrkt units	7	units @	0% @	10,111	£ per unit
Carbon/Energy Reduction/FHS		10	units @		4,000	£ per unit
EV Charging Points - Houses		10	units @		1,000	£ per unit
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		10	units @		9	£ per unit
SANGs		10	units @		0	£ per unit
	1 Bed	2	units @		337	£ per unit
	2 Bed	4	units @		487	£ per unit
Solent SPA	3 Bed	3	units @		637	£ per unit
	4 Bed	1	units @		749	£ per unit
Contingency (on construction)		1,258,320	@		3.0%	
Professional Fees		1,258,320	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		1,725,750	OMS @		1.50%	2,589 £ per unit
Residential Sales Agent Costs		1,725,750	OMS @		1.50%	2,589 £ per unit
Residential Sales Legal Costs		1,725,750	OMS @		0.50%	863 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:					7,040 £ per unit
Interest (on Development Costs) -				6.00% APR		0.487% pcm
Developers Profit -						
Profit on OMS		1,725,750			20.00%	
Margin on AH		420,053			6.00%	on AH values
	Profit analysis:	2,145,803			17.26%	blended GDV
		1,566,639			23.64%	on costs
						(370,353)
						(370,353)
TOTAL COSTS						(1,936,992)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					208,810
SDLT		208,810	@	HMRC formula	59
Acquisition Agent fees		208,810	@	1.0%	(2,088)
Acquisition Legal fees		208,810	@	0.5%	(1,044)
Interest on Land		208,810	@	6.00%	(12,529)
Residual Land Value					193,209
	RLV analysis:	19,321	£ per plot	483,022	£ per ha
				195,477	£ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density		25.0	dph		
Site Area (Net)		0.40	ha	0.99	acres
Benchmark Land Value (Net)	9,884	£ per plot	247,100	£ per ha	100,000
	BLV analysis:	Density	2,011	sqm/ha	8,762
					sqft/ac

BALANCE					
Surplus/(Deficit)		235,922	£ per ha	95,477	£ per acre
					94,369

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		10 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -		Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units
1 Bed House		5.0%	0.3	50.0%	0.9	25.0%	0.4	17%	1.7
2 Bed House		35.0%	2.3	30.0%	0.6	45.0%	0.7	36%	3.6
3 Bed House		40.0%	2.6	15.0%	0.3	25.0%	0.4	33%	3.3
4 Bed House		20.0%	1.3	5.0%	0.1	5.0%	0.1	15%	1.5
1 Bed Flat		0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0
2 Bed Flat		0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0
Total number of units		100.0%	6.5	100.0%	1.8	100.0%	1.7	100%	10.0
OMS Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		55.0	592			55.0	592		
2 Bed House		72.0	775			72.0	775		
3 Bed House		87.0	936			87.0	936		
4 Bed House		115.0	1,238			115.0	1,238		
1 Bed Flat		55.0	592	85.0%		64.7	696		
2 Bed Flat		70.0	753	85.0%		82.4	886		
AH Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		55.0	592			55.0	592		
2 Bed House		72.0	775			72.0	775		
3 Bed House		87.0	936			87.0	936		
4 Bed House		115.0	1,238			115.0	1,238		
1 Bed Flat		55.0	592	85.0%		64.7	696		
2 Bed Flat		70.0	753	85.0%		82.4	886		
Total Gross Floor areas -		Mkt Units GIA (sqm)	(sqft)	AH units GIA (sqm) (sqft)		Total GIA (all units) (sqm) (sqft)			
1 Bed House		18	192	73 790		91	982		
2 Bed House		164	1,763	94 1,007		257	2,770		
3 Bed House		226	2,435	60 647		286	3,082		
4 Bed House		150	1,609	20 217		170	1,826		
1 Bed Flat		0	0	0 0		0	0		
2 Bed Flat		0	0	0 0		0	0		
		557	6,000	247 2,661		805	8,660		
		AH % by floor area:		30.73% AH % by floor area due to mix					
Open Market Sales values (£) -		£ OMS (per unit)	£psm	£psf	total MV £ (no AH)				
1 Bed House		140,000	2,545	236	232,313				
2 Bed House		210,000	2,917	271	750,619				
3 Bed House		275,000	3,161	294	905,094				
4 Bed House		375,000	3,261	303	553,125				
1 Bed Flat		140,000	2,545	236	0				
2 Bed Flat		170,000	2,429	226	0				
					2,441,150				
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		77,000	55%	0		84,000	60%	91,000	65%
2 Bed House		115,500	55%	0		126,000	60%	136,500	65%
3 Bed House		151,250	55%	0		165,000	60%	178,750	65%
4 Bed House		206,250	55%	0		225,000	60%	243,750	65%
1 Bed Flat		77,000	55%	0		84,000	60%	91,000	65%
2 Bed Flat		93,500	55%	0		102,000	60%	110,500	65%

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.3	@	140,000		45,500
2 Bed House	2.3	@	210,000		477,750
3 Bed House	2.6	@	275,000		715,000
4 Bed House	1.3	@	375,000		487,500
1 Bed Flat	0.0	@	140,000		-
2 Bed Flat	0.0	@	170,000		-
	6.5				1,725,750
Affordable Rent GDV -					
1 Bed House	0.9	@	77,000		70,744
2 Bed House	0.6	@	115,500		63,669
3 Bed House	0.3	@	151,250		41,688
4 Bed House	0.1	@	206,250		18,949
1 Bed Flat	0.0	@	77,000		-
2 Bed Flat	0.0	@	93,500		-
	1.8				195,051
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.2	@	84,000		18,375
2 Bed House	0.4	@	126,000		49,613
3 Bed House	0.2	@	165,000		36,094
4 Bed House	0.0	@	225,000		9,844
1 Bed Flat	0.0	@	84,000		-
2 Bed Flat	0.0	@	102,000		-
	0.9				113,925
Intermediate GDV -					
1 Bed House	0.2	@	91,000		17,916
2 Bed House	0.4	@	136,500		48,372
3 Bed House	0.2	@	178,750		35,191
4 Bed House	0.0	@	243,750		9,598
1 Bed Flat	0.0	@	91,000		-
2 Bed Flat	0.0	@	110,500		-
	0.8	3.5			111,077
Sub-total GDV Residential					
	10				2,145,803
AH on-site cost analysis:					
				£MV (no AH) less £GDV (inc. AH)	295,348
			367 £ psm (total GIA sqm)	29,535 £ per unit (total units)	
Grant					
	4	AH units @		per unit	-
Total GDV					
					2,145,803

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential) (4,620)					
Planning Application Professional Fees, Surveys and reports (10,000)					
CIL					
	557 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					
	total	10 units @	6,000 per unit		(60,000)
	S106 analysis:	240,000 £ per ha	2.80% % of GDV	6,000 £ per unit (total units)	(60,000)
AH Commuted Sum					
	805 sqm (total)		0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref: B
No Units: 10 **Location / Value Zone:** Lower **Development Scenario:** Brownfield
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		0.25	ha @		110,000	£ per ha (if brownfield) (27,500)
Net Biodiversity costs		10	units @		287	£ per unit (2,870)
Site Infrastructure costs -						
	total		10 units @			per unit -
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total) -
1 Bed House		91	sqm @		1,288	psm (117,550)
2 Bed House		257	sqm @		1,288	psm (331,473)
3 Bed House		286	sqm @		1,288	psm (368,804)
4 Bed House		170	sqm @		1,288	psm (218,477)
5 Bed House		-	sqm @		1,288	psm -
1 Bed Flat		-	sqm @		1,385	psm -
2 Bed Flat		805	sqm @		1,385	psm -
External works		1,036,305	@		15.0%	(155,446)
	Ext. Works analysis:				15,545	£ per unit
M4(2) Category 2 Housing	Aff units	2	units @	20% @	521	£ per unit (191)
M4(3) Category 3 Housing	Aff units	2	units @	0% @	10,111	£ per unit -
M4(2) Category 2 Housing	Mrkt units	7	units @	20% @	521	£ per unit (677)
M4(3) Category 3 Housing	Mrkt units	7	units @	0% @	10,111	£ per unit -
Carbon/Energy Reduction/FHS		10	units @		4,000	£ per unit (40,000)
EV Charging Points - Houses		10	units @		1,000	£ per unit (10,000)
EV Charging Points - Flats		-	units @		10,000	£ per unit -
Water Efficiency		10	units @		9	£ per unit (90)
SANGs		10	units @		0	£ per unit -
	1 Bed	2	units @		337	£ per unit (559)
	2 Bed	4	units @		487	£ per unit (1,741)
Solent SPA	3 Bed	3	units @		637	£ per unit (2,097)
	4 Bed	1	units @		749	£ per unit (1,105)
Contingency (on construction)		1,278,580	@		5.0%	(63,929)
Professional Fees		1,278,580	@		8.0%	(102,286)
Disposal Costs -						
OMS Marketing and Promotion		1,725,750	OMS @		1.50%	2,589 £ per unit (25,886)
Residential Sales Agent Costs		1,725,750	OMS @		1.50%	2,589 £ per unit (25,886)
Residential Sales Legal Costs		1,725,750	OMS @		0.50%	863 £ per unit (8,629)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				7,040	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487% pcm	(26,527)
Developers Profit -						
Profit on OMS		1,725,750			20.00%	(345,150)
Margin on AH		420,053			6.00% on AH values	(25,203)
	Profit analysis:	2,145,803			17.26% blended GDV	(370,353)
		1,616,344			22.91% on costs	(370,353)
TOTAL COSTS						(1,986,697)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					159,106
SDLT		159,106	@	HMRC formula	2,545
Acquisition Agent fees		159,106	@	1.0%	(1,591)
Acquisition Legal fees		159,106	@	0.5%	(796)
Interest on Land		159,106	@	6.00%	(9,546)
Residual Land Value					149,718
	RLV analysis:	14,972	£ per plot	598,870	£ per ha
				242,359	£ per acre

BENCHMARK LAND VALUE (BLV)						
Residential Density		40.0	dph			
Site Area (Net)		0.25	ha	0.62	acres	
Benchmark Land Value (Net)	6,178	£ per plot	247,100	£ per ha	100,000	£ per acre
	BLV analysis:	Density	3,218	sqm/ha	14,019	sqft/ac
					61,775	

BALANCE						
Surplus/(Deficit)		351,770	£ per ha	142,359	£ per acre	87,943

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		20 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	0.7	50.0%	1.8	25.0%	0.8	17%	3.3	
2 Bed House	35.0%	4.6	30.0%	1.1	45.0%	1.5	36%	7.1	
3 Bed House	40.0%	5.2	15.0%	0.6	25.0%	0.8	33%	6.6	
4 Bed House	20.0%	2.6	5.0%	0.2	5.0%	0.2	15%	3.0	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	13.0	100.0%	3.7	100.0%	3.3	100%	20.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%						
1 Bed House	55.0	592			55.0		592		
2 Bed House	72.0	775			72.0		775		
3 Bed House	87.0	936			87.0		936		
4 Bed House	115.0	1,238			115.0		1,238		
1 Bed Flat	55.0	592	85.0%		64.7		696		
2 Bed Flat	70.0	753	85.0%		82.4		886		
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%						
1 Bed House	55.0	592			55.0		592		
2 Bed House	72.0	775			72.0		775		
3 Bed House	87.0	936			87.0		936		
4 Bed House	115.0	1,238			115.0		1,238		
1 Bed Flat	55.0	592	85.0%		64.7		696		
2 Bed Flat	70.0	753	85.0%		82.4		886		
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm) (sqft)		(sqm) (sqft)				
1 Bed House	36	385	147 1,580		183		1,965		
2 Bed House	328	3,526	187 2,014		515		5,540		
3 Bed House	452	4,870	120 1,295		573		6,164		
4 Bed House	299	3,218	40 433		339		3,652		
1 Bed Flat	0	0	0 0		0		0		
2 Bed Flat	0	0	0 0		0		0		
	1,115	11,999	494 5,322		1,609		17,321		
AH % by floor area:		30.73% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	140,000	2,545	236		464,625				
2 Bed House	210,000	2,917	271		1,501,238				
3 Bed House	275,000	3,161	294		1,810,188				
4 Bed House	375,000	3,261	303		1,106,250				
1 Bed Flat	140,000	2,545	236		0				
2 Bed Flat	170,000	2,429	226		0				
					4,882,300				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed House	115,500	55%	0		126,000	60%	136,500	65%	
3 Bed House	151,250	55%	0		165,000	60%	178,750	65%	
4 Bed House	206,250	55%	0		225,000	60%	243,750	65%	
1 Bed Flat	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed Flat	93,500	55%	0		102,000	60%	110,500	65%	

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.7	@	140,000		91,000
2 Bed House	4.6	@	210,000		955,500
3 Bed House	5.2	@	275,000		1,430,000
4 Bed House	2.6	@	375,000		975,000
1 Bed Flat	0.0	@	140,000		-
2 Bed Flat	0.0	@	170,000		-
	13.0				3,451,500
Affordable Rent GDV -					
1 Bed House	1.8	@	77,000		141,488
2 Bed House	1.1	@	115,500		127,339
3 Bed House	0.6	@	151,250		83,377
4 Bed House	0.2	@	206,250		37,898
1 Bed Flat	0.0	@	77,000		-
2 Bed Flat	0.0	@	93,500		-
	3.7				390,101
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.4	@	84,000		36,750
2 Bed House	0.8	@	126,000		99,225
3 Bed House	0.4	@	165,000		72,188
4 Bed House	0.1	@	225,000		19,688
1 Bed Flat	0.0	@	84,000		-
2 Bed Flat	0.0	@	102,000		-
	1.8				227,850
Intermediate GDV -					
1 Bed House	0.4	@	91,000		35,831
2 Bed House	0.7	@	136,500		96,744
3 Bed House	0.4	@	178,750		70,383
4 Bed House	0.1	@	243,750		19,195
1 Bed Flat	0.0	@	91,000		-
2 Bed Flat	0.0	@	110,500		-
	1.6	7.0			222,154
Sub-total GDV Residential					
			20		4,291,605
AH on-site cost analysis:					
				£MV (no AH) less £GDV (inc. AH)	590,695
			367 £ psm (total GIA sqm)	29,535 £ per unit (total units)	
Grant					
	7	AH units @		per unit	-
Total GDV					
					4,291,605

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					
Planning Application Professional Fees, Surveys and reports					
CIL					
	1,115 sqm (Market only)		0.00 £ psm		(9,240)
	0.00% % of GDV		0 £ per unit (total units)		(30,000)
Site Specific S106 Contributions					
	total	20 units @	6,000 per unit		(120,000)
	S106 analysis: 150,000 £ per ha	2.80% % of GDV	6,000 £ per unit (total units)	(120,000)	
AH Commuted Sum					
	1,609 sqm (total)		0 £ psm		-
	Comm. Sum analysis: 0.00% % of GDV				
cont./					

Scheme Ref: C
No Units: 20 **Location / Value Zone:** Lower **Development Scenario:** Greenfield
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		0.80	ha @		0	£ per ha (if brownfield)
Net Biodiversity costs		20	units @		1,011	£ per unit
Site Infrastructure costs -						
	total		20 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		183	sqm @		1,288	psm
2 Bed House		515	sqm @		1,288	psm
3 Bed House		573	sqm @		1,288	psm
4 Bed House		339	sqm @		1,288	psm
5 Bed House		-	sqm @		1,288	psm
1 Bed Flat		-	sqm @		1,385	psm
2 Bed Flat	1,609	-	sqm @		1,385	psm
External works		2,072,609	@		15.0%	
	Ext. Works analysis:				15,545	£ per unit
M4(2) Category 2 Housing	Aff units	4	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	4	units @	0% @	10,111	£ per unit
M4(2) Category 2 Housing	Mrkt units	13	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mrkt units	13	units @	0% @	10,111	£ per unit
Carbon/Energy Reduction/FHS		20	units @		4,000	£ per unit
EV Charging Points - Houses		20	units @		1,000	£ per unit
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		20	units @		9	£ per unit
SANGs		20	units @		0	£ per unit
	1 Bed	3	units @		337	£ per unit
	2 Bed	7	units @		487	£ per unit
Solent SPA	3 Bed	7	units @		637	£ per unit
	4 Bed	3	units @		749	£ per unit
Contingency (on construction)		2,516,641	@		3.0%	
Professional Fees		2,516,641	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		3,451,500	OMS @		1.50%	2,589 £ per unit
Residential Sales Agent Costs		3,451,500	OMS @		1.50%	2,589 £ per unit
Residential Sales Legal Costs		3,451,500	OMS @		0.50%	863 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				6,540	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487%	pcm
Developers Profit -						
Profit on OMS		3,451,500			20.00%	
Margin on AH		840,105			6.00%	on AH values
	Profit analysis:	4,291,605			17.26%	blended GDV
		3,122,128			23.72%	on costs
TOTAL COSTS						(3,862,834)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					428,771
SDLT		428,771	@	HMRC formula	(10,939)
Acquisition Agent fees		428,771	@	1.0%	(4,288)
Acquisition Legal fees		428,771	@	0.5%	(2,144)
Interest on Land		428,771	@	6.00%	(25,726)
Residual Land Value					385,674
	RLV analysis:	19,284	£ per plot	482,093	£ per ha
				195,100	£ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density		25.0	dph		
Site Area (Net)		0.80	ha	1.98	acres
Benchmark Land Value (Net)	9,884	£ per plot	247,100	£ per ha	100,000
	BLV analysis:	Density	2,011	sqm/ha	8,762
				sqft/ac	

BALANCE					
Surplus/(Deficit)		234,993	£ per ha	95,100	£ per acre
					187,994

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		20 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	0.7	50.0%	1.8	25.0%	0.8	17%	3.3	
2 Bed House	35.0%	4.6	30.0%	1.1	45.0%	1.5	36%	7.1	
3 Bed House	40.0%	5.2	15.0%	0.6	25.0%	0.8	33%	6.6	
4 Bed House	20.0%	2.6	5.0%	0.2	5.0%	0.2	15%	3.0	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	13.0	100.0%	3.7	100.0%	3.3	100%	20.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
1 Bed House	55.0	592			55.0		592		
2 Bed House	72.0	775			72.0		775		
3 Bed House	87.0	936			87.0		936		
4 Bed House	115.0	1,238			115.0		1,238		
1 Bed Flat	55.0	592	85.0%		64.7		696		
2 Bed Flat	70.0	753	85.0%		82.4		886		
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
1 Bed House	55.0	592			55.0		592		
2 Bed House	72.0	775			72.0		775		
3 Bed House	87.0	936			87.0		936		
4 Bed House	115.0	1,238			115.0		1,238		
1 Bed Flat	55.0	592	85.0%		64.7		696		
2 Bed Flat	70.0	753	85.0%		82.4		886		
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
1 Bed House	36	385	147		1,580		1,965		
2 Bed House	328	3,526	187		2,014		5,540		
3 Bed House	452	4,870	120		1,295		6,164		
4 Bed House	299	3,218	40		433		3,652		
1 Bed Flat	0	0	0		0		0		
2 Bed Flat	0	0	0		0		0		
	1,115	11,999	494		5,322		17,321		
AH % by floor area:		30.73% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	140,000	2,545	236		464,625				
2 Bed House	210,000	2,917	271		1,501,238				
3 Bed House	275,000	3,161	294		1,810,188				
4 Bed House	375,000	3,261	303		1,106,250				
1 Bed Flat	140,000	2,545	236		0				
2 Bed Flat	170,000	2,429	226		0				
					4,882,300				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed House	115,500	55%	0		126,000	60%	136,500	65%	
3 Bed House	151,250	55%	0		165,000	60%	178,750	65%	
4 Bed House	206,250	55%	0		225,000	60%	243,750	65%	
1 Bed Flat	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed Flat	93,500	55%	0		102,000	60%	110,500	65%	

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.7	@	140,000		91,000
2 Bed House	4.6	@	210,000		955,500
3 Bed House	5.2	@	275,000		1,430,000
4 Bed House	2.6	@	375,000		975,000
1 Bed Flat	0.0	@	140,000		-
2 Bed Flat	0.0	@	170,000		-
	13.0				3,451,500
Affordable Rent GDV -					
1 Bed House	1.8	@	77,000		141,488
2 Bed House	1.1	@	115,500		127,339
3 Bed House	0.6	@	151,250		83,377
4 Bed House	0.2	@	206,250		37,898
1 Bed Flat	0.0	@	77,000		-
2 Bed Flat	0.0	@	93,500		-
	3.7				390,101
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.4	@	84,000		36,750
2 Bed House	0.8	@	126,000		99,225
3 Bed House	0.4	@	165,000		72,188
4 Bed House	0.1	@	225,000		19,688
1 Bed Flat	0.0	@	84,000		-
2 Bed Flat	0.0	@	102,000		-
	1.8				227,850
Intermediate GDV -					
1 Bed House	0.4	@	91,000		35,831
2 Bed House	0.7	@	136,500		96,744
3 Bed House	0.4	@	178,750		70,383
4 Bed House	0.1	@	243,750		19,195
1 Bed Flat	0.0	@	91,000		-
2 Bed Flat	0.0	@	110,500		-
	1.6	7.0			222,154
Sub-total GDV Residential			20		4,291,605
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	590,695
			367 £ psm (total GIA sqm)	29,535 £ per unit (total units)	
Grant	7	AH units @		per unit	-
Total GDV					4,291,605

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(9,240)
Planning Application Professional Fees, Surveys and reports					(30,000)
CIL	1,115 sqm (Market only)		0.00 £ psm		-
	0.00% % of GDV		0 £ per unit (total units)		-
CIL analysis:					-
Site Specific S106 Contributions					-
total	20 units @		6,000 per unit		(120,000)
S106 analysis:	240,000 £ per ha	2.80% % of GDV	6,000 £ per unit (total units)	(120,000)	
AH Commuted Sum	1,609 sqm (total)		0 £ psm		-
Comm. Sum analysis:	0.00% % of GDV				-
cont./					

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

Construction Costs -						
Site Clearance, Demolition & Remediation		0.50 ha @		110,000	£ per ha (if brownfield)	(55,000)
Net Biodiversity costs		20 units @		287	£ per unit	(5,740)
Site Infrastructure costs -						-
	total	20 units @			per unit	-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV		0 £ per unit (total)	-
1 Bed House		183 sqm @		1,288	psm	(235,100)
2 Bed House		515 sqm @		1,288	psm	(662,946)
3 Bed House		573 sqm @		1,288	psm	(737,609)
4 Bed House		339 sqm @		1,288	psm	(436,954)
5 Bed House		- sqm @		1,288	psm	-
1 Bed Flat		- sqm @		1,385	psm	-
2 Bed Flat	1,609	- sqm @		1,385	psm	-
External works		2,072,609 @		15.0%		(310,891)
	Ext. Works analysis:			15,545	£ per unit	
M4(2) Category 2 Housing	Aff units	4 units @	20% @	521	£ per unit	(383)
M4(3) Category 3 Housing	Aff units	4 units @	0% @	10,111	£ per unit	-
M4(2) Category 2 Housing	Mrkt units	13 units @	20% @	521	£ per unit	(1,355)
M4(3) Category 3 Housing	Mrkt units	13 units @	0% @	10,111	£ per unit	-
Carbon/Energy Reduction/FHS		20 units @		4,000	£ per unit	(80,000)
EV Charging Points - Houses		20 units @		1,000	£ per unit	(20,000)
EV Charging Points - Flats		- units @		10,000	£ per unit	-
Water Efficiency		20 units @		9	£ per unit	(180)
SANGs		20 units @		0	£ per unit	-
	1 Bed	3 units @		337	£ per unit	(1,118)
	2 Bed	7 units @		487	£ per unit	(3,481)
Solent SPA		7 units @		637	£ per unit	(4,193)
	4 Bed	3 units @		749	£ per unit	(2,210)
Contingency (on construction)		2,557,161 @		5.0%		(127,858)
Professional Fees		2,557,161 @		8.0%		(204,573)
Disposal Costs -						
OMS Marketing and Promotion		3,451,500 OMS @		1.50%	2,589 £ per unit	(51,773)
Residential Sales Agent Costs		3,451,500 OMS @		1.50%	2,589 £ per unit	(51,773)
Residential Sales Legal Costs		3,451,500 OMS @		0.50%	863 £ per unit	(17,258)
Affordable Sale Legal Costs					lump sum	(10,000)
	Disposal Cost analysis:				6,540 £ per unit	
Interest (on Development Costs) -			6.00% APR		0.487% pcm	(42,450)
Developers Profit -						
Profit on OMS		3,451,500		20.00%		(690,300)
Margin on AH		840,105		6.00% on AH values		(50,406)
	Profit analysis:	4,291,605		17.26% blended GDV	(740,706)	
		3,222,084		22.99% on costs	(740,706)	
TOTAL COSTS						(3,962,790)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					328,815
SDLT		328,815 @		HMRC formula	(5,941)
Acquisition Agent fees		328,815 @		1.0%	(3,288)
Acquisition Legal fees		328,815 @		0.5%	(1,644)
Interest on Land		328,815 @		6.00%	(19,729)
Residual Land Value					298,213
	RLV analysis:	14,911 £ per plot	596,426 £ per ha		241,370 £ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density		40.0	dph		
Site Area (Net)		0.50	ha	1.24	acres
Benchmark Land Value (Net)	6,178 £ per plot	247,100	£ per ha	100,000	£ per acre
	BLV analysis:	Density	3,218 sqm/ha		14,019 sqft/ac
					123,550

BALANCE				
Surplus/(Deficit)		349,326	£ per ha	141,370 £ per acre
				174,663

210721 Isle of Wight Residential Appraisals_A-D_v1 - Summary Table

Scheme Ref:	A	B	C	D
No Units:	10	10	20	20
Location / Value Zone:	Lower	Lower	Lower	Lower
Development Scenario:	Greenfield	Brownfield	Greenfield	Brownfield
Notes:	40% First Homes Discount			
Policy Assumptions				
AH Target % (& mix):	35.00%	35.00%	35.00%	35.00%
Affordable Rent:	52.50%	52.50%	52.50%	52.50%
Social Rent:	0.00%	0.00%	0.00%	0.00%
First Homes:	25.00%	25.00%	25.00%	25.00%
Other Intermediate (LCHO/Sub-Market etc.):	22.50%	22.50%	22.50%	22.50%
CIL (£ psm)	£0	£0	£0	£0
CIL Total (£)	£0	£0	£0	£0
Site Specific S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Specific S106 Total (£)	£60,000	£60,000	£120,000	£120,000
Sub-total CIL+S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Infrastructure (£ per unit)	£0	£0	£0	£0
Site Infrastructure Total (£)	£0	£0	£0	£0
Sub-total CIL+S106+Infrastructure (£ per unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£2,145,803	£2,145,803	£4,291,605	£4,291,605
GDV (£ per unit)	£214,580	£214,580	£214,580	£214,580
Total Cost (Excluding Land + Profit)	£1,566,639	£1,616,344	£3,122,128	£3,222,084
Cost (£ per unit)	£156,664	£161,634	£156,106	£161,104
Profit KPI's				
Developers Profit Total (£)	£370,353	£370,353	£740,706	£740,706
Developers Profit (% on OMS)	20.00%	20.00%	20.00%	20.00%
Developers Profit (% on AH)	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	17.26%	17.26%	17.26%	17.26%
Developers Profit (% on costs)	23.64%	22.91%	23.72%	22.99%
Land Value KPI's				
RLV (£/acre)	£195,477	£242,359	£195,100	£241,370
RLV (£/ha)	£483,022	£598,870	£482,093	£596,426
RLV Total (£)	£193,209	£149,718	£385,674	£298,213
BLV (£/acre)	£100,000	£100,000	£100,000	£100,000
BLV (£/ha)	£247,100	£247,100	£247,100	£247,100
BLV Total (£)	£98,840	£81,775	£197,680	£123,550
Surplus/Deficit (£/acre) [RLV-BLV]	£95,477	£142,359	£95,100	£141,370
Surplus/Deficit (£/ha)	£235,922	£351,770	£234,993	£349,326
Surplus/Deficit Total (£)	£94,369	£87,943	£187,994	£174,663
Plan Viability comments	Viabile	Viabile	Viabile	Viabile

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		50 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	1.6	50.0%	4.6	25.0%	2.1	17%	8.3	
2 Bed House	35.0%	11.4	30.0%	2.8	45.0%	3.7	36%	17.9	
3 Bed House	40.0%	13.0	15.0%	1.4	25.0%	2.1	33%	16.5	
4 Bed House	20.0%	6.5	5.0%	0.5	5.0%	0.4	15%	7.4	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	32.5	100.0%	9.2	100.0%	8.3	100%	50.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
	(sqm)	(sqft)	%		(sqm)	(sqft)			
1 Bed House	45.0	484			45.0	484			
2 Bed House	70.0	753			70.0	753			
3 Bed House	84.0	904			84.0	904			
4 Bed House	110.0	1,184			110.0	1,184			
1 Bed Flat	45.0	484	85.0%		52.9	570			
2 Bed Flat	60.0	646	85.0%		70.6	760			
AH Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
	(sqm)	(sqft)	%		(sqm)	(sqft)			
1 Bed House	45.0	484			45.0	484			
2 Bed House	70.0	753			70.0	753			
3 Bed House	84.0	904			84.0	904			
4 Bed House	110.0	1,184			110.0	1,184			
1 Bed Flat	45.0	484	85.0%		52.9	570			
2 Bed Flat	60.0	646	85.0%		70.6	760			
Total Gross Floor areas -									
	Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units)				
	(sqm)	(sqft)	(sqm)	(sqft)	(sqm)	(sqft)			
1 Bed House	73	787	300	3,232	373	4,019			
2 Bed House	796	8,571	455	4,895	1,251	13,466			
3 Bed House	1,092	11,754	290	3,125	1,382	14,879			
4 Bed House	715	7,696	96	1,036	811	8,732			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	2,676	28,808	1,142	12,288	3,818	41,096			
AH % by floor area:		29.90% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf	total MV £ (no AH)					
1 Bed House	125,000	2,778	258	1,037,109					
2 Bed House	200,000	2,857	265	3,574,375					
3 Bed House	250,000	2,976	276	4,114,063					
4 Bed House	365,000	3,318	308	2,691,875					
1 Bed Flat	125,000	2,778	258	0					
2 Bed Flat	165,000	2,750	255	0					
				11,417,422					
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed House	110,000	55%	0		120,000	60%	130,000	65%	
3 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
4 Bed House	200,750	55%	0		219,000	60%	237,250	65%	
1 Bed Flat	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed Flat	90,750	55%	0		99,000	60%	107,250	65%	

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	1.6	@	125,000		203,125
2 Bed House	11.4	@	200,000		2,275,000
3 Bed House	13.0	@	250,000		3,250,000
4 Bed House	6.5	@	365,000		2,372,500
1 Bed Flat	0.0	@	125,000		-
2 Bed Flat	0.0	@	165,000		-
	32.5				8,100,625
Affordable Rent GDV -					
1 Bed House	4.6	@	68,750		315,820
2 Bed House	2.8	@	110,000		303,188
3 Bed House	1.4	@	137,500		189,492
4 Bed House	0.5	@	200,750		92,220
1 Bed Flat	0.0	@	68,750		-
2 Bed Flat	0.0	@	90,750		-
	9.2				900,720
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	1.1	@	75,000		82,031
2 Bed House	2.0	@	120,000		236,250
3 Bed House	1.1	@	150,000		164,063
4 Bed House	0.2	@	219,000		47,906
1 Bed Flat	0.0	@	75,000		-
2 Bed Flat	0.0	@	99,000		-
	4.4				530,250
Intermediate GDV -					
1 Bed House	1.0	@	81,250		79,980
2 Bed House	1.8	@	130,000		230,344
3 Bed House	1.0	@	162,500		159,961
4 Bed House	0.2	@	237,250		46,709
1 Bed Flat	0.0	@	81,250		-
2 Bed Flat	0.0	@	107,250		-
	3.9	17.5			516,994
Sub-total GDV Residential			50		10,048,588
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	1,368,834
			359 £ psm (total GIA sqm)	27,377 £ per unit (total units)	
Grant	18	AH units @		per unit	-
Total GDV					10,048,588

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(23,100)
Planning Application Professional Fees, Surveys and reports					(70,000)
CIL	2,676 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
total	50 units @		6,000 per unit		(300,000)
	S106 analysis:	180,000 £ per ha	2.99% % of GDV	6,000 £ per unit (total units)	(300,000)
AH Commuted Sum	3,818 sqm (total)		0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref: E
No Units: 50 **Location / Value Zone:** Lower **Development Scenario:** Greenfield
Notes: 40% First Homes Discount

Construction Costs -					
Site Clearance, Demolition & Remediation		1.67 ha @		0 £ per ha (if brownfield)	-
Net Biodiversity costs		50 units @		1,011 £ per unit	(50,550)
Site Infrastructure costs -					-
	total	50 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		373 sqm @		1,288 psm	(480,887)
2 Bed House		1,251 sqm @		1,288 psm	(1,611,328)
3 Bed House		1,382 sqm @		1,288 psm	(1,780,435)
4 Bed House		811 sqm @		1,288 psm	(1,044,890)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		- sqm @		1,385 psm	-
2 Bed Flat	3,818	- sqm @		1,385 psm	-
External works		4,917,540 @		15.0%	(737,631)
	Ext. Works analysis:			14,753 £ per unit	
M4(2) Category 2 Housing	Aff units	9 units @	20% @	521 £ per unit	(957)
M4(3) Category 3 Housing	Aff units	9 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	33 units @	20% @	521 £ per unit	(3,387)
M4(3) Category 3 Housing	Mrkt units	33 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		50 units @		4,000 £ per unit	(200,000)
EV Charging Points - Houses		50 units @		1,000 £ per unit	(50,000)
EV Charging Points - Flats		- units @		10,000 £ per unit	-
Water Efficiency		50 units @		9 £ per unit	(450)
SANGs		50 units @		0 £ per unit	-
	1 Bed	8 units @		337 £ per unit	(2,796)
	2 Bed	18 units @		487 £ per unit	(8,704)
Solent SPA	3 Bed	16 units @		637 £ per unit	(10,483)
	4 Bed	7 units @		749 £ per unit	(5,524)
Contingency (on construction)		5,988,021 @		3.0%	(179,641)
Professional Fees		5,988,021 @		8.0%	(479,042)
Disposal Costs -					
OMS Marketing and Promotion		8,100,625 OMS @		1.50%	2,430 £ per unit (121,509)
Residential Sales Agent Costs		8,100,625 OMS @		1.50%	2,430 £ per unit (121,509)
Residential Sales Legal Costs		8,100,625 OMS @		0.50%	810 £ per unit (40,503)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,870 £ per unit	
Interest (on Development Costs) -			6.00% APR	0.487% pcm	(102,602)
Developers Profit -					
Profit on OMS		8,100,625		20.00%	(1,620,125)
Margin on AH		1,947,963		6.00% on AH values	(116,878)
	Profit analysis:	10,048,588		17.29% blended GDV	(1,737,003)
		7,435,927		23.36% on costs	(1,737,003)
TOTAL COSTS					(9,172,930)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					875,658
SDLT		875,658 @		HMRC formula	(33,283)
Acquisition Agent fees		875,658 @		1.0%	(8,757)
Acquisition Legal fees		875,658 @		0.5%	(4,378)
Interest on Land		875,658 @		6.00%	(52,539)
Residual Land Value					776,701
	RLV analysis:	15,534 £ per plot	466,021 £ per ha	188,596 £ per acre	

BENCHMARK LAND VALUE (BLV)					
Residential Density		30.0 dph			
Site Area (Net)		1.67 ha		4.12 acres	
Benchmark Land Value (Net)	11,120 £ per plot	333,585 £ per ha		135,000 £ per acre	555,975
	BLV analysis:	Density	2,291 sqm/ha	9,979 sqft/ac	

BALANCE					
Surplus/(Deficit)		132,436 £ per ha		53,596 £ per acre	220,726

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		50 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	1.6	50.0%	4.6	25.0%	2.1	17%	8.3	
2 Bed House	35.0%	11.4	30.0%	2.8	45.0%	3.7	36%	17.9	
3 Bed House	40.0%	13.0	15.0%	1.4	25.0%	2.1	33%	16.5	
4 Bed House	20.0%	6.5	5.0%	0.5	5.0%	0.4	15%	7.4	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	32.5	100.0%	9.2	100.0%	8.3	100%	50.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%				(sqm)	(sqft)	
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%				(sqm)	(sqft)	
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)	(sqm)	(sqft)			
1 Bed House	73	787	300	3,232	373	4,019			
2 Bed House	796	8,571	455	4,895	1,251	13,466			
3 Bed House	1,092	11,754	290	3,125	1,382	14,879			
4 Bed House	715	7,696	96	1,036	811	8,732			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	2,676	28,808	1,142	12,288	3,818	41,096			
AH % by floor area:		29.90% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	125,000	2,778	258		1,037,109				
2 Bed House	200,000	2,857	265		3,574,375				
3 Bed House	250,000	2,976	276		4,114,063				
4 Bed House	365,000	3,318	308		2,691,875				
1 Bed Flat	125,000	2,778	258		0				
2 Bed Flat	165,000	2,750	255		0				
					11,417,422				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed House	110,000	55%	0		120,000	60%	130,000	65%	
3 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
4 Bed House	200,750	55%	0		219,000	60%	237,250	65%	
1 Bed Flat	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed Flat	90,750	55%	0		99,000	60%	107,250	65%	

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	1.6	@	125,000		203,125
2 Bed House	11.4	@	200,000		2,275,000
3 Bed House	13.0	@	250,000		3,250,000
4 Bed House	6.5	@	365,000		2,372,500
1 Bed Flat	0.0	@	125,000		-
2 Bed Flat	0.0	@	165,000		-
	32.5				8,100,625
Affordable Rent GDV -					
1 Bed House	4.6	@	68,750		315,820
2 Bed House	2.8	@	110,000		303,188
3 Bed House	1.4	@	137,500		189,492
4 Bed House	0.5	@	200,750		92,220
1 Bed Flat	0.0	@	68,750		-
2 Bed Flat	0.0	@	90,750		-
	9.2				900,720
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	1.1	@	75,000		82,031
2 Bed House	2.0	@	120,000		236,250
3 Bed House	1.1	@	150,000		164,063
4 Bed House	0.2	@	219,000		47,906
1 Bed Flat	0.0	@	75,000		-
2 Bed Flat	0.0	@	99,000		-
	4.4				530,250
Intermediate GDV -					
1 Bed House	1.0	@	81,250		79,980
2 Bed House	1.8	@	130,000		230,344
3 Bed House	1.0	@	162,500		159,961
4 Bed House	0.2	@	237,250		46,709
1 Bed Flat	0.0	@	81,250		-
2 Bed Flat	0.0	@	107,250		-
	3.9	17.5			516,994
Sub-total GDV Residential			50		10,048,588
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	1,368,834
			359 £ psm (total GIA sqm)	27,377 £ per unit (total units)	
Grant	18	AH units @		per unit	-
Total GDV					10,048,588

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(23,100)
Planning Application Professional Fees, Surveys and reports					(70,000)
CIL	2,676 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
total	50 units @		6,000 per unit		(300,000)
	S106 analysis:	240,000 £ per ha	2.99% % of GDV	6,000 £ per unit (total units)	(300,000)
AH Commuted Sum	3,818 sqm (total)		0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref:	F	Location / Value Zone:	Lower	Development Scenario:	Brownfield
No Units:	50				
Notes:	40% First Homes Discount				
Construction Costs -					
Site Clearance, Demolition & Remediation		1.25 ha @		110,000 £ per ha (if brownfield)	(137,500)
Net Biodiversity costs		50 units @		287 £ per unit	(14,350)
Site Infrastructure costs -					-
	total	50 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		373 sqm @		1,288 psm	(480,887)
2 Bed House		1,251 sqm @		1,288 psm	(1,611,328)
3 Bed House		1,382 sqm @		1,288 psm	(1,780,435)
4 Bed House		811 sqm @		1,288 psm	(1,044,890)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		- sqm @		1,385 psm	-
2 Bed Flat	3,818	- sqm @		1,385 psm	-
External works		4,917,540 @		15.0%	(737,631)
	Ext. Works analysis:			14,753 £ per unit	
M4(2) Category 2 Housing	Aff units	9 units @	20% @	521 £ per unit	(957)
M4(3) Category 3 Housing	Aff units	9 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	33 units @	20% @	521 £ per unit	(3,387)
M4(3) Category 3 Housing	Mrkt units	33 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		50 units @		4,000 £ per unit	(200,000)
EV Charging Points - Houses		50 units @		1,000 £ per unit	(50,000)
EV Charging Points - Flats		- units @		10,000 £ per unit	-
Water Efficiency		50 units @		9 £ per unit	(450)
SANGs		50 units @		0 £ per unit	-
	1 Bed	8 units @		337 £ per unit	(2,796)
	2 Bed	18 units @		487 £ per unit	(8,704)
Solent SPA	3 Bed	16 units @		637 £ per unit	(10,483)
	4 Bed	7 units @		749 £ per unit	(5,524)
Contingency (on construction)		6,089,321 @		5.0%	(304,466)
Professional Fees		6,089,321 @		8.0%	(487,146)
Disposal Costs -					
OMS Marketing and Promotion		8,100,625 OMS @		1.50%	2,430 £ per unit (121,509)
Residential Sales Agent Costs		8,100,625 OMS @		1.50%	2,430 £ per unit (121,509)
Residential Sales Legal Costs		8,100,625 OMS @		0.50%	810 £ per unit (40,503)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,870 £ per unit	
Interest (on Development Costs) -			6.00% APR	0.487% pcm	(119,332)
Developers Profit -					
Profit on OMS		8,100,625		20.00%	(1,620,125)
Margin on AH		1,947,963		6.00% on AH values	(116,878)
	Profit analysis:	10,048,588		17.29% blended GDV	(1,737,003)
		7,686,886		22.60% on costs	(1,737,003)
TOTAL COSTS					(9,423,889)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					624,699
SDLT		624,699 @		HMRC formula	(20,735)
Acquisition Agent fees		624,699 @		1.0%	(6,247)
Acquisition Legal fees		624,699 @		0.5%	(3,123)
Interest on Land		624,699 @		6.00%	(37,482)
Residual Land Value					557,112
	RLV analysis:	11,142 £ per plot	445,690 £ per ha	180,368 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		40.0 dph			
Site Area (Net)		1.25 ha		3.09 acres	
Benchmark Land Value (Net)	8,340 £ per plot	333,585 £ per ha		135,000 £ per acre	416,981
	BLV analysis:	Density	3.054 sqm/ha	13,305 sqft/ac	
BALANCE					
Surplus/(Deficit)		112,105 £ per ha		45,368 £ per acre	140,131

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		100 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	3.3	50.0%	9.2	25.0%	4.2	17%	16.6	
2 Bed House	35.0%	22.8	30.0%	5.5	45.0%	7.5	36%	35.7	
3 Bed House	40.0%	26.0	15.0%	2.8	25.0%	4.2	33%	32.9	
4 Bed House	20.0%	13.0	5.0%	0.9	5.0%	0.8	15%	14.8	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	65.0	100.0%	18.4	100.0%	16.6	100%	100.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%						
1 Bed House	45.0	484				45.0		484	
2 Bed House	70.0	753				70.0		753	
3 Bed House	84.0	904				84.0		904	
4 Bed House	110.0	1,184				110.0		1,184	
1 Bed Flat	45.0	484	85.0%			52.9		570	
2 Bed Flat	60.0	646	85.0%			70.6		760	
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%						
1 Bed House	45.0	484				45.0		484	
2 Bed House	70.0	753				70.0		753	
3 Bed House	84.0	904				84.0		904	
4 Bed House	110.0	1,184				110.0		1,184	
1 Bed Flat	45.0	484	85.0%			52.9		570	
2 Bed Flat	60.0	646	85.0%			70.6		760	
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)					
1 Bed House	146	1,574	600	6,463	747		8,038		
2 Bed House	1,593	17,142	910	9,790	2,502		26,932		
3 Bed House	2,184	23,508	581	6,250	2,765		29,758		
4 Bed House	1,430	15,392	193	2,072	1,623		17,464		
1 Bed Flat	0	0	0	0	0		0		
2 Bed Flat	0	0	0	0	0		0		
	5,353	57,617	2,283	24,576	7,636		82,192		
AH % by floor area:		29.90% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	125,000	2,778	258		2,074,219				
2 Bed House	200,000	2,857	265		7,148,750				
3 Bed House	250,000	2,976	276		8,228,125				
4 Bed House	365,000	3,318	308		5,383,750				
1 Bed Flat	125,000	2,778	258		0				
2 Bed Flat	165,000	2,750	255		0				
					22,834,844				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed House	110,000	55%	0		120,000	60%	130,000	65%	
3 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
4 Bed House	200,750	55%	0		219,000	60%	237,250	65%	
1 Bed Flat	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed Flat	90,750	55%	0		99,000	60%	107,250	65%	

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	3.3	@	125,000		406,250
2 Bed House	22.8	@	200,000		4,550,000
3 Bed House	26.0	@	250,000		6,500,000
4 Bed House	13.0	@	365,000		4,745,000
1 Bed Flat	0.0	@	125,000		-
2 Bed Flat	0.0	@	165,000		-
	65.0				16,201,250
Affordable Rent GDV -					
1 Bed House	9.2	@	68,750		631,641
2 Bed House	5.5	@	110,000		606,375
3 Bed House	2.8	@	137,500		378,984
4 Bed House	0.9	@	200,750		184,439
1 Bed Flat	0.0	@	68,750		-
2 Bed Flat	0.0	@	90,750		-
	18.4				1,801,439
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	2.2	@	75,000		164,063
2 Bed House	3.9	@	120,000		472,500
3 Bed House	2.2	@	150,000		328,125
4 Bed House	0.4	@	219,000		95,813
1 Bed Flat	0.0	@	75,000		-
2 Bed Flat	0.0	@	99,000		-
	8.8				1,060,500
Intermediate GDV -					
1 Bed House	2.0	@	81,250		159,961
2 Bed House	3.5	@	130,000		460,688
3 Bed House	2.0	@	162,500		319,922
4 Bed House	0.4	@	237,250		93,417
1 Bed Flat	0.0	@	81,250		-
2 Bed Flat	0.0	@	107,250		-
	7.9	35.0			1,033,988
Sub-total GDV Residential			100		20,097,177
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	2,737,667
			359 £ psm (total GIA sqm)	27,377 £ per unit (total units)	
Grant	35	AH units @		per unit	-
Total GDV					20,097,177

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(29,759)
Planning Application Professional Fees, Surveys and reports					(90,000)
CIL	5,353 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
total	100 units @		6,000 per unit		(600,000)
	S106 analysis:	210,000 £ per ha	2.99% % of GDV	6,000 £ per unit (total units)	(600,000)
AH Commuted Sum	7,636 sqm (total)		0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref:	G	Location / Value Zone:	Lower	Development Scenario:	Greenfield
No Units:	100				
Notes:	40% First Homes Discount				
Construction Costs -					
Site Clearance, Demolition & Remediation		2.86 ha @		0 £ per ha (if brownfield)	-
Net Biodiversity costs		100 units @		1,011 £ per unit	(101,100)
Site Infrastructure costs -					-
	total	100 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		747 sqm @		1,288 psm	(961,774)
2 Bed House		2,502 sqm @		1,288 psm	(3,222,657)
3 Bed House		2,765 sqm @		1,288 psm	(3,560,869)
4 Bed House		1,623 sqm @		1,288 psm	(2,089,780)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		- sqm @		1,385 psm	-
2 Bed Flat	7,636	- sqm @		1,385 psm	-
External works		9,835,079 @		15.0%	(1,475,262)
	Ext. Works analysis:			14,753 £ per unit	
M4(2) Category 2 Housing	Aff units	18 units @	20% @	521 £ per unit	(1,915)
M4(3) Category 3 Housing	Aff units	18 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	65 units @	20% @	521 £ per unit	(6,773)
M4(3) Category 3 Housing	Mrkt units	65 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		100 units @		4,000 £ per unit	(400,000)
EV Charging Points - Houses		100 units @		1,000 £ per unit	(100,000)
EV Charging Points - Flats		- units @		10,000 £ per unit	-
Water Efficiency		100 units @		9 £ per unit	(900)
SANGs		100 units @		4,215 £ per unit	(421,500)
	1 Bed	17 units @		337 £ per unit	(5,592)
	2 Bed	36 units @		487 £ per unit	(17,407)
Solent SPA	3 Bed	33 units @		637 £ per unit	(20,965)
	4 Bed	15 units @		749 £ per unit	(11,048)
Contingency (on construction)		12,397,541 @		3.0%	(371,926)
Professional Fees		12,397,541 @		8.0%	(991,803)
Disposal Costs -					
OMS Marketing and Promotion		16,201,250 OMS @		1.50%	2,430 £ per unit (243,019)
Residential Sales Agent Costs		16,201,250 OMS @		1.50%	2,430 £ per unit (243,019)
Residential Sales Legal Costs		16,201,250 OMS @		0.50%	810 £ per unit (81,006)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,770 £ per unit	
Interest (on Development Costs) -		6.00% APR		0.487% pcm	(120,386)
Developers Profit -					
Profit on OMS		16,201,250		20.00%	(3,240,250)
Margin on AH		3,895,927		6.00% on AH values	(233,756)
	Profit analysis:	20,097,177		17.29% blended GDV	(3,474,006)
		15,178,459		22.89% on costs	(3,474,006)
TOTAL COSTS					(18,652,465)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					1,444,712
SDLT		1,444,712 @		HMRC formula	(61,736)
Acquisition Agent fees		1,444,712 @		1.0%	(14,447)
Acquisition Legal fees		1,444,712 @		0.5%	(7,224)
Interest on Land		1,444,712 @		6.00%	(86,683)
Residual Land Value					1,274,623
	RLV analysis:	12,746 £ per plot	446,118 £ per ha	180,541 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		35.0 dph			
Site Area (Net)		2.86 ha		7.06 acres	
Benchmark Land Value (Net)	9,531 £ per plot	333,585 £ per ha		135,000 £ per acre	953,100
	BLV analysis:	Density	2.673 sqm/ha	11,642 sqft/ac	
BALANCE					
Surplus/(Deficit)		112,533 £ per ha		45,541 £ per acre	321,523

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		100 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	3.3	50.0%	9.2	25.0%	4.2	17%	16.6	
2 Bed House	35.0%	22.8	30.0%	5.5	45.0%	7.5	36%	35.7	
3 Bed House	40.0%	26.0	15.0%	2.8	25.0%	4.2	33%	32.9	
4 Bed House	20.0%	13.0	5.0%	0.9	5.0%	0.8	15%	14.8	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	65.0	100.0%	18.4	100.0%	16.6	100%	100.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%				(sqm)	(sqft)	
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%				(sqm)	(sqft)	
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)					
1 Bed House	146	1,574	600	6,463	747	8,038			
2 Bed House	1,593	17,142	910	9,790	2,502	26,932			
3 Bed House	2,184	23,508	581	6,250	2,765	29,758			
4 Bed House	1,430	15,392	193	2,072	1,623	17,464			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	5,353	57,617	2,283	24,576	7,636	82,192			
AH % by floor area:		29.90% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	125,000	2,778	258		2,074,219				
2 Bed House	200,000	2,857	265		7,148,750				
3 Bed House	250,000	2,976	276		8,228,125				
4 Bed House	365,000	3,318	308		5,383,750				
1 Bed Flat	125,000	2,778	258		0				
2 Bed Flat	165,000	2,750	255		0				
					22,834,844				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed House	110,000	55%	0		120,000	60%	130,000	65%	
3 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
4 Bed House	200,750	55%	0		219,000	60%	237,250	65%	
1 Bed Flat	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed Flat	90,750	55%	0		99,000	60%	107,250	65%	

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	3.3	@	125,000		406,250
2 Bed House	22.8	@	200,000		4,550,000
3 Bed House	26.0	@	250,000		6,500,000
4 Bed House	13.0	@	365,000		4,745,000
1 Bed Flat	0.0	@	125,000		-
2 Bed Flat	0.0	@	165,000		-
	65.0				16,201,250
Affordable Rent GDV -					
1 Bed House	9.2	@	68,750		631,641
2 Bed House	5.5	@	110,000		606,375
3 Bed House	2.8	@	137,500		378,984
4 Bed House	0.9	@	200,750		184,439
1 Bed Flat	0.0	@	68,750		-
2 Bed Flat	0.0	@	90,750		-
	18.4				1,801,439
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	2.2	@	75,000		164,063
2 Bed House	3.9	@	120,000		472,500
3 Bed House	2.2	@	150,000		328,125
4 Bed House	0.4	@	219,000		95,813
1 Bed Flat	0.0	@	75,000		-
2 Bed Flat	0.0	@	99,000		-
	8.8				1,060,500
Intermediate GDV -					
1 Bed House	2.0	@	81,250		159,961
2 Bed House	3.5	@	130,000		460,688
3 Bed House	2.0	@	162,500		319,922
4 Bed House	0.4	@	237,250		93,417
1 Bed Flat	0.0	@	81,250		-
2 Bed Flat	0.0	@	107,250		-
	7.9	35.0			1,033,988
Sub-total GDV Residential			100		20,097,177
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	2,737,667
			359 £ psm (total GIA sqm)	27,377 £ per unit (total units)	
Grant	35	AH units @		per unit	-
Total GDV					20,097,177

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(29,759)
Planning Application Professional Fees, Surveys and reports					(90,000)
CIL	5,353 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
total	100 units @		6,000 per unit		(600,000)
	S106 analysis:	270,000 £ per ha	2.99% % of GDV	6,000 £ per unit (total units)	(600,000)
AH Commuted Sum	7,636 sqm (total)		0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref:	H	Location / Value Zone:	Lower	Development Scenario:	Brownfield
No Units:	100				
Notes:	40% First Homes Discount				
Construction Costs -					
Site Clearance, Demolition & Remediation		2.22 ha @		110,000 £ per ha (if brownfield)	(244,444)
Net Biodiversity costs		100 units @		287 £ per unit	(28,700)
Site Infrastructure costs -					-
	total	100 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		747 sqm @		1,288 psm	(961,774)
2 Bed House		2,502 sqm @		1,288 psm	(3,222,657)
3 Bed House		2,765 sqm @		1,288 psm	(3,560,869)
4 Bed House		1,623 sqm @		1,288 psm	(2,089,780)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		- sqm @		1,385 psm	-
2 Bed Flat	7,636	- sqm @		1,385 psm	-
External works		9,835,079 @		15.0%	(1,475,262)
	Ext. Works analysis:			14,753 £ per unit	
M4(2) Category 2 Housing	Aff units	18 units @	20% @	521 £ per unit	(1,915)
M4(3) Category 3 Housing	Aff units	18 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	65 units @	20% @	521 £ per unit	(6,773)
M4(3) Category 3 Housing	Mrkt units	65 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		100 units @		4,000 £ per unit	(400,000)
EV Charging Points - Houses		100 units @		1,000 £ per unit	(100,000)
EV Charging Points - Flats		- units @		10,000 £ per unit	-
Water Efficiency		100 units @		9 £ per unit	(900)
SANGs		100 units @		4,215 £ per unit	(421,500)
	1 Bed	17 units @		337 £ per unit	(5,592)
	2 Bed	36 units @		487 £ per unit	(17,407)
Solent SPA	3 Bed	33 units @		637 £ per unit	(20,965)
	4 Bed	15 units @		749 £ per unit	(11,048)
Contingency (on construction)		12,569,586 @		5.0%	(628,479)
Professional Fees		12,569,586 @		8.0%	(1,005,567)
Disposal Costs -					
OMS Marketing and Promotion		16,201,250 OMS @		1.50%	2,430 £ per unit (243,019)
Residential Sales Agent Costs		16,201,250 OMS @		1.50%	2,430 £ per unit (243,019)
Residential Sales Legal Costs		16,201,250 OMS @		0.50%	810 £ per unit (81,006)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,770 £ per unit	
Interest (on Development Costs) -		6.00% APR		0.487% pcm	(155,539)
Developers Profit -					
Profit on OMS		16,201,250		20.00%	(3,240,250)
Margin on AH		3,895,927		6.00% on AH values	(233,756)
	Profit analysis:	20,097,177		17.29% blended GDV	(3,474,006)
		15,655,974		22.19% on costs	(3,474,006)
TOTAL COSTS					(19,129,980)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					967,197
SDLT		967,197 @		HMRC formula	(37,860)
Acquisition Agent fees		967,197 @		1.0%	(9,672)
Acquisition Legal fees		967,197 @		0.5%	(4,836)
Interest on Land		967,197 @		6.00%	(58,032)
Residual Land Value					856,797
	RLV analysis:	8,568 £ per plot	385,559 £ per ha	156,034 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		45.0 dph			
Site Area (Net)		2.22 ha		5.49 acres	
Benchmark Land Value (Net)	7,413 £ per plot	333,585 £ per ha		135,000 £ per acre	741,300
	BLV analysis:	Density	3,436 sqm/ha	14,968 sqft/ac	
BALANCE					
Surplus/(Deficit)		51,974 £ per ha		21,034 £ per acre	115,497

210721 Isle of Wight Residential Appraisals_E-H_v1 - Summary Table

Scheme Ref:	E	F	G	H
No Units:	50	50	100	100
Location / Value Zone:	Lower	Lower	Lower	Lower
Development Scenario:	Greenfield	Brownfield	Greenfield	Brownfield
Notes:	40% First Homes Discount			
Policy Assumptions				
AH Target % (& mix):	35.00%	35.00%	35.00%	35.00%
Affordable Rent:	52.50%	52.50%	52.50%	52.50%
Social Rent:	0.00%	0.00%	0.00%	0.00%
First Homes:	25.00%	25.00%	25.00%	25.00%
Other Intermediate (LCHO/Sub-Market etc.):	22.50%	22.50%	22.50%	22.50%
CIL (£ psm)	£0	£0	£0	£0
CIL Total (£)	£0	£0	£0	£0
Site Specific S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Specific S106 Total (£)	£300,000	£300,000	£600,000	£600,000
Sub-total CIL+S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Infrastructure (£ per unit)	£0	£0	£0	£0
Site Infrastructure Total (£)	£0	£0	£0	£0
Sub-total CIL+S106+Infrastructure (£ per unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£10,048,588	£10,048,588	£20,097,177	£20,097,177
GDV (£ per unit)	£200,972	£200,972	£200,972	£200,972
Total Cost (Excluding Land + Profit)	£7,435,927	£7,686,886	£15,178,459	£15,655,974
Cost (£ per unit)	£148,719	£153,738	£151,785	£156,560
Profit KPI's				
Developers Profit Total (£)	£1,737,003	£1,737,003	£3,474,006	£3,474,006
Developers Profit (% on OMS)	20.00%	20.00%	20.00%	20.00%
Developers Profit (% on AH)	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	17.29%	17.29%	17.29%	17.29%
Developers Profit (% on costs)	23.36%	22.60%	22.89%	22.19%
Land Value KPI's				
RLV (£/acre)	£188,596	£180,368	£180,541	£156,034
RLV (£/ha)	£466,021	£445,690	£446,118	£385,559
RLV Total (£)	£776,701	£557,112	£1,274,623	£856,797
BLV (£/acre)	£135,000	£135,000	£135,000	£135,000
BLV (£/ha)	£333,585	£333,585	£333,585	£333,585
BLV Total (£)	£555,975	£416,981	£953,100	£741,300
Surplus/Deficit (£/acre) [RLV-BLV]	£53,596	£45,368	£45,541	£21,034
Surplus/Deficit (£/ha)	£132,436	£112,105	£112,533	£51,974
Surplus/Deficit Total (£)	£220,726	£140,131	£321,523	£115,497
Plan Viability comments	Viabile	Viabile	Viabile	Viabile

Scheme Ref: **I**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		200 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -		Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units
1 Bed House		0.0%	0.0	25.0%	9.2	5.0%	1.7	5%	10.9
2 Bed House		35.0%	45.5	20.0%	7.4	35.0%	11.6	32%	64.5
3 Bed House		40.0%	52.0	15.0%	5.5	25.0%	8.3	33%	65.8
4 Bed House		20.0%	26.0	5.0%	1.8	5.0%	1.7	15%	29.5
1 Bed Flat		5.0%	6.5	25.0%	9.2	20.0%	6.7	11%	22.3
2 Bed Flat		0.0%	0.0	10.0%	3.7	10.0%	3.3	4%	7.0
Total number of units		100.0%	130.0	100.0%	36.8	100.0%	33.3	100%	200.0
OMS Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		45.0	484			45.0	484		
2 Bed House		70.0	753			70.0	753		
3 Bed House		84.0	904			84.0	904		
4 Bed House		110.0	1,184			110.0	1,184		
1 Bed Flat		45.0	484	85.0%		52.9	570		
2 Bed Flat		60.0	646	85.0%		70.6	760		
AH Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		45.0	484			45.0	484		
2 Bed House		70.0	753			70.0	753		
3 Bed House		84.0	904			84.0	904		
4 Bed House		110.0	1,184			110.0	1,184		
1 Bed Flat		45.0	484	85.0%		52.9	570		
2 Bed Flat		60.0	646	85.0%		70.6	760		
Total Gross Floor areas -		Mkt Units GIA (sqm)	(sqft)	AH units GIA (sqm) (sqft)		Total GIA (all units) (sqm) (sqft)			
1 Bed House		0	0	488 5,255		488	5,255		
2 Bed House		3,185	34,283	1,329 14,307		4,514	48,590		
3 Bed House		4,368	47,017	1,161 12,500		5,529	59,517		
4 Bed House		2,860	30,785	385 4,144		3,245	34,929		
1 Bed Flat		344	3,704	838 9,025		1,183	12,729		
2 Bed Flat		0	0	494 5,319		494	5,319		
		10,757	115,789	4,696 50,550		15,453	166,339		
AH % by floor area:		30.39% AH % by floor area due to mix							
Open Market Sales values (£) -		£ OMS (per unit)	£psm	£psf	total MV £ (no AH)				
1 Bed House		125,000	2,778	258	1,356,250				
2 Bed House		200,000	2,857	265	12,897,500				
3 Bed House		250,000	2,976	276	16,456,250				
4 Bed House		365,000	3,318	308	10,767,500				
1 Bed Flat		125,000	2,778	258	2,792,188				
2 Bed Flat		165,000	2,750	255	1,155,000				
					45,424,688				
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		68,750	55%	0		75,000	60%	81,250	65%
2 Bed House		110,000	55%	0		120,000	60%	130,000	65%
3 Bed House		137,500	55%	0		150,000	60%	162,500	65%
4 Bed House		200,750	55%	0		219,000	60%	237,250	65%
1 Bed Flat		68,750	55%	0		75,000	60%	81,250	65%
2 Bed Flat		90,750	55%	0		99,000	60%	107,250	65%

Scheme Ref: **I**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.0	@	125,000		-
2 Bed House	45.5	@	200,000		9,100,000
3 Bed House	52.0	@	250,000		13,000,000
4 Bed House	26.0	@	365,000		9,490,000
1 Bed Flat	6.5	@	125,000		812,500
2 Bed Flat	0.0	@	165,000		-
	130.0				32,402,500
Affordable Rent GDV -					
1 Bed House	9.2	@	68,750		631,641
2 Bed House	7.4	@	110,000		808,500
3 Bed House	5.5	@	137,500		757,969
4 Bed House	1.8	@	200,750		368,878
1 Bed Flat	9.2	@	68,750		631,641
2 Bed Flat	3.7	@	90,750		333,506
	36.8				3,532,134
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.9	@	75,000		65,625
2 Bed House	6.1	@	120,000		735,000
3 Bed House	4.4	@	150,000		656,250
4 Bed House	0.9	@	219,000		191,625
1 Bed Flat	3.5	@	75,000		262,500
2 Bed Flat	1.8	@	99,000		173,250
	17.5				2,084,250
Intermediate GDV -					
1 Bed House	0.8	@	81,250		63,984
2 Bed House	5.5	@	130,000		716,625
3 Bed House	3.9	@	162,500		639,844
4 Bed House	0.8	@	237,250		186,834
1 Bed Flat	3.2	@	81,250		255,938
2 Bed Flat	1.6	@	107,250		168,919
	15.8	70.0			2,032,144
Sub-total GDV Residential			200		40,051,028
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	5,373,659
			348 £ psm (total GIA sqm)	26,868 £ per unit (total units)	
Grant	70	AH units @		per unit	-
Total GDV					40,051,028

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(43,559)
Planning Application Professional Fees, Surveys and reports					(130,000)
CIL	10,757 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
total	200 units @		6,000 per unit		(1,200,000)
	S106 analysis:	210,000 £ per ha	3.00% % of GDV	6,000 £ per unit (total units)	(1,200,000)
AH Commuted Sum	15,453 sqm (total)		0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref:	I	Location / Value Zone:	Lower	Development Scenario:	Greenfield
No Units:	200				
Notes:	40% First Homes Discount				
Construction Costs -					
Site Clearance, Demolition & Remediation		5.71 ha @		0 £ per ha (if brownfield)	-
Net Biodiversity costs		200 units @		1,011 £ per unit	(202,200)
Site Infrastructure costs -					-
	total	200 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		488 sqm @		1,288 psm	(628,866)
2 Bed House		4,514 sqm @		1,288 psm	(5,814,193)
3 Bed House		5,529 sqm @		1,288 psm	(7,121,738)
4 Bed House		3,245 sqm @		1,288 psm	(4,179,560)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		1,183 sqm @		1,385 psm	(1,637,864)
2 Bed Flat	15,453	494 sqm @		1,385 psm	(684,353)
External works		20,066,575 @		15.0%	(3,009,986)
	Ext. Works analysis:			15,050 £ per unit	
M4(2) Category 2 Housing	Aff units	37 units @	20% @	521 £ per unit	(3,829)
M4(3) Category 3 Housing	Aff units	37 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	130 units @	20% @	521 £ per unit	(13,546)
M4(3) Category 3 Housing	Mrkt units	130 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		200 units @		4,000 £ per unit	(800,000)
EV Charging Points - Houses		171 units @		1,000 £ per unit	(170,663)
EV Charging Points - Flats		7 units @		10,000 £ per unit	(73,344)
Water Efficiency		200 units @		9 £ per unit	(1,800)
SANGs		200 units @		0 £ per unit	-
	1 Bed	33 units @		337 £ per unit	(11,184)
	2 Bed	71 units @		487 £ per unit	(34,814)
Solent SPA		66 units @		637 £ per unit	(41,931)
	4 Bed	30 units @		749 £ per unit	(22,096)
Contingency (on construction)		24,451,967 @		3.0%	(733,559)
Professional Fees		24,451,967 @		8.0%	(1,956,157)
Disposal Costs -					
OMS Marketing and Promotion		32,402,500 OMS @		1.50%	2,430 £ per unit (486,038)
Residential Sales Agent Costs		32,402,500 OMS @		1.50%	2,430 £ per unit (486,038)
Residential Sales Legal Costs		32,402,500 OMS @		0.50%	810 £ per unit (162,013)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,720 £ per unit	
Interest (on Development Costs) -		6.00% APR		0.487% pcm	(124,198)
Developers Profit -					
Profit on OMS		32,402,500		20.00%	(6,480,500)
Margin on AH		7,648,528		6.00% on AH values	(458,912)
	Profit analysis:	40,051,028		17.33% blended GDV	(6,939,412)
		29,783,528		23.30% on costs	(6,939,412)
TOTAL COSTS					(36,722,940)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					3,328,088
SDLT		3,328,088 @		HMRC formula	(155,904)
Acquisition Agent fees		3,328,088 @		1.0%	(33,281)
Acquisition Legal fees		3,328,088 @		0.5%	(16,640)
Interest on Land		3,328,088 @		6.00%	(199,685)
Residual Land Value					2,922,577
	RLV analysis:	14,613 £ per plot	511,451 £ per ha	206,981 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		35.0 dph			
Site Area (Net)		5.71 ha		14.12 acres	
Benchmark Land Value (Net)	9,531 £ per plot	333,585 £ per ha		135,000 £ per acre	1,906,200
	BLV analysis:	Density	2,704 sqm/ha	11,780 sqft/ac	
BALANCE					
Surplus/(Deficit)		177,866 £ per ha		71,981 £ per acre	1,016,377

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		200 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -		Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units
1 Bed House		0.0%	0.0	25.0%	9.2	5.0%	1.7	5%	10.9
2 Bed House		35.0%	45.5	20.0%	7.4	35.0%	11.6	32%	64.5
3 Bed House		40.0%	52.0	15.0%	5.5	25.0%	8.3	33%	65.8
4 Bed House		20.0%	26.0	5.0%	1.8	5.0%	1.7	15%	29.5
1 Bed Flat		5.0%	6.5	25.0%	9.2	20.0%	6.7	11%	22.3
2 Bed Flat		0.0%	0.0	10.0%	3.7	10.0%	3.3	4%	7.0
Total number of units		100.0%	130.0	100.0%	36.8	100.0%	33.3	100%	200.0
OMS Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		45.0	484			45.0	484		
2 Bed House		70.0	753			70.0	753		
3 Bed House		84.0	904			84.0	904		
4 Bed House		110.0	1,184			110.0	1,184		
1 Bed Flat		45.0	484	85.0%		52.9	570		
2 Bed Flat		60.0	646	85.0%		70.6	760		
AH Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		45.0	484			45.0	484		
2 Bed House		70.0	753			70.0	753		
3 Bed House		84.0	904			84.0	904		
4 Bed House		110.0	1,184			110.0	1,184		
1 Bed Flat		45.0	484	85.0%		52.9	570		
2 Bed Flat		60.0	646	85.0%		70.6	760		
Total Gross Floor areas -		Mkt Units GIA (sqm)	(sqft)	AH units GIA (sqm) (sqft)		Total GIA (all units) (sqm) (sqft)			
1 Bed House		0	0	488 5,255		488	5,255		
2 Bed House		3,185	34,283	1,329 14,307		4,514	48,590		
3 Bed House		4,368	47,017	1,161 12,500		5,529	59,517		
4 Bed House		2,860	30,785	385 4,144		3,245	34,929		
1 Bed Flat		344	3,704	838 9,025		1,183	12,729		
2 Bed Flat		0	0	494 5,319		494	5,319		
		10,757	115,789	4,696 50,550		15,453	166,339		
AH % by floor area:		30.39% AH % by floor area due to mix							
Open Market Sales values (£) -		£ OMS (per unit)	£psm	£psf	total MV £ (no AH)				
1 Bed House		125,000	2,778	258	1,356,250				
2 Bed House		200,000	2,857	265	12,897,500				
3 Bed House		250,000	2,976	276	16,456,250				
4 Bed House		365,000	3,318	308	10,767,500				
1 Bed Flat		125,000	2,778	258	2,792,188				
2 Bed Flat		165,000	2,750	255	1,155,000				
					45,424,688				
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		68,750	55%	0		75,000	60%	81,250	65%
2 Bed House		110,000	55%	0		120,000	60%	130,000	65%
3 Bed House		137,500	55%	0		150,000	60%	162,500	65%
4 Bed House		200,750	55%	0		219,000	60%	237,250	65%
1 Bed Flat		68,750	55%	0		75,000	60%	81,250	65%
2 Bed Flat		90,750	55%	0		99,000	60%	107,250	65%

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.0	@	125,000	-
2 Bed House	45.5	@	200,000	9,100,000
3 Bed House	52.0	@	250,000	13,000,000
4 Bed House	26.0	@	365,000	9,490,000
1 Bed Flat	6.5	@	125,000	812,500
2 Bed Flat	0.0	@	165,000	-
	130.0			32,402,500
Affordable Rent GDV -				
1 Bed House	9.2	@	68,750	631,641
2 Bed House	7.4	@	110,000	808,500
3 Bed House	5.5	@	137,500	757,969
4 Bed House	1.8	@	200,750	368,878
1 Bed Flat	9.2	@	68,750	631,641
2 Bed Flat	3.7	@	90,750	333,506
	36.8			3,532,134
Social Rent GDV -				
1 Bed House	0.0	@	0	-
2 Bed House	0.0	@	0	-
3 Bed House	0.0	@	0	-
4 Bed House	0.0	@	0	-
1 Bed Flat	0.0	@	0	-
2 Bed Flat	0.0	@	0	-
	0.0			-
First Homes GDV -				
1 Bed House	0.9	@	75,000	65,625
2 Bed House	6.1	@	120,000	735,000
3 Bed House	4.4	@	150,000	656,250
4 Bed House	0.9	@	219,000	191,625
1 Bed Flat	3.5	@	75,000	262,500
2 Bed Flat	1.8	@	99,000	173,250
	17.5			2,084,250
Intermediate GDV -				
1 Bed House	0.8	@	81,250	63,984
2 Bed House	5.5	@	130,000	716,625
3 Bed House	3.9	@	162,500	639,844
4 Bed House	0.8	@	237,250	186,834
1 Bed Flat	3.2	@	81,250	255,938
2 Bed Flat	1.6	@	107,250	168,919
	15.8	70.0		2,032,144
Sub-total GDV Residential			200	40,051,028
AH on-site cost analysis:			£MV (no AH) less £GDV (inc. AH)	5,373,659
			348 £ psm (total GIA sqm)	26,868 £ per unit (total units)
Grant	70	AH units @	per unit	-
Total GDV				40,051,028

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(43,559)
Planning Application Professional Fees, Surveys and reports				(130,000)
CIL	10,757 sqm (Market only)	0.00 £ psm		-
	CIL analysis:	0.00% % of GDV	0 £ per unit (total units)	-
Site Specific S106 Contributions				-
total	200 units @	6,000 per unit		(1,200,000)
	S106 analysis:	270,000 £ per ha	3.00% % of GDV	6,000 £ per unit (total units) (1,200,000)
AH Commuted Sum	15,453 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		-
cont./				

Scheme Ref:	J	Location / Value Zone:	Lower	Development Scenario:	Brownfield
No Units:	200				
Notes:	40% First Homes Discount				
Construction Costs -					
Site Clearance, Demolition & Remediation		4.44 ha @		110,000 £ per ha (if brownfield)	(488,889)
Net Biodiversity costs		200 units @		287 £ per unit	(57,400)
Site Infrastructure costs -					
	total	200 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		488 sqm @		1,288 psm	(628,866)
2 Bed House		4,514 sqm @		1,288 psm	(5,814,193)
3 Bed House		5,529 sqm @		1,288 psm	(7,121,738)
4 Bed House		3,245 sqm @		1,288 psm	(4,179,560)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		1,183 sqm @		1,385 psm	(1,637,864)
2 Bed Flat	15,453	494 sqm @		1,385 psm	(684,353)
External works					
		20,066,575 @		15.0%	(3,009,986)
	Ext. Works analysis:			15,050 £ per unit	
M4(2) Category 2 Housing	Aff units	37 units @	20% @	521 £ per unit	(3,829)
M4(3) Category 3 Housing	Aff units	37 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	130 units @	20% @	521 £ per unit	(13,546)
M4(3) Category 3 Housing	Mrkt units	130 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		200 units @		4,000 £ per unit	(800,000)
EV Charging Points - Houses		171 units @		1,000 £ per unit	(170,663)
EV Charging Points - Flats		7 units @		10,000 £ per unit	(73,344)
Water Efficiency		200 units @		9 £ per unit	(1,800)
SANGs		200 units @		0 £ per unit	-
	1 Bed	33 units @		337 £ per unit	(11,184)
	2 Bed	71 units @		487 £ per unit	(34,814)
Solent SPA	3 Bed	66 units @		637 £ per unit	(41,931)
	4 Bed	30 units @		749 £ per unit	(22,096)
Contingency (on construction)					
		24,796,056 @		5.0%	(1,239,803)
Professional Fees					
		24,796,056 @		8.0%	(1,983,684)
Disposal Costs -					
OMS Marketing and Promotion		32,402,500 OMS @		1.50%	2,430 £ per unit (486,038)
Residential Sales Agent Costs		32,402,500 OMS @		1.50%	2,430 £ per unit (486,038)
Residential Sales Legal Costs		32,402,500 OMS @		0.50%	810 £ per unit (162,013)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,720 £ per unit	
Interest (on Development Costs) -					
			6.00% APR	0.487% pcm	(189,102)
Developers Profit -					
Profit on OMS		32,402,500		20.00%	(6,480,500)
Margin on AH		7,648,528		6.00% on AH values	(458,912)
	Profit analysis:	40,051,028		17.33% blended GDV	(6,939,412)
		30,726,292		22.58% on costs	(6,939,412)
TOTAL COSTS					(37,665,704)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					2,385,325
SDLT		2,385,325 @		HMRC formula	(108,766)
Acquisition Agent fees		2,385,325 @		1.0%	(23,853)
Acquisition Legal fees		2,385,325 @		0.5%	(11,927)
Interest on Land		2,385,325 @		6.00%	(143,119)
Residual Land Value					2,097,659
	RLV analysis:	10,488 £ per plot	471,973 £ per ha	191,005 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		45.0 dph			
Site Area (Net)		4.44 ha		10.98 acres	
Benchmark Land Value (Net)	7,413 £ per plot	333,585 £ per ha		135,000 £ per acre	1,482,600
	BLV analysis:	Density	3,477 sqm/ha	15,146 sqft/ac	
BALANCE					
Surplus/(Deficit)		138,388 £ per ha		56,005 £ per acre	615,059

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme					500 Units				
AH Policy requirement (% Target)					35%				
AH tenure split %					Affordable Rent: 52.5% Social Rent: 0.0% First Homes: 25.0% Other Intermediate (LCHO/Sub-Market etc.): 22.5%				
					52.5% % Rented				
Open Market Sale (OMS) housing					65%				
					100% 100.0%				
CIL Rate (£ psm)					0.00 £ psm				
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	16.3	25.0%	23.0	5.0%	4.2	9%	43.4	
2 Bed House	35.0%	113.8	20.0%	18.4	35.0%	29.1	32%	161.2	
3 Bed House	40.0%	130.0	15.0%	13.8	25.0%	20.8	33%	164.6	
4 Bed House	20.0%	65.0	5.0%	4.6	5.0%	4.2	15%	73.8	
1 Bed Flat	0.0%	0.0	25.0%	23.0	20.0%	16.6	8%	39.6	
2 Bed Flat	0.0%	0.0	10.0%	9.2	10.0%	8.3	4%	17.5	
Total number of units	100.0%	325.0	100.0%	91.9	100.0%	83.1	100%	500.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%						
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%						
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)					
1 Bed House	731	7,871	1,221	13,139	1,952	21,010			
2 Bed House	7,963	85,708	3,323	35,766	11,285	121,474			
3 Bed House	10,920	117,542	2,903	31,250	13,823	148,792			
4 Bed House	7,150	76,962	963	10,360	8,113	87,322			
1 Bed Flat	0	0	2,096	22,563	2,096	22,563			
2 Bed Flat	0	0	1,235	13,297	1,235	13,297			
	26,764	288,083	11,741	126,375	38,504	414,458			
AH % by floor area:					30.49% AH % by floor area due to mix				
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	125,000	2,778	258		5,421,875				
2 Bed House	200,000	2,857	265		32,243,750				
3 Bed House	250,000	2,976	276		41,140,625				
4 Bed House	365,000	3,318	308		26,918,750				
1 Bed Flat	125,000	2,778	258		4,949,219				
2 Bed Flat	165,000	2,750	255		2,887,500				
					113,561,719				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed House	110,000	55%	0		120,000	60%	130,000	65%	
3 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
4 Bed House	200,750	55%	0		219,000	60%	237,250	65%	
1 Bed Flat	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed Flat	90,750	55%	0		99,000	60%	107,250	65%	

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	16.3	@	125,000	2,031,250
2 Bed House	113.8	@	200,000	22,750,000
3 Bed House	130.0	@	250,000	32,500,000
4 Bed House	65.0	@	365,000	23,725,000
1 Bed Flat	0.0	@	125,000	-
2 Bed Flat	0.0	@	165,000	-
	325.0			81,006,250
Affordable Rent GDV -				
1 Bed House	23.0	@	68,750	1,579,102
2 Bed House	18.4	@	110,000	2,021,250
3 Bed House	13.8	@	137,500	1,894,922
4 Bed House	4.6	@	200,750	922,195
1 Bed Flat	23.0	@	68,750	1,579,102
2 Bed Flat	9.2	@	90,750	833,766
	91.9			8,830,336
Social Rent GDV -				
1 Bed House	0.0	@	0	-
2 Bed House	0.0	@	0	-
3 Bed House	0.0	@	0	-
4 Bed House	0.0	@	0	-
1 Bed Flat	0.0	@	0	-
2 Bed Flat	0.0	@	0	-
	0.0			-
First Homes GDV -				
1 Bed House	2.2	@	75,000	164,063
2 Bed House	15.3	@	120,000	1,837,500
3 Bed House	10.9	@	150,000	1,640,625
4 Bed House	2.2	@	219,000	479,063
1 Bed Flat	8.8	@	75,000	656,250
2 Bed Flat	4.4	@	99,000	433,125
	43.8			5,210,625
Intermediate GDV -				
1 Bed House	2.0	@	81,250	159,961
2 Bed House	13.8	@	130,000	1,791,563
3 Bed House	9.8	@	162,500	1,599,609
4 Bed House	2.0	@	237,250	467,086
1 Bed Flat	7.9	@	81,250	639,844
2 Bed Flat	3.9	@	107,250	422,297
	39.4	175.0		5,080,359
Sub-total GDV Residential			500	100,127,570
AH on-site cost analysis:			£MV (no AH) less £GDV (inc. AH)	13,434,148
			349 £ psm (total GIA sqm)	26,868 £ per unit (total units)
Grant	175	AH units @	per unit	-
Total GDV				100,127,570

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(84,959)
Planning Application Professional Fees, Surveys and reports				(250,000)
CIL	26,764 sqm (Market only)	0.00 £ psm		-
	CIL analysis:	0.00% % of GDV	0 £ per unit (total units)	-
Site Specific S106 Contributions				-
total	500 units @	6,000 per unit		(3,000,000)
	S106 analysis:	210,000 £ per ha	3.00% % of GDV	6,000 £ per unit (total units) (3,000,000)
AH Commuted Sum	38,504 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		-
cont./				

Scheme Ref:	K	Location / Value Zone:	Lower	Development Scenario:	Greenfield
No Units:	500				
Notes:	40% First Homes Discount				
Construction Costs -					
Site Clearance, Demolition & Remediation		14.29 ha @		0 £ per ha (if brownfield)	-
Net Biodiversity costs		500 units @		1,011 £ per unit	(505,500)
Site Infrastructure costs -					-
	total	500 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		1,952 sqm @		1,288 psm	(2,514,015)
2 Bed House		11,285 sqm @		1,288 psm	(14,535,483)
3 Bed House		13,823 sqm @		1,288 psm	(17,804,346)
4 Bed House		8,113 sqm @		1,288 psm	(10,448,900)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		2,096 sqm @		1,385 psm	(2,903,153)
2 Bed Flat	38,504	1,235 sqm @		1,385 psm	(1,710,882)
External works		49,916,779 @		15.0%	(7,487,517)
	Ext. Works analysis:			14,975 £ per unit	
M4(2) Category 2 Housing	Aff units	92 units @	20% @	521 £ per unit	(9,573)
M4(3) Category 3 Housing	Aff units	92 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	325 units @	20% @	521 £ per unit	(33,865)
M4(3) Category 3 Housing	Mrkt units	325 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		500 units @		4,000 £ per unit	(2,000,000)
EV Charging Points - Houses		443 units @		1,000 £ per unit	(442,906)
EV Charging Points - Flats		14 units @		10,000 £ per unit	(142,734)
Water Efficiency		500 units @		9 £ per unit	(4,500)
SANGs		500 units @		4,215 £ per unit	(2,107,500)
	1 Bed	83 units @		337 £ per unit	(27,960)
	2 Bed	179 units @		487 £ per unit	(87,036)
Solent SPA	3 Bed	165 units @		637 £ per unit	(104,826)
	4 Bed	74 units @		749 £ per unit	(55,239)
Contingency (on construction)		62,925,937 @		3.0%	(1,887,778)
Professional Fees		62,925,937 @		8.0%	(5,034,075)
Disposal Costs -					
OMS Marketing and Promotion		81,006,250 OMS @		1.50%	2,430 £ per unit (1,215,094)
Residential Sales Agent Costs		81,006,250 OMS @		1.50%	2,430 £ per unit (1,215,094)
Residential Sales Legal Costs		81,006,250 OMS @		0.50%	810 £ per unit (405,031)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,690 £ per unit	
Interest (on Development Costs) -		6.00% APR		0.487% pcm	(164,667)
Developers Profit -					
Profit on OMS		81,006,250		20.00%	(16,201,250)
Margin on AH		19,121,320		6.00% on AH values	(1,147,279)
	Profit analysis:	100,127,570		17.33% blended GDV	(17,348,529)
		76,192,634		22.77% on costs	(17,348,529)
TOTAL COSTS					(93,541,164)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					6,586,407
SDLT		6,586,407 @		HMRC formula	(318,820)
Acquisition Agent fees		6,586,407 @		1.0%	(65,864)
Acquisition Legal fees		6,586,407 @		0.5%	(32,932)
Interest on Land		6,586,407 @		6.00%	(395,184)
Residual Land Value					5,773,606
	RLV analysis:	11,547 £ per plot	404,152 £ per ha	163,558 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		35.0 dph			
Site Area (Net)		14.29 ha		35.30 acres	
Benchmark Land Value (Net)	9,531 £ per plot	333,585 £ per ha		135,000 £ per acre	4,765,500
	BLV analysis:	Density 2.695 sqm/ha		11,741 sqft/ac	
BALANCE					
Surplus/(Deficit)		70,567 £ per ha		28,558 £ per acre	1,008,106

Scheme Ref: **L**
 No Units: **1200** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme					1,200 Units				
AH Policy requirement (% Target)					35%				
AH tenure split %					52.5% Rented				
Affordable Rent:					52.5%				
Social Rent:					0.0%				
First Homes:					25.0%				
Other Intermediate (LCHO/Sub-Market etc.):					22.5%				
Open Market Sale (OMS) housing					65%				
					100%				
					100.0%				
CIL Rate (£ psm)					0.00 £ psm				
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	39.0	25.0%	55.1	5.0%	10.0	9%	104.1	
2 Bed House	35.0%	273.0	20.0%	44.1	35.0%	69.8	32%	386.9	
3 Bed House	40.0%	312.0	15.0%	33.1	25.0%	49.9	33%	395.0	
4 Bed House	20.0%	156.0	5.0%	11.0	5.0%	10.0	15%	177.0	
1 Bed Flat	0.0%	0.0	25.0%	55.1	20.0%	39.9	8%	95.0	
2 Bed Flat	0.0%	0.0	10.0%	22.1	10.0%	20.0	4%	42.0	
Total number of units	100.0%	780.0	100.0%	220.5	100.0%	199.5	100%	1,200.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%				(sqm)	(sqft)	
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %			Gross (GIA) per unit			
			%				(sqm)	(sqft)	
1 Bed House	45.0	484				45.0	484		
2 Bed House	70.0	753				70.0	753		
3 Bed House	84.0	904				84.0	904		
4 Bed House	110.0	1,184				110.0	1,184		
1 Bed Flat	45.0	484	85.0%			52.9	570		
2 Bed Flat	60.0	646	85.0%			70.6	760		
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)		(sqm)	(sqft)		
1 Bed House	1,755	18,891	2,930	31,533	4,685	50,424			
2 Bed House	19,110	205,698	7,975	85,839	27,085	291,538			
3 Bed House	26,208	282,101	6,968	75,001	33,176	357,101			
4 Bed House	17,160	184,709	2,310	24,865	19,470	209,573			
1 Bed Flat	0	0	5,031	54,150	5,031	54,150			
2 Bed Flat	0	0	2,965	31,912	2,965	31,912			
	64,233	691,398	28,177	303,300	92,410	994,698			
AH % by floor area:			30.49% AH % by floor area due to mix						
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	125,000	2,778	258		13,012,500				
2 Bed House	200,000	2,857	265		77,385,000				
3 Bed House	250,000	2,976	276		98,737,500				
4 Bed House	365,000	3,318	308		64,605,000				
1 Bed Flat	125,000	2,778	258		11,878,125				
2 Bed Flat	165,000	2,750	255		6,930,000				
					272,548,125				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed House	110,000	55%	0		120,000	60%	130,000	65%	
3 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
4 Bed House	200,750	55%	0		219,000	60%	237,250	65%	
1 Bed Flat	68,750	55%	0		75,000	60%	81,250	65%	
2 Bed Flat	90,750	55%	0		99,000	60%	107,250	65%	

Scheme Ref: **L**
 No Units: **1200** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	39.0	@	125,000	4,875,000
2 Bed House	273.0	@	200,000	54,600,000
3 Bed House	312.0	@	250,000	78,000,000
4 Bed House	156.0	@	365,000	56,940,000
1 Bed Flat	0.0	@	125,000	-
2 Bed Flat	0.0	@	165,000	-
	780.0			194,415,000
Affordable Rent GDV -				
1 Bed House	55.1	@	68,750	3,789,844
2 Bed House	44.1	@	110,000	4,851,000
3 Bed House	33.1	@	137,500	4,547,813
4 Bed House	11.0	@	200,750	2,213,269
1 Bed Flat	55.1	@	68,750	3,789,844
2 Bed Flat	22.1	@	90,750	2,001,038
	220.5			21,192,806
Social Rent GDV -				
1 Bed House	0.0	@	0	-
2 Bed House	0.0	@	0	-
3 Bed House	0.0	@	0	-
4 Bed House	0.0	@	0	-
1 Bed Flat	0.0	@	0	-
2 Bed Flat	0.0	@	0	-
	0.0			-
First Homes GDV -				
1 Bed House	5.3	@	75,000	393,750
2 Bed House	36.8	@	120,000	4,410,000
3 Bed House	26.3	@	150,000	3,937,500
4 Bed House	5.3	@	219,000	1,149,750
1 Bed Flat	21.0	@	75,000	1,575,000
2 Bed Flat	10.5	@	99,000	1,039,500
	105.0			12,505,500
Intermediate GDV -				
1 Bed House	4.7	@	81,250	383,906
2 Bed House	33.1	@	130,000	4,299,750
3 Bed House	23.6	@	162,500	3,839,063
4 Bed House	4.7	@	237,250	1,121,006
1 Bed Flat	18.9	@	81,250	1,535,625
2 Bed Flat	9.5	@	107,250	1,013,513
	94.5	420.0		12,192,863
Sub-total GDV Residential	1,200			240,306,169
AH on-site cost analysis:			£MV (no AH) less £GDV (inc. AH)	32,241,956
			349 £ psm (total GIA sqm)	26,868 £ per unit (total units)
Grant	420	AH units @	per unit	-
Total GDV				240,306,169

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(181,559)
Planning Application Professional Fees, Surveys and reports				(540,000)
CIL	64,233 sqm (Market only)	0.00 £ psm		-
	CIL analysis:	0.00% % of GDV	0 £ per unit (total units)	-
Site Specific S106 Contributions				-
total	1,200 units @	6,000 per unit		(7,200,000)
	S106 analysis:	270,000 £ per ha	3.00% % of GDV	6,000 £ per unit (total units) (7,200,000)
AH Commuted Sum	92,410 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		-
cont./				

Scheme Ref:	L	Location / Value Zone:	Lower	Development Scenario:	Mixed
No Units:	1200	40% First Homes Discount			
Notes:					
Construction Costs -					
Site Clearance, Demolition & Remediation	Mixed (50%)	13.33 ha @		110,000 £ per ha (if brownfield)	(1,466,667)
Net Biodiversity costs	Mixed (50:50)	1,200 units @		649 £ per unit	(778,800)
Site Infrastructure costs -					
	total	1,200 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		4,685 sqm @		1,288 psm	(6,033,636)
2 Bed House		27,085 sqm @		1,288 psm	(34,885,158)
3 Bed House		33,176 sqm @		1,288 psm	(42,730,430)
4 Bed House		19,470 sqm @		1,288 psm	(25,077,360)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		5,031 sqm @		1,385 psm	(6,967,568)
2 Bed Flat	92,410	2,965 sqm @		1,385 psm	(4,106,118)
External works					
		119,800,270 @		15.0%	(17,970,041)
	Ext. Works analysis:			14,975 £ per unit	
M4(2) Category 2 Housing	Aff units	221 units @	20% @	521 £ per unit	(22,976)
M4(3) Category 3 Housing	Aff units	221 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	780 units @	20% @	521 £ per unit	(81,276)
M4(3) Category 3 Housing	Mrkt units	780 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		1,200 units @		4,000 £ per unit	(4,800,000)
EV Charging Points - Houses		1,063 units @		1,000 £ per unit	(1,062,975)
EV Charging Points - Flats		34 units @		10,000 £ per unit	(342,563)
Water Efficiency		1,200 units @		9 £ per unit	(10,800)
SANGs		1,200 units @		4,215 £ per unit	(5,058,000)
	1 Bed	199 units @		337 £ per unit	(67,105)
	2 Bed	429 units @		487 £ per unit	(208,886)
Solent SPA	3 Bed	395 units @		637 £ per unit	(251,583)
	4 Bed	177 units @		749 £ per unit	(132,573)
Contingency (on construction)					
		152,054,515 @		4.0% (Mixed 50% @ 3% + 50% @ 5%)	(6,082,181)
Professional Fees					
		152,054,515 @		8.0%	(12,164,361)
Disposal Costs -					
OMS Marketing and Promotion		194,415,000 OMS @		1.50%	2,430 £ per unit (2,916,225)
Residential Sales Agent Costs		194,415,000 OMS @		1.50%	2,430 £ per unit (2,916,225)
Residential Sales Legal Costs		194,415,000 OMS @		0.50%	810 £ per unit (972,075)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			5,679 £ per unit	
Interest (on Development Costs) -					
			6.00% APR	0.487% pcm	(1,516,340)
Developers Profit -					
Profit on OMS		194,415,000		20.00%	(38,883,000)
Margin on AH		45,891,169		6.00% on AH values	(2,753,470)
	Profit analysis:	240,306,169		17.33% blended GDV	(41,636,470)
		186,553,480		22.32% on costs	(41,636,470)
TOTAL COSTS					(228,189,951)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					12,116,218
SDLT		12,116,218 @		HMRC formula	(595,311)
Acquisition Agent fees		12,116,218 @		1.0%	(121,162)
Acquisition Legal fees		12,116,218 @		0.5%	(60,581)
Interest on Land		12,116,218 @		6.00%	(726,973)
Residual Land Value					10,612,191
	RLV analysis:	8,843 £ per plot	397,957 £ per ha	161,051 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		45.0 dph			
Site Area (Net)		26.67 ha		65.89 acres	
Benchmark Land Value (Net)	10,982 £ per plot	494,200 £ per ha		200,000 £ per acre	13,178,667
	BLV analysis:	Density	3,465 sqm/ha	15,096 sqft/ac	
BALANCE					
Surplus/(Deficit)		(96,243) £ per ha		(38,949) £ per acre	(2,566,476)

210721 Isle of Wight Residential Appraisals_I-L_v1 - Summary Table

Scheme Ref:	I	J	K	L
No Units:	200	200	500	1200
Location / Value Zone:	Lower	Lower	Lower	Lower
Development Scenario:	Greenfield	Brownfield	Greenfield	Mixed
Notes:	40% First Homes Discount			
Policy Assumptions				
AH Target % (& mix):	35.00%	35.00%	35.00%	35.00%
Affordable Rent:	52.50%	52.50%	52.50%	52.50%
Social Rent:	0.00%	0.00%	0.00%	0.00%
First Homes:	25.00%	25.00%	25.00%	25.00%
Other Intermediate (LCHO/Sub-Market etc.):	22.50%	22.50%	22.50%	22.50%
CIL (£ psm)	£0	£0	£0	£0
CIL Total (£)	£0	£0	£0	£0
Site Specific S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Specific S106 Total (£)	£1,200,000	£1,200,000	£3,000,000	£7,200,000
Sub-total CIL+S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Infrastructure (£ per unit)	£0	£0	£0	£0
Site Infrastructure Total (£)	£0	£0	£0	£0
Sub-total CIL+S106+Infrastructure (£ per unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£40,051,028	£40,051,028	£100,127,570	£240,306,169
GDV (£ per unit)	£200,255	£200,255	£200,255	£200,255
Total Cost (Excluding Land + Profit)	£29,783,528	£30,726,292	£76,192,634	£186,553,480
Cost (£ per unit)	£148,918	£153,631	£152,385	£155,461
Profit KPI's				
Developers Profit Total (£)	£6,939,412	£6,939,412	£17,348,529	£41,636,470
Developers Profit (% on OMS)	20.00%	20.00%	20.00%	20.00%
Developers Profit (% on AH)	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	17.33%	17.33%	17.33%	17.33%
Developers Profit (% on costs)	23.30%	22.58%	22.77%	22.32%
Land Value KPI's				
RLV (£/acre)	£206,981	£191,005	£163,558	£161,051
RLV (£/ha)	£511,451	£471,973	£404,152	£397,957
RLV Total (£)	£2,922,577	£2,097,659	£5,773,606	£10,612,191
BLV (£/acre)	£135,000	£135,000	£135,000	£200,000
BLV (£/ha)	£333,585	£333,585	£333,585	£494,200
BLV Total (£)	£1,906,200	£1,482,600	£4,765,500	£13,178,667
Surplus/Deficit (£/acre) [RLV-BLV]	£71,981	£56,005	£28,558	-£38,949
Surplus/Deficit (£/ha)	£177,866	£138,388	£70,567	-£96,243
Surplus/Deficit Total (£)	£1,016,377	£615,059	£1,008,106	-£2,566,476
Plan Viability comments	Viable	Viable	Viable	Marginal

Scheme Ref: **M**
 No Units: **20** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		20 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	0.7	50.0%	1.8	25.0%	0.8	17%	3.3	
2 Bed House	35.0%	4.6	30.0%	1.1	45.0%	1.5	36%	7.1	
3 Bed House	40.0%	5.2	15.0%	0.6	25.0%	0.8	33%	6.6	
4 Bed House	20.0%	2.6	5.0%	0.2	5.0%	0.2	15%	3.0	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	13.0	100.0%	3.7	100.0%	3.3	100%	20.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit (sqm)				
1 Bed House	55.0	592			55.0				592
2 Bed House	78.0	840			78.0				840
3 Bed House	97.0	1,044			97.0				1,044
4 Bed House	128.0	1,378			128.0				1,378
1 Bed Flat	55.0	592	85.0%		64.7				696
2 Bed Flat	70.0	753	85.0%		82.4				886
AH Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit (sqm)				
1 Bed House	55.0	592			55.0				592
2 Bed House	78.0	840			78.0				840
3 Bed House	97.0	1,044			97.0				1,044
4 Bed House	128.0	1,378			128.0				1,378
1 Bed Flat	55.0	592	85.0%		64.7				696
2 Bed Flat	70.0	753	85.0%		82.4				886
Total Gross Floor areas -									
	Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units) (sqm)				
1 Bed House	36	385	147	1,580	183				1,965
2 Bed House	355	3,820	203	2,182	558				6,002
3 Bed House	504	5,429	134	1,443	639				6,873
4 Bed House	333	3,582	45	482	378				4,064
1 Bed Flat	0	0	0	0	0				0
2 Bed Flat	0	0	0	0	0				0
	1,228	13,216	528	5,688	1,756				18,904
AH % by floor area:		30.09% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf	total MV £ (no AH)					
1 Bed House	175,000	3,182	296	580,781					
2 Bed House	250,000	3,205	298	1,787,188					
3 Bed House	325,000	3,351	311	2,139,313					
4 Bed House	450,000	3,516	327	1,327,500					
1 Bed Flat	175,000	3,182	296	0					
2 Bed Flat	225,000	3,214	299	0					
				5,834,781					
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	96,250	55%	0		105,000	60%	113,750	65%	
2 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
3 Bed House	178,750	55%	0		195,000	60%	211,250	65%	
4 Bed House	247,500	55%	0		250,000	56%	292,500	65%	
1 Bed Flat	96,250	55%	0		105,000	60%	113,750	65%	
2 Bed Flat	123,750	55%	0		135,000	60%	146,250	65%	

Scheme Ref: **M**
 No Units: **20** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.7	@	175,000		113,750
2 Bed House	4.6	@	250,000		1,137,500
3 Bed House	5.2	@	325,000		1,690,000
4 Bed House	2.6	@	450,000		1,170,000
1 Bed Flat	0.0	@	175,000		-
2 Bed Flat	0.0	@	225,000		-
	13.0				4,111,250
Affordable Rent GDV -					
1 Bed House	1.8	@	96,250		176,859
2 Bed House	1.1	@	137,500		151,594
3 Bed House	0.6	@	178,750		98,536
4 Bed House	0.2	@	247,500		45,478
1 Bed Flat	0.0	@	96,250		-
2 Bed Flat	0.0	@	123,750		-
	3.7				472,467
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.4	@	105,000		45,938
2 Bed House	0.8	@	150,000		118,125
3 Bed House	0.4	@	195,000		85,313
4 Bed House	0.1	@	250,000		21,875
1 Bed Flat	0.0	@	105,000		-
2 Bed Flat	0.0	@	135,000		-
	1.8				271,250
Intermediate GDV -					
1 Bed House	0.4	@	113,750		44,789
2 Bed House	0.7	@	162,500		115,172
3 Bed House	0.4	@	211,250		83,180
4 Bed House	0.1	@	292,500		23,034
1 Bed Flat	0.0	@	113,750		-
2 Bed Flat	0.0	@	146,250		-
	1.6	7.0			266,175
Sub-total GDV Residential					
			20		5,121,142
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	713,639
			406 £ psm (total GIA sqm)	35,682 £ per unit (total units)	
Grant					
	7	AH units @		per unit	-
Total GDV					
					5,121,142

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(9,240)
Planning Application Professional Fees, Surveys and reports					(30,000)
CIL					-
	1,228 sqm (Market only)		0.00 £ psm		-
CIL analysis:		0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
	total	20 units @	6,000 per unit		(120,000)
S106 analysis:		2.34% % of GDV		6,000 £ per unit (total units)	(120,000)
	240,000 £ per ha	1,756 sqm (total)		0 £ psm	-
Comm. Sum analysis:		0.00% % of GDV			-
cont./					

Scheme Ref:	M	Location / Value Zone:	Higher	Development Scenario:	Brownfield
No Units:	20				
Notes:	40% First Homes Discount				
Construction Costs -					
Site Clearance, Demolition & Remediation		0.50 ha @		110,000 £ per ha (if brownfield)	(55,000)
Net Biodiversity costs		20 units @		287 £ per unit	(5,740)
Site Infrastructure costs -					-
	total	20 units @		per unit	-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		183 sqm @		1,288 psm	(235,100)
2 Bed House		558 sqm @		1,288 psm	(718,192)
3 Bed House		639 sqm @		1,288 psm	(822,391)
4 Bed House		378 sqm @		1,288 psm	(486,349)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		- sqm @		1,385 psm	-
2 Bed Flat	1,756	- sqm @		1,385 psm	-
External works		2,262,032 @		15.0% £ per unit	(339,305)
	Ext. Works analysis:			16,965 £ per unit	
M4(2) Category 2 Housing	Aff units	4 units @	20% @	521 £ per unit	(383)
M4(3) Category 3 Housing	Aff units	4 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	13 units @	20% @	521 £ per unit	(1,355)
M4(3) Category 3 Housing	Mrkt units	13 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		20 units @		4,000 £ per unit	(80,000)
EV Charging Points - Houses		20 units @		1,000 £ per unit	(20,000)
EV Charging Points - Flats		- units @		10,000 £ per unit	-
Water Efficiency		20 units @		9 £ per unit	(180)
SANGs		20 units @		0 £ per unit	-
	1 Bed	3 units @		337 £ per unit	(1,118)
	2 Bed	7 units @		487 £ per unit	(3,481)
Solent SPA	3 Bed	7 units @		637 £ per unit	(4,193)
	4 Bed	3 units @		749 £ per unit	(2,210)
Contingency (on construction)		2,774,997 @		5.0%	(138,750)
Professional Fees		2,774,997 @		8.0%	(222,000)
Disposal Costs -					
OMS Marketing and Promotion		4,111,250 OMS @		1.50%	3,083 £ per unit (61,669)
Residential Sales Agent Costs		4,111,250 OMS @		1.50%	3,083 £ per unit (61,669)
Residential Sales Legal Costs		4,111,250 OMS @		0.50%	1,028 £ per unit (20,556)
Affordable Sale Legal Costs				lump sum	(10,000)
	Disposal Cost analysis:			7,695 £ per unit	
Interest (on Development Costs) -		6.00% APR		0.487% pcm	(41,023)
Developers Profit -					
Profit on OMS		4,111,250		20.00%	(822,250)
Margin on AH		1,009,892		6.00% on AH values	(60,594)
	Profit analysis:	5,121,142		17.24% blended GDV	(882,844)
		3,489,904		25.30% on costs	(882,844)
TOTAL COSTS					(4,372,747)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					748,395
SDLT		748,395 @		HMRC formula	(26,920)
Acquisition Agent fees		748,395 @		1.0%	(7,484)
Acquisition Legal fees		748,395 @		0.5%	(3,742)
Interest on Land		748,395 @		6.00%	(44,904)
Residual Land Value					665,346
	RLV analysis:	33,267 £ per plot	1,330,691 £ per ha	538,523 £ per acre	
BENCHMARK LAND VALUE (BLV)					
Residential Density		40.0 dph			
Site Area (Net)		0.50 ha		1.24 acres	
Benchmark Land Value (Net)	9,266 £ per plot	370,650 £ per ha		150,000 £ per acre	185,325
	BLV analysis:	Density	3,512 sqm/ha	15,301 sqft/ac	
BALANCE					
Surplus/(Deficit)		960,041 £ per ha		388,523 £ per acre	480,021

Scheme Ref: **N**
 No Units: **25** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		25 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	0.8	50.0%	2.3	25.0%	1.0	17%	4.1	
2 Bed House	35.0%	5.7	30.0%	1.4	45.0%	1.9	36%	8.9	
3 Bed House	40.0%	6.5	15.0%	0.7	25.0%	1.0	33%	8.2	
4 Bed House	20.0%	3.3	5.0%	0.2	5.0%	0.2	15%	3.7	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	16.3	100.0%	4.6	100.0%	4.2	100%	25.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
1 Bed House	55.0	592			55.0	592			
2 Bed House	78.0	840			78.0	840			
3 Bed House	97.0	1,044			97.0	1,044			
4 Bed House	128.0	1,378			128.0	1,378			
1 Bed Flat	55.0	592	85.0%		64.7	696			
2 Bed Flat	70.0	753	85.0%		82.4	886			
AH Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
1 Bed House	55.0	592			55.0	592			
2 Bed House	78.0	840			78.0	840			
3 Bed House	97.0	1,044			97.0	1,044			
4 Bed House	128.0	1,378			128.0	1,378			
1 Bed Flat	55.0	592	85.0%		64.7	696			
2 Bed Flat	70.0	753	85.0%		82.4	886			
Total Gross Floor areas -									
	Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units)				
1 Bed House	45	481	183	1,975	228	2,456			
2 Bed House	444	4,775	253	2,727	697	7,502			
3 Bed House	631	6,787	168	1,804	798	8,591			
4 Bed House	416	4,478	56	603	472	5,081			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	1,535	16,521	660	7,109	2,195	23,630			
AH % by floor area:		30.09% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf	total MV £ (no AH)					
1 Bed House	175,000	3,182	296	725,977					
2 Bed House	250,000	3,205	298	2,233,984					
3 Bed House	325,000	3,351	311	2,674,141					
4 Bed House	450,000	3,516	327	1,659,375					
1 Bed Flat	175,000	3,182	296	0					
2 Bed Flat	225,000	3,214	299	0					
				7,293,477					
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	96,250	55%	0		105,000	60%	113,750	65%	
2 Bed House	137,500	55%	0		150,000	60%	162,500	65%	
3 Bed House	178,750	55%	0		195,000	60%	211,250	65%	
4 Bed House	247,500	55%	0		250,000	56%	292,500	65%	
1 Bed Flat	96,250	55%	0		105,000	60%	113,750	65%	
2 Bed Flat	123,750	55%	0		135,000	60%	146,250	65%	

Scheme Ref: **N**
 No Units: **25** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.8	@	175,000		142,188
2 Bed House	5.7	@	250,000		1,421,875
3 Bed House	6.5	@	325,000		2,112,500
4 Bed House	3.3	@	450,000		1,462,500
1 Bed Flat	0.0	@	175,000		-
2 Bed Flat	0.0	@	225,000		-
	16.3				5,139,063
Affordable Rent GDV -					
1 Bed House	2.3	@	96,250		221,074
2 Bed House	1.4	@	137,500		189,492
3 Bed House	0.7	@	178,750		123,170
4 Bed House	0.2	@	247,500		56,848
1 Bed Flat	0.0	@	96,250		-
2 Bed Flat	0.0	@	123,750		-
	4.6				590,584
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.5	@	105,000		57,422
2 Bed House	1.0	@	150,000		147,656
3 Bed House	0.5	@	195,000		106,641
4 Bed House	0.1	@	250,000		27,344
1 Bed Flat	0.0	@	105,000		-
2 Bed Flat	0.0	@	135,000		-
	2.2				339,063
Intermediate GDV -					
1 Bed House	0.5	@	113,750		55,986
2 Bed House	0.9	@	162,500		143,965
3 Bed House	0.5	@	211,250		103,975
4 Bed House	0.1	@	292,500		28,793
1 Bed Flat	0.0	@	113,750		-
2 Bed Flat	0.0	@	146,250		-
	2.0	8.8			332,719
Sub-total GDV Residential					
			25		6,401,428
AH on-site cost analysis:					
			406 £ psm (total GIA sqm)	£MV (no AH) less £GDV (inc. AH) 35,682 £ per unit (total units)	892,049
Grant					
	9	AH units @		per unit	-
Total GDV					
					6,401,428

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(11,550)
Planning Application Professional Fees, Surveys and reports					(30,000)
CIL					-
	1,535 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
	total	25 units @	6,000	per unit	(150,000)
	S106 analysis:	150,000 £ per ha	2.34% % of GDV	6,000 £ per unit (total units)	(150,000)
AH Commuted Sum					-
	Comm. Sum analysis:	2,195 sqm (total)	0 £ psm		-
		0.00% % of GDV			-
cont./					

Scheme Ref: N
No Units: 25 **Location / Value Zone:** Higher **Development Scenario:** Greenfield
Notes: 40% First Homes Discount

Construction Costs -					
Site Clearance, Demolition & Remediation		1.00 ha @		0 £ per ha (if brownfield)	-
Net Biodiversity costs		25 units @		1,011 £ per unit	(25,275)
Site Infrastructure costs -					-
	total	25 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		228 sqm @		1,288 psm	(293,875)
2 Bed House		697 sqm @		1,288 psm	(897,740)
3 Bed House		798 sqm @		1,288 psm	(1,027,989)
4 Bed House		472 sqm @		1,288 psm	(607,936)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		- sqm @		1,385 psm	-
2 Bed Flat	2,195	- sqm @		1,385 psm	-
External works		2,827,540 @		15.0%	(424,131)
	Ext. Works analysis:			16,965 £ per unit	
M4(2) Category 2 Housing	Aff units	5 units @	20% @	521 £ per unit	(479)
M4(3) Category 3 Housing	Aff units	5 units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	16 units @	20% @	521 £ per unit	(1,693)
M4(3) Category 3 Housing	Mrkt units	16 units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		25 units @		4,000 £ per unit	(100,000)
EV Charging Points - Houses		25 units @		1,000 £ per unit	(25,000)
EV Charging Points - Flats		- units @		10,000 £ per unit	-
Water Efficiency		25 units @		9 £ per unit	(225)
SANGs		25 units @		0 £ per unit	-
	1 Bed	4 units @		337 £ per unit	(1,398)
	2 Bed	9 units @		487 £ per unit	(4,352)
Solent SPA		8 units @		637 £ per unit	(5,241)
	4 Bed	4 units @		749 £ per unit	(2,762)
Contingency (on construction)		3,418,096 @		3.0%	(102,543)
Professional Fees		3,418,096 @		8.0%	(273,448)
Disposal Costs -					
OMS Marketing and Promotion		5,139,063 OMS @		1.50%	3,083 £ per unit (77,086)
Residential Sales Agent Costs		5,139,063 OMS @		1.50%	3,083 £ per unit (77,086)
Residential Sales Legal Costs		5,139,063 OMS @		0.50%	1,028 £ per unit (25,695)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			7,595 £ per unit	
Interest (on Development Costs) -			6.00% APR	0.487% pcm	(40,532)
Developers Profit -					
Profit on OMS		5,139,063		20.00%	(1,027,813)
Margin on AH		1,262,365		6.00% on AH values	(75,742)
	Profit analysis:	6,401,428		17.24% blended GDV	(1,103,554)
		4,216,036		26.18% on costs	(1,103,554)
TOTAL COSTS					(5,319,590)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					1,081,837
SDLT		1,081,837 @		HMRC formula	(43,592)
Acquisition Agent fees		1,081,837 @		1.0%	(10,818)
Acquisition Legal fees		1,081,837 @		0.5%	(5,409)
Interest on Land		1,081,837 @		6.00%	(64,910)
Residual Land Value					957,108
	RLV analysis:	38,284 £ per plot	957,108 £ per ha	387,336 £ per acre	

BENCHMARK LAND VALUE (BLV)					
Residential Density		25.0 dph			
Site Area (Net)		1.00 ha		2.47 acres	
Benchmark Land Value (Net)	17,297 £ per plot	432,425 £ per ha		175,000 £ per acre	432,425
	BLV analysis:	Density	2,195 sqm/ha	9,563 sqft/ac	

BALANCE					
Surplus/(Deficit)		524,683 £ per ha		212,336 £ per acre	524,683

Scheme Ref: **O**
 No Units: **100** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		100 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	3.3	50.0%	9.2	25.0%	4.2	17%	16.6	
2 Bed House	35.0%	22.8	30.0%	5.5	45.0%	7.5	36%	35.7	
3 Bed House	40.0%	26.0	15.0%	2.8	25.0%	4.2	33%	32.9	
4 Bed House	20.0%	13.0	5.0%	0.9	5.0%	0.8	15%	14.8	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	65.0	100.0%	18.4	100.0%	16.6	100%	100.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
	(sqm)	(sqft)	%		(sqm)	(sqft)			
1 Bed House	45.0	484			45.0	484			
2 Bed House	75.0	807			75.0	807			
3 Bed House	93.0	1,001			93.0	1,001			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	45.0	484	85.0%		52.9	570			
2 Bed Flat	60.0	646	85.0%		70.6	760			
AH Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
	(sqm)	(sqft)	%		(sqm)	(sqft)			
1 Bed House	45.0	484			45.0	484			
2 Bed House	75.0	807			75.0	807			
3 Bed House	93.0	1,001			93.0	1,001			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	45.0	484	85.0%		52.9	570			
2 Bed Flat	60.0	646	85.0%		70.6	760			
Total Gross Floor areas -									
	Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units)				
	(sqm)	(sqft)	(sqm)	(sqft)	(sqm)	(sqft)			
1 Bed House	146	1,574	600	6,463	747	8,038			
2 Bed House	1,706	18,366	975	10,490	2,681	28,856			
3 Bed House	2,418	26,027	643	6,920	3,061	32,947			
4 Bed House	1,495	16,092	201	2,166	1,696	18,258			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	5,766	62,059	2,419	26,039	8,185	88,098			
AH % by floor area:		29.56% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf	total MV £ (no AH)					
1 Bed House	150,000	3,333	310	2,489,063					
2 Bed House	225,000	3,000	279	8,042,344					
3 Bed House	300,000	3,226	300	9,873,750					
4 Bed House	400,000	3,478	323	5,900,000					
1 Bed Flat	150,000	3,333	310	0					
2 Bed Flat	200,000	3,333	310	0					
				26,305,156					
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	82,500	55%	0		90,000	60%	97,500	65%	
2 Bed House	123,750	55%	0		135,000	60%	146,250	65%	
3 Bed House	165,000	55%	0		180,000	60%	195,000	65%	
4 Bed House	220,000	55%	0		240,000	60%	260,000	65%	
1 Bed Flat	82,500	55%	0		90,000	60%	97,500	65%	
2 Bed Flat	110,000	55%	0		120,000	60%	130,000	65%	

Scheme Ref: **O**
 No Units: **100** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	3.3	@	150,000		487,500
2 Bed House	22.8	@	225,000		5,118,750
3 Bed House	26.0	@	300,000		7,800,000
4 Bed House	13.0	@	400,000		5,200,000
1 Bed Flat	0.0	@	150,000		-
2 Bed Flat	0.0	@	200,000		-
	65.0				18,606,250
Affordable Rent GDV -					
1 Bed House	9.2	@	82,500		757,969
2 Bed House	5.5	@	123,750		682,172
3 Bed House	2.8	@	165,000		454,781
4 Bed House	0.9	@	220,000		202,125
1 Bed Flat	0.0	@	82,500		-
2 Bed Flat	0.0	@	110,000		-
	18.4				2,097,047
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	2.2	@	90,000		196,875
2 Bed House	3.9	@	135,000		531,563
3 Bed House	2.2	@	180,000		393,750
4 Bed House	0.4	@	240,000		105,000
1 Bed Flat	0.0	@	90,000		-
2 Bed Flat	0.0	@	120,000		-
	8.8				1,227,188
Intermediate GDV -					
1 Bed House	2.0	@	97,500		191,953
2 Bed House	3.5	@	146,250		518,273
3 Bed House	2.0	@	195,000		383,906
4 Bed House	0.4	@	260,000		102,375
1 Bed Flat	0.0	@	97,500		-
2 Bed Flat	0.0	@	130,000		-
	7.9	35.0			1,196,508
Sub-total GDV Residential			100		23,126,992
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	3,178,164
			388 £ psm (total GIA sqm)	31,782 £ per unit (total units)	
Grant	35	AH units @		per unit	-
Total GDV					23,126,992

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(29,759)
Planning Application Professional Fees, Surveys and reports					(90,000)
CIL	5,766 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					-
	total	100 units @	6,000 per unit		(600,000)
	S106 analysis:	210,000 £ per ha	2.59% % of GDV	6,000 £ per unit (total units)	(600,000)
AH Commuted Sum		8,185 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref: O
No Units: 100 **Location / Value Zone:** Higher **Development Scenario:** Greenfield
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		2.86	ha @		0	£ per ha (if brownfield)
Net Biodiversity costs		100	units @		1,011	£ per unit
Site Infrastructure costs -						
	total		100 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		747	sqm @		1,288	psm
2 Bed House		2,681	sqm @		1,288	psm
3 Bed House		3,061	sqm @		1,288	psm
4 Bed House		1,696	sqm @		1,288	psm
5 Bed House		-	sqm @		1,288	psm
1 Bed Flat		-	sqm @		1,385	psm
2 Bed Flat		8,185	sqm @		1,385	psm
External works		10,541,781	@		15.0%	
	Ext. Works analysis:				15,813	£ per unit
M4(2) Category 2 Housing	Aff units	18	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	18	units @	0% @	10,111	£ per unit
M4(2) Category 2 Housing	Mrkt units	65	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mrkt units	65	units @	0% @	10,111	£ per unit
Carbon/Energy Reduction/FHS		100	units @		4,000	£ per unit
EV Charging Points - Houses		100	units @		1,000	£ per unit
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		100	units @		9	£ per unit
SANGs		100	units @		4,215	£ per unit
	1 Bed	17	units @		337	£ per unit
	2 Bed	36	units @		487	£ per unit
Solent SPA		33	units @		637	£ per unit
	4 Bed	15	units @		749	£ per unit
Contingency (on construction)		13,210,248	@		3.0%	
Professional Fees		13,210,248	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		18,606,250	OMS @		1.50%	2,791 £ per unit
Residential Sales Agent Costs		18,606,250	OMS @		1.50%	2,791 £ per unit
Residential Sales Legal Costs		18,606,250	OMS @		0.50%	930 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				6,612	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487%	pcm
Developers Profit -						
Profit on OMS		18,606,250			20.00%	
Margin on AH		4,520,742			6.00%	on AH values
	Profit analysis:	23,126,992			17.26%	blended GDV
		16,146,914			24.73%	on costs
						(3,992,495)
						(3,992,495)
TOTAL COSTS						(20,139,409)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					2,987,583
SDLT		2,987,583	@	HMRC formula	(138,879)
Acquisition Agent fees		2,987,583	@	1.0%	(29,876)
Acquisition Legal fees		2,987,583	@	0.5%	(14,938)
Interest on Land		2,987,583	@	6.00%	(179,255)
Residual Land Value					2,624,635
	RLV analysis:	26,246	£ per plot	918,622	£ per ha
				371,761	£ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density		35.0	dph		
Site Area (Net)		2.86	ha	7.06	acres
Benchmark Land Value (Net)	15,179	£ per plot	531,265	£ per ha	215,000
	BLV analysis:	Density	2.865	sqm/ha	12,479
				sqft/ac	
					1,517,900

BALANCE					
Surplus/(Deficit)		387,357	£ per ha	156,761	£ per acre
					1,106,735

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		150 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	4.9	25.0%	6.9	5.0%	1.2	9%	13.0	
2 Bed House	35.0%	34.1	20.0%	5.5	35.0%	8.7	32%	48.4	
3 Bed House	40.0%	39.0	15.0%	4.1	25.0%	6.2	33%	49.4	
4 Bed House	20.0%	19.5	5.0%	1.4	5.0%	1.2	15%	22.1	
1 Bed Flat	0.0%	0.0	25.0%	6.9	20.0%	5.0	8%	11.9	
2 Bed Flat	0.0%	0.0	10.0%	2.8	10.0%	2.5	4%	5.3	
Total number of units		100.0%	97.5	100.0%	27.6	100.0%	24.9	100%	150.0
OMS Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit (sqm)				
1 Bed House	45.0	484	%		45.0	484			
2 Bed House	75.0	807			75.0	807			
3 Bed House	93.0	1,001			93.0	1,001			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	45.0	484	85.0%		52.9	570			
2 Bed Flat	60.0	646	85.0%		70.6	760			
AH Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit (sqm)				
1 Bed House	45.0	484	%		45.0	484			
2 Bed House	75.0	807			75.0	807			
3 Bed House	93.0	1,001			93.0	1,001			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	45.0	484	85.0%		52.9	570			
2 Bed Flat	60.0	646	85.0%		70.6	760			
Total Gross Floor areas -									
	Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units) (sqm)				
1 Bed House	219	2,361	366	3,942	586	6,303			
2 Bed House	2,559	27,549	1,068	11,496	3,627	39,045			
3 Bed House	3,627	39,041	964	10,380	4,591	49,420			
4 Bed House	2,243	24,138	302	3,249	2,544	27,387			
1 Bed Flat	0	0	629	6,769	629	6,769			
2 Bed Flat	0	0	371	3,989	371	3,989			
	8,648	93,089	3,700	39,825	12,348	132,914			
AH % by floor area:		29.96% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf					total MV £ (no AH)	
1 Bed House	150,000	3,333	310					1,951,875	
2 Bed House	225,000	3,000	279					10,882,266	
3 Bed House	300,000	3,226	300					14,810,625	
4 Bed House	400,000	3,478	323					8,850,000	
1 Bed Flat	150,000	3,333	310					1,781,719	
2 Bed Flat	200,000	3,333	310					1,050,000	
								39,326,484	
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	82,500	55%	0		90,000	60%	97,500	65%	
2 Bed House	123,750	55%	0		135,000	60%	146,250	65%	
3 Bed House	165,000	55%	0		180,000	60%	195,000	65%	
4 Bed House	220,000	55%	0		240,000	60%	260,000	65%	
1 Bed Flat	82,500	55%	0		90,000	60%	97,500	65%	
2 Bed Flat	110,000	55%	0		120,000	60%	130,000	65%	

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	4.9	@	150,000		731,250
2 Bed House	34.1	@	225,000		7,678,125
3 Bed House	39.0	@	300,000		11,700,000
4 Bed House	19.5	@	400,000		7,800,000
1 Bed Flat	0.0	@	150,000		-
2 Bed Flat	0.0	@	200,000		-
	97.5				27,909,375
Affordable Rent GDV -					
1 Bed House	6.9	@	82,500		568,477
2 Bed House	5.5	@	123,750		682,172
3 Bed House	4.1	@	165,000		682,172
4 Bed House	1.4	@	220,000		303,188
1 Bed Flat	6.9	@	82,500		568,477
2 Bed Flat	2.8	@	110,000		303,188
	27.6				3,107,672
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.7	@	90,000		59,063
2 Bed House	4.6	@	135,000		620,156
3 Bed House	3.3	@	180,000		590,625
4 Bed House	0.7	@	240,000		157,500
1 Bed Flat	2.6	@	90,000		236,250
2 Bed Flat	1.3	@	120,000		157,500
	13.1				1,821,094
Intermediate GDV -					
1 Bed House	0.6	@	97,500		57,586
2 Bed House	4.1	@	146,250		604,652
3 Bed House	3.0	@	195,000		575,859
4 Bed House	0.6	@	260,000		153,563
1 Bed Flat	2.4	@	97,500		230,344
2 Bed Flat	1.2	@	130,000		153,563
	11.8	52.5			1,775,566
Sub-total GDV Residential					
			150		34,613,707
AH on-site cost analysis:					
				£MV (no AH) less £GDV (inc. AH)	4,712,777
			382 £ psm (total GIA sqm)	31,419 £ per unit (total units)	
Grant					
	53	AH units @		per unit	-
Total GDV					
					34,613,707

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential) (36,659)					
Planning Application Professional Fees, Surveys and reports (110,000)					
CIL					
	8,648 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	-
Site Specific S106 Contributions					
	total	150 units @	6,000 per unit		(900,000)
	S106 analysis:	270,000 £ per ha	2.60% % of GDV	6,000 £ per unit (total units)	(900,000)
AH Commuted Sum					
	12,348 sqm (total)		0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV			-
cont./					

Scheme Ref: P
No Units: 150 **Location / Value Zone:** Higher **Development Scenario:** Brownfield
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		3.33	ha @		110,000	£ per ha (if brownfield) (366,667)
Net Biodiversity costs		150	units @		287	£ per unit (43,050)
Site Infrastructure costs -						
	total		150 units @			per unit -
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total) -
1 Bed House		586	sqm @		1,288	psm (754,205)
2 Bed House		3,627	sqm @		1,288	psm (4,672,119)
3 Bed House		4,591	sqm @		1,288	psm (5,913,586)
4 Bed House		2,544	sqm @		1,288	psm (3,277,155)
5 Bed House		-	sqm @		1,288	psm -
1 Bed Flat		629	sqm @		1,385	psm (870,946)
2 Bed Flat	12,348	371	sqm @		1,385	psm (513,265)
External works		16,001,276	@		15.0%	(2,400,191)
	Ext. Works analysis:				16,001	£ per unit
M4(2) Category 2 Housing	Aff units	28	units @	20% @	521	£ per unit (2,872)
M4(3) Category 3 Housing	Aff units	28	units @	0% @	10,111	£ per unit -
M4(2) Category 2 Housing	Mrkt units	98	units @	20% @	521	£ per unit (10,160)
M4(3) Category 3 Housing	Mrkt units	98	units @	0% @	10,111	£ per unit -
Carbon/Energy Reduction/FHS		150	units @		4,000	£ per unit (600,000)
EV Charging Points - Houses		133	units @		1,000	£ per unit (132,872)
EV Charging Points - Flats		4	units @		10,000	£ per unit (42,820)
Water Efficiency		150	units @		9	£ per unit (1,350)
SANGs		150	units @		4,215	£ per unit (632,250)
	1 Bed	25	units @		337	£ per unit (8,388)
	2 Bed	54	units @		487	£ per unit (26,111)
Solent SPA		49	units @		637	£ per unit (31,448)
	4 Bed	22	units @		749	£ per unit (16,572)
Contingency (on construction)		20,316,026	@		5.0%	(1,015,801)
Professional Fees		20,316,026	@		8.0%	(1,625,282)
Disposal Costs -						
OMS Marketing and Promotion		27,909,375	OMS @		1.50%	2,791 £ per unit (418,641)
Residential Sales Agent Costs		27,909,375	OMS @		1.50%	2,791 £ per unit (418,641)
Residential Sales Legal Costs		27,909,375	OMS @		0.50%	930 £ per unit (139,547)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				6,579	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487%	pcm (151,888)
Developers Profit -						
Profit on OMS		27,909,375			20.00%	(5,581,875)
Margin on AH		6,704,332			6.00%	on AH values (402,260)
	Profit analysis:	34,613,707			17.29%	blended GDV (5,984,135)
		25,142,485			23.80%	on costs (5,984,135)
TOTAL COSTS						(31,126,620)

RESIDUAL LAND VALUE (RLV)							
Residual Land Value (gross)						3,487,087	
SDLT		3,487,087	@		HMRC formula	(163,854)	
Acquisition Agent fees		3,487,087	@		1.0%	(34,871)	
Acquisition Legal fees		3,487,087	@		0.5%	(17,435)	
Interest on Land		3,487,087	@		6.00%	(209,225)	
Residual Land Value						3,061,702	
	RLV analysis:	20,411	£ per plot	918,510	£ per ha	371,716	£ per acre

BENCHMARK LAND VALUE (BLV)						
Residential Density		45.0	dph			
Site Area (Net)		3.33	ha		8.24	acres
Benchmark Land Value (Net)	8,786	£ per plot	395,360	£ per ha	160,000	£ per acre
	BLV analysis:	Density	3,704	sqm/ha	16,137	sqft/ac

BALANCE						
Surplus/(Deficit)		523,150	£ per ha	211,716	£ per acre	1,743,835

Scheme Ref: **Q**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield Flatted Development**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		150 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100% 100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
3 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
4 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
1 Bed Flat	30.0%	29.3	75.0%	20.7	30.0%	7.5	38%	57.4	
2 Bed Flat	70.0%	68.3	25.0%	6.9	70.0%	17.5	62%	92.6	
Total number of units	100.0%	97.5	100.0%	27.6	100.0%	24.9	100%	150.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
1 Bed House	45.0	484	%		45.0	484			
2 Bed House	75.0	807			75.0	807			
3 Bed House	93.0	1,001			93.0	1,001			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	45.0	484		85.0%	52.9	570			
2 Bed Flat	60.0	646		85.0%	70.6	760			
AH Unit Floor areas -									
	Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit				
1 Bed House	45.0	484	%		45.0	484			
2 Bed House	75.0	807			75.0	807			
3 Bed House	93.0	1,001			93.0	1,001			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	45.0	484		85.0%	52.9	570			
2 Bed Flat	60.0	646		85.0%	70.6	760			
Total Gross Floor areas -									
	Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units)				
1 Bed House	0	0	0	0	0	0			
2 Bed House	0	0	0	0	0	0			
3 Bed House	0	0	0	0	0	0			
4 Bed House	0	0	0	0	0	0			
1 Bed Flat	1,549	16,668	1,490	16,043	3,039	32,711			
2 Bed Flat	4,818	51,857	1,719	18,499	6,536	70,356			
	6,366	68,525	3,209	34,542	9,575	103,067			
AH % by floor area:		33.51% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf				total MV £ (no AH)		
1 Bed House	150,000	3,333	310				0		
2 Bed House	225,000	3,000	279				0		
3 Bed House	300,000	3,226	300				0		
4 Bed House	400,000	3,478	323				0		
1 Bed Flat	150,000	3,333	310				8,610,469		
2 Bed Flat	200,000	3,333	310				18,519,375		
								27,129,844	
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	82,500	55%	0		90,000	60%	97,500	65%	
2 Bed House	123,750	55%	0		135,000	60%	146,250	65%	
3 Bed House	165,000	55%	0		180,000	60%	195,000	65%	
4 Bed House	220,000	55%	0		240,000	60%	260,000	65%	
1 Bed Flat	82,500	55%	0		90,000	60%	97,500	65%	
2 Bed Flat	110,000	55%	0		120,000	60%	130,000	65%	

Scheme Ref: **Q**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield Flatted Development**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.0	@	150,000	-	
2 Bed House	0.0	@	225,000	-	
3 Bed House	0.0	@	300,000	-	
4 Bed House	0.0	@	400,000	-	
1 Bed Flat	29.3	@	150,000	4,387,500	
2 Bed Flat	68.3	@	200,000	13,650,000	
	97.5				18,037,500
Affordable Rent GDV -					
1 Bed House	0.0	@	82,500	-	
2 Bed House	0.0	@	123,750	-	
3 Bed House	0.0	@	165,000	-	
4 Bed House	0.0	@	220,000	-	
1 Bed Flat	20.7	@	82,500	1,705,430	
2 Bed Flat	6.9	@	110,000	757,969	
	27.6				2,463,398
Social Rent GDV -					
1 Bed House	0.0	@	0	-	
2 Bed House	0.0	@	0	-	
3 Bed House	0.0	@	0	-	
4 Bed House	0.0	@	0	-	
1 Bed Flat	0.0	@	0	-	
2 Bed Flat	0.0	@	0	-	
	0.0				-
First Homes GDV -					
1 Bed House	0.0	@	90,000	-	
2 Bed House	0.0	@	135,000	-	
3 Bed House	0.0	@	180,000	-	
4 Bed House	0.0	@	240,000	-	
1 Bed Flat	3.9	@	90,000	354,375	
2 Bed Flat	9.2	@	120,000	1,102,500	
	13.1				1,456,875
Intermediate GDV -					
1 Bed House	0.0	@	97,500	-	
2 Bed House	0.0	@	146,250	-	
3 Bed House	0.0	@	195,000	-	
4 Bed House	0.0	@	260,000	-	
1 Bed Flat	3.5	@	97,500	345,516	
2 Bed Flat	8.3	@	130,000	1,074,938	
	11.8	52.5			1,420,453
Sub-total GDV Residential					
			150		23,378,227
AH on-site cost analysis:					
				£MV (no AH) less £GDV (inc. AH)	3,751,617
			392 £ psm (total GIA sqm)	25,011 £ per unit (total units)	
Grant					
	53	AH units @		per unit	-
Total GDV					
					23,378,227

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(36,659)
Planning Application Professional Fees, Surveys and reports					(110,000)
CIL	6,366 sqm (Market only)		0.00 £ psm		-
	CIL analysis:	0.00% % of GDV		0 £ per unit (total units)	
Site Specific S106 Contributions					-
	total	150 units @	6,000	per unit	(900,000)
	S106 analysis:	1,020,000 £ per ha	3.85% % of GDV	6,000 £ per unit (total units)	(900,000)
AH Commuted Sum		9,575 sqm (total)		0 £ psm	-
	Comm. Sum analysis:	0.00% % of GDV			
cont./					

Scheme Ref: Q
No Units: 150 **Location / Value Zone:** Higher **Development Scenario:** Brownfield Flatted Development
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		0.88	ha @		110,000	£ per ha (if brownfield) (97,059)
Net Biodiversity costs		150	units @		287	£ per unit (43,050)
Site Infrastructure costs -						
	total		150 units @			per unit -
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total) -
1 Bed House		-	sqm @		1,288	psm -
2 Bed House		-	sqm @		1,288	psm -
3 Bed House		-	sqm @		1,288	psm -
4 Bed House		-	sqm @		1,288	psm -
5 Bed House		-	sqm @		1,288	psm -
1 Bed Flat			3,039 sqm @		1,385	psm (4,209,000)
2 Bed Flat	9,575		6,536 sqm @		1,385	psm (9,052,706)
External works			13,261,706 @		5.0%	(663,085)
	Ext. Works analysis:				4,421	£ per unit
M4(2) Category 2 Housing	Aff units	28	units @	20% @	521	£ per unit (2,872)
M4(3) Category 3 Housing	Aff units	28	units @	0% @	10,111	£ per unit -
M4(2) Category 2 Housing	Mrkt units	98	units @	20% @	521	£ per unit (10,160)
M4(3) Category 3 Housing	Mrkt units	98	units @	0% @	10,111	£ per unit -
Carbon/Energy Reduction/FHS		150	units @		4,000	£ per unit (600,000)
EV Charging Points - Houses		-	units @		1,000	£ per unit -
EV Charging Points - Flats		38	units @		10,000	£ per unit (375,000)
Water Efficiency		150	units @		9	£ per unit (1,350)
SANGs		150	units @		4,215	£ per unit (632,250)
	1 Bed	57	units @		337	£ per unit (19,345)
	2 Bed	93	units @		487	£ per unit (45,095)
Solent SPA		3	units @		637	£ per unit -
	4 Bed	-	units @		749	£ per unit -
Contingency (on construction)			15,750,971 @		5.0%	(787,549)
Professional Fees			15,750,971 @		8.0%	(1,260,078)
Disposal Costs -						
OMS Marketing and Promotion		18,037,500	OMS @		1.50%	1,804 £ per unit (270,563)
Residential Sales Agent Costs		18,037,500	OMS @		1.50%	1,804 £ per unit (270,563)
Residential Sales Legal Costs		18,037,500	OMS @		0.50%	601 £ per unit (90,188)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				4,275	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487%	pcm (1,414,263)
Developers Profit -						
Profit on OMS		18,037,500			20.00%	(3,607,500)
Margin on AH		5,340,727			6.00%	on AH values (320,444)
	Profit analysis:	23,378,227			16.80%	blended GDV (3,927,944)
		20,900,832			18.79%	on costs (3,927,944)
TOTAL COSTS						(24,828,775)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					(1,450,549)
SDLT		-	1,450,549 @	HMRC formula	83,027
Acquisition Agent fees		-	1,450,549 @	1.0%	14,505
Acquisition Legal fees		-	1,450,549 @	0.5%	7,253
Interest on Land		-	1,450,549 @	6.00%	87,033
Residual Land Value					(1,258,730)
	RLV analysis:	(8,392)	£ per plot	(1,426,561)	£ per ha (577,321) £ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density			170.0	dph	
Site Area (Net)			0.88	ha	2.18 acres
Benchmark Land Value (Net)	2,326	£ per plot	395,360	£ per ha	160,000 £ per acre
	BLV analysis:	Density	10.852	sqm/ha	47,272 sqft/ac
					348,847

BALANCE					
Surplus/(Deficit)			(1,821,921)	£ per ha	(737,321) £ per acre (1,607,577)

210721 Isle of Wight Residential Appraisals_M-Q_v1 - Summary Table

Scheme Ref:	M	N	O	P	Q
No Units:	20	25	100	150	150
Location / Value Zone:	Higher	Higher	Higher	Higher	Higher
Development Scenario:	Brownfield	Greenfield	Greenfield	Brownfield	Brownfield Flatted Development
Notes:	40% First Homes Discount				
Policy Assumptions					
AH Target % (& mix):	35.00%	35.00%	35.00%	35.00%	35.00%
Affordable Rent:	52.50%	52.50%	52.50%	52.50%	52.50%
Social Rent:	0.00%	0.00%	0.00%	0.00%	0.00%
First Homes:	25.00%	25.00%	25.00%	25.00%	25.00%
Other Intermediate (LCHO/Sub-Market etc.):	22.50%	22.50%	22.50%	22.50%	22.50%
CIL (£ psm)	£0	£0	£0	£0	£0
CIL Total (£)	£0	£0	£0	£0	£0
Site Specific S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000	£6,000
Site Specific S106 Total (£)	£120,000	£150,000	£600,000	£900,000	£900,000
Sub-total CIL+S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000	£6,000
Site Infrastructure (£ per unit)	£0	£0	£0	£0	£0
Site Infrastructure Total (£)	£0	£0	£0	£0	£0
Sub-total CIL+S106+Infrastructure (£ per unit)	£6,000	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs					
Total GDV (£)	£5,121,142	£6,401,428	£23,126,992	£34,613,707	£23,378,227
GDV (£ per unit)	£256,057	£256,057	£231,270	£230,758	£155,855
Total Cost (Excluding Land + Profit)	£3,489,904	£4,216,036	£16,146,914	£25,142,485	£20,900,832
Cost (£ per unit)	£174,495	£168,641	£161,469	£167,617	£139,339
Profit KPI's					
Developers Profit Total (£)	£882,844	£1,103,554	£3,992,495	£5,984,135	£3,927,944
Developers Profit (% on OMS)	20.00%	20.00%	20.00%	20.00%	20.00%
Developers Profit (% on AH)	6.00%	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	17.24%	17.24%	17.26%	17.29%	16.80%
Developers Profit (% on costs)	25.30%	26.18%	24.73%	23.80%	18.79%
Land Value KPI's					
RLV (£/acre)	£538,523	£387,336	£371,761	£371,716	-\$577,321
RLV (£/ha)	£1,330,691	£957,108	£918,622	£918,510	-\$1,426,561
RLV Total (£)	£665,346	£957,108	£2,624,635	£3,061,702	-\$1,258,730
BLV (£/acre)	£150,000	£175,000	£215,000	£160,000	£160,000
BLV (£/ha)	£370,650	£432,425	£531,265	£395,360	£395,360
BLV Total (£)	£185,325	£432,425	£1,517,900	£1,317,867	£348,847
Surplus/Deficit (£/acre) [RLV-BLV]	£388,523	£212,336	£156,761	£211,716	-\$737,321
Surplus/Deficit (£/ha)	£960,041	£524,683	£387,357	£523,150	-\$1,821,921
Surplus/Deficit Total (£)	£480,021	£524,683	£1,106,735	£1,743,835	-\$1,607,577
Plan Viability comments	Viabile	Viabile	Viabile	Viabile	Not Viabile

Scheme Ref: **R**
 No Units: **35** Location / Value Zone: **Island Wide** Development Scenario: **Small Brownfield Flatted Scheme**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		35 Units							
AH Policy requirement (% Target)		35%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		16.6% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		65%							
		100%							
		100.0%							
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
3 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
4 Bed House	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
1 Bed Flat	35.0%	8.0	75.0%	4.8	30.0%	1.7	42%	14.5	
2 Bed Flat	65.0%	14.8	25.0%	1.6	70.0%	4.1	58%	20.5	
Total number of units	100.0%	22.8	100.0%	6.4	100.0%	5.8	100%	35.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%						
1 Bed House		0			0.0	0			
2 Bed House		0			0.0	0			
3 Bed House		0			0.0	0			
4 Bed House		0			0.0	0			
1 Bed Flat	55.0	592	85.0%		64.7	696			
2 Bed Flat	70.0	753	85.0%		82.4	886			
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%						
1 Bed House	0.0	0			0.0	0			
2 Bed House	0.0	0			0.0	0			
3 Bed House	0.0	0			0.0	0			
4 Bed House	0.0	0			0.0	0			
1 Bed Flat	55.0	592	85.0%		64.7	696			
2 Bed Flat	70.0	753	85.0%		82.4	886			
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)					
1 Bed House	0	0	0	0	0	0			
2 Bed House	0	0	0	0	0	0			
3 Bed House	0	0	0	0	0	0			
4 Bed House	0	0	0	0	0	0			
1 Bed Flat	515	5,546	425	4,575	940	10,121			
2 Bed Flat	1,218	13,108	468	5,036	1,686	18,144			
	1,733	18,654	893	9,611	2,626	28,265			
AH % by floor area:		34.00% AH % by floor area due to mix							
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
		#DIV/0!	#DIV/0!						
1 Bed House		#DIV/0!	#DIV/0!		0				
2 Bed House		#DIV/0!	#DIV/0!		0				
3 Bed House		#DIV/0!	#DIV/0!		0				
4 Bed House		#DIV/0!	#DIV/0!		0				
1 Bed Flat	140,000	2,545	236		2,034,419				
2 Bed Flat	170,000	2,429	226		3,479,634				
					5,514,053				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	0	55%	0		0	60%	0	65%	
2 Bed House	0	55%	0		0	60%	0	65%	
3 Bed House	0	55%	0		0	60%	0	65%	
4 Bed House	0	55%	0		0	60%	0	65%	
1 Bed Flat	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed Flat	93,500	55%	0		102,000	60%	110,500	65%	

Scheme Ref: **R**
 No Units: **35** Location / Value Zone: **Island Wide** Development Scenario: **Small Brownfield Flatted Scheme**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE					
OMS GDV - (part houses due to % mix)					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	8.0	@	140,000		1,114,750
2 Bed Flat	14.8	@	170,000		2,513,875
	22.8				3,628,625
Affordable Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	4.8	@	77,000		371,405
2 Bed Flat	1.6	@	93,500		150,330
	6.4				521,735
Social Rent GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.0	@	0		-
2 Bed Flat	0.0	@	0		-
	0.0				-
First Homes GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.9	@	84,000		77,175
2 Bed Flat	2.1	@	102,000		218,663
	3.1				295,838
Intermediate GDV -					
1 Bed House	0.0	@	0		-
2 Bed House	0.0	@	0		-
3 Bed House	0.0	@	0		-
4 Bed House	0.0	@	0		-
1 Bed Flat	0.8	@	91,000		75,246
2 Bed Flat	1.9	@	110,500		213,196
	2.8	12.3			288,442
Sub-total GDV Residential	35				4,734,639
AH on-site cost analysis:				£MV (no AH) less £GDV (inc. AH)	779,414
			297 £ psm (total GIA sqm)	22,269 £ per unit (total units)	
Grant	12	AH units @		per unit	-
Total GDV					4,734,639

DEVELOPMENT COSTS					
Initial Payments -					
Statutory Planning Fees (Residential)					(16,170)
Planning Application Professional Fees, Surveys and reports					(50,000)
CIL	1,733 sqm (Market only)		0.00 £ psm		-
	0.00% % of GDV		0 £ per unit (total units)		-
Site Specific S106 Contributions					-
total	35 units @		6,000 per unit		(210,000)
S106 analysis:	450,000 £ per ha	4.44% % of GDV	6,000 £ per unit (total units)	(210,000)	
AH Commuted Sum	2,626 sqm (total)		0 £ psm		-
Comm. Sum analysis:	0.00% % of GDV				-
cont./					

Scheme Ref: R
No Units: 35 **Location / Value Zone:** Island Wide **Development Scenario:** Small Brownfield Flatted Scheme
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		0.47	ha @		110,000	£ per ha (if brownfield) (51,333)
Net Biodiversity costs		35	units @		287	£ per unit (10,045)
Site Infrastructure costs -						
	total		35 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		-	sqm @		1,288	psm
2 Bed House		-	sqm @		1,288	psm
3 Bed House		-	sqm @		1,288	psm
4 Bed House		-	sqm @		1,288	psm
5 Bed House		-	sqm @		1,288	psm
1 Bed Flat		940	sqm @		1,385	psm (1,302,284)
2 Bed Flat	2,626	1,686	sqm @		1,385	psm (2,334,606)
External works		3,636,890	@		5.0%	(181,845)
	Ext. Works analysis:				5,196	£ per unit
M4(2) Category 2 Housing	Aff units	6	units @	20% @	521	£ per unit (670)
M4(3) Category 3 Housing	Aff units	6	units @	0% @	10,111	£ per unit
M4(2) Category 2 Housing	Mrkt units	23	units @	20% @	521	£ per unit (2,371)
M4(3) Category 3 Housing	Mrkt units	23	units @	0% @	10,111	£ per unit
Carbon/Energy Reduction/FHS		35	units @		4,000	£ per unit (140,000)
EV Charging Points - Houses		-	units @		1,000	£ per unit
EV Charging Points - Flats		9	units @		10,000	£ per unit (87,500)
Water Efficiency		35	units @		9	£ per unit (315)
SANGs		35	units @		0	£ per unit
	1 Bed	15	units @		337	£ per unit (4,897)
	2 Bed	20	units @		487	£ per unit (9,968)
Solent SPA		3	units @		637	£ per unit
	4 Bed	-	units @		749	£ per unit
Contingency (on construction)		4,125,834	@		5.0%	(206,292)
Professional Fees		4,125,834	@		8.0%	(330,067)
Disposal Costs -						
OMS Marketing and Promotion		3,628,625	OMS @		1.50%	1,555 £ per unit (54,429)
Residential Sales Agent Costs		3,628,625	OMS @		1.50%	1,555 £ per unit (54,429)
Residential Sales Legal Costs		3,628,625	OMS @		0.50%	518 £ per unit (18,143)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				3,914	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487% pcm	(2,764,271)
Developers Profit -						
Profit on OMS		3,628,625			20.00%	(725,725)
Margin on AH		1,106,014			6.00% on AH values	(66,361)
	Profit analysis:	4,734,639			16.73% blended GDV	(792,086)
		7,839,635			10.10% on costs	(792,086)
TOTAL COSTS						(8,631,721)

RESIDUAL LAND VALUE (RLV)						
Residual Land Value (gross)						(3,897,082)
SDLT		-	3,897,082 @		HMRC formula	205,354
Acquisition Agent fees		-	3,897,082 @		1.0%	38,971
Acquisition Legal fees		-	3,897,082 @		0.5%	19,485
Interest on Land		-	3,897,082 @		6.00%	233,825
Residual Land Value						(3,399,447)
	RLV analysis:	(97,127)	£ per plot	(7,284,529)	£ per ha	(2,948,008) £ per acre

BENCHMARK LAND VALUE (BLV)						
Residential Density			75.0	dph		
Site Area (Net)			0.47	ha	1.15	acres
Benchmark Land Value (Net)	4,118	£ per plot	308,875	£ per ha	125,000	£ per acre
	BLV analysis:	Density	5,627	sqm/ha	24,512	sqft/ac

BALANCE						
Surplus/(Deficit)		(7,593,404)	£ per ha	(3,073,008)	£ per acre	(3,543,588)

Scheme Ref: **S**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **Rural Exception Site**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme		8 Units							
AH Policy requirement (% Target)		100%							
AH tenure split %		Affordable Rent:		52.5%		52.5% % Rented			
		Social Rent:		0.0%					
		First Homes:		25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):		22.5%		47.5% % of total (>10% for NPPF para 64.)			
Open Market Sale (OMS) housing		0%							
		100%				100.0%			
CIL Rate (£ psm)		0.00 £ psm							
Unit mix -		Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units
1 Bed House		5.0%	0.0	50.0%	2.1	25.0%	1.0	38%	3.1
2 Bed House		35.0%	0.0	30.0%	1.3	45.0%	1.7	37%	3.0
3 Bed House		40.0%	0.0	15.0%	0.6	25.0%	1.0	20%	1.6
4 Bed House		20.0%	0.0	5.0%	0.2	5.0%	0.2	5%	0.4
1 Bed Flat		0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0
2 Bed Flat		0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0
Total number of units		100.0%	0.0	100.0%	4.2	100.0%	3.8	100%	8.0
OMS Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		55.0	592			55.0	592		
2 Bed House		72.0	775			72.0	775		
3 Bed House		87.0	936			87.0	936		
4 Bed House		115.0	1,238			115.0	1,238		
1 Bed Flat		55.0	592	85.0%		64.7	696		
2 Bed Flat		70.0	753	85.0%		82.4	886		
AH Unit Floor areas -		Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit (sqm) (sqft)			
1 Bed House		55.0	592			55.0	592		
2 Bed House		72.0	775			72.0	775		
3 Bed House		87.0	936			87.0	936		
4 Bed House		115.0	1,238			115.0	1,238		
1 Bed Flat		55.0	592	85.0%		64.7	696		
2 Bed Flat		70.0	753	85.0%		82.4	886		
Total Gross Floor areas -		Mkt Units GIA (sqm)	(sqft)	AH units GIA (sqm) (sqft)		Total GIA (all units) (sqm) (sqft)			
1 Bed House		0	0	168 1,806		168	1,806		
2 Bed House		0	0	214 2,302		214	2,302		
3 Bed House		0	0	137 1,480		137	1,480		
4 Bed House		0	0	46 495		46	495		
1 Bed Flat		0	0	0 0		0	0		
2 Bed Flat		0	0	0 0		0	0		
		0	0	565 6,082		565	6,082		
		AH % by floor area:		100.00% AH % by floor area due to mix					
Open Market Sales values (£) -		£ OMS (per unit)	£psm	£psf	total MV £ (no AH)				
1 Bed House		140,000	2,545	236	427,000				
2 Bed House		210,000	2,917	271	623,700				
3 Bed House		275,000	3,161	294	434,500				
4 Bed House		375,000	3,261	303	150,000				
1 Bed Flat		140,000	2,545	236	0				
2 Bed Flat		170,000	2,429	226	0				
					1,635,200				
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		77,000	55%	0		84,000	60%	91,000	65%
2 Bed House		115,500	55%	0		126,000	60%	136,500	65%
3 Bed House		151,250	55%	0		165,000	60%	178,750	65%
4 Bed House		206,250	55%	0		225,000	60%	243,750	65%
1 Bed Flat		77,000	55%	0		84,000	60%	91,000	65%
2 Bed Flat		93,500	55%	0		102,000	60%	110,500	65%

Scheme Ref: **S**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **Rural Exception Site**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.0	@	140,000	-
2 Bed House	0.0	@	210,000	-
3 Bed House	0.0	@	275,000	-
4 Bed House	0.0	@	375,000	-
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	0.0			-
Affordable Rent GDV -				
1 Bed House	2.1	@	77,000	161,700
2 Bed House	1.3	@	115,500	145,530
3 Bed House	0.6	@	151,250	95,288
4 Bed House	0.2	@	206,250	43,313
1 Bed Flat	0.0	@	77,000	-
2 Bed Flat	0.0	@	93,500	-
	4.2			445,830
Social Rent GDV -				
1 Bed House	0.0	@	0	-
2 Bed House	0.0	@	0	-
3 Bed House	0.0	@	0	-
4 Bed House	0.0	@	0	-
1 Bed Flat	0.0	@	0	-
2 Bed Flat	0.0	@	0	-
	0.0			-
First Homes GDV -				
1 Bed House	0.5	@	84,000	42,000
2 Bed House	0.9	@	126,000	113,400
3 Bed House	0.5	@	165,000	82,500
4 Bed House	0.1	@	225,000	22,500
1 Bed Flat	0.0	@	84,000	-
2 Bed Flat	0.0	@	102,000	-
	2.0			260,400
Intermediate GDV -				
1 Bed House	0.5	@	91,000	40,950
2 Bed House	0.8	@	136,500	110,565
3 Bed House	0.5	@	178,750	80,438
4 Bed House	0.1	@	243,750	21,938
1 Bed Flat	0.0	@	91,000	-
2 Bed Flat	0.0	@	110,500	-
	1.8	8.0		253,890
Sub-total GDV Residential	8			960,120
AH on-site cost analysis:			£MV (no AH) less £GDV (inc. AH)	675,080
	1,195 £ psm (total GIA sqm)		84,385 £ per unit (total units)	
Grant	8	AH units @	30,403 per unit	243,226
Total GDV				1,203,346

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(3,696)
Planning Application Professional Fees, Surveys and reports				(10,000)
CIL	0 sqm (Market only)	0.00 £ psm		-
CIL analysis:	0.00% % of GDV	0 £ per unit (total units)		-
Site Specific S106 Contributions				-
total	8 units @	6,000 per unit		(48,000)
S106 analysis:	120,000 £ per ha	5.00% % of GDV	6,000 £ per unit (total units)	(48,000)
AH Commuted Sum	565 sqm (total)	0 £ psm		-
Comm. Sum analysis:	0.00% % of GDV			-
cont./				

Scheme Ref: S
No Units: 8 **Location / Value Zone:** Island Wide **Development Scenario:** Rural Exception Site
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		0.40	ha @		0	£ per ha (if brownfield)
Net Biodiversity costs		8	units @		1,011	£ per unit
Site Infrastructure costs -						
	total		8 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		168	sqm @		1,288	psm
2 Bed House		214	sqm @		1,288	psm
3 Bed House		137	sqm @		1,288	psm
4 Bed House		46	sqm @		1,288	psm
5 Bed House		-	sqm @		1,288	psm
1 Bed Flat		-	sqm @		1,385	psm
2 Bed Flat		565	sqm @		1,385	psm
External works		727,784	@		15.0%	
	Ext. Works analysis:				13,646	£ per unit
M4(2) Category 2 Housing	Aff units	4	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	4	units @	0% @	10,111	£ per unit
M4(2) Category 2 Housing	Mrkt units	-	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mrkt units	-	units @	0% @	10,111	£ per unit
Carbon/Energy Reduction/FHS		8	units @		4,000	£ per unit
EV Charging Points - Houses		8	units @		1,000	£ per unit
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		8	units @		9	£ per unit
SANGs		8	units @		0	£ per unit
	1 Bed	3	units @		337	£ per unit
	2 Bed	3	units @		487	£ per unit
Solent SPA		2	units @		637	£ per unit
	4 Bed	0	units @		749	£ per unit
Contingency (on construction)		889,330	@		3.0%	
Professional Fees		889,330	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		-	OMS @		1.50%	0 £ per unit
Residential Sales Agent Costs		-	OMS @		1.50%	0 £ per unit
Residential Sales Legal Costs		-	OMS @		0.50%	0 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				1,250	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487%	pcm
Developers Profit -						
Profit on OMS		0			20.00%	
Margin on AH		960,120			6.00%	on AH values
	Profit analysis:	960,120			6.00%	blended GDV
		1,066,309			5.40%	on costs
						(57,607)
						(57,607)
TOTAL COSTS						(1,123,916)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					79,430
SDLT		79,430	@	HMRC formula	6,529
Acquisition Agent fees		79,430	@	1.0%	(794)
Acquisition Legal fees		79,430	@	0.5%	(397)
Interest on Land		79,430	@	6.00%	(4,766)
Residual Land Value					80,001
	RLV analysis:	10,000	£ per plot	200,003	£ per ha
				80,940	£ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density		20.0	dph		
Site Area (Net)		0.40	ha	0.99	acres
Benchmark Land Value (Net)		10,000	£ per plot	200,000	£ per ha
	BLV analysis:	Density	1,413	sqm/ha	6,154
				sqft/ac	
					80,000

BALANCE				
Surplus/(Deficit)		2	£ per ha	1
				£ per acre
				1

Scheme Ref: **T**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme 8 Units									
AH Policy requirement (% Target) 100%									
AH tenure split %									
Affordable Rent: 0.0%									
Social Rent: 0.0% 0.0% % Rented									
First Homes: 100.0%									
Other Intermediate (LCHO/Sub-Market etc.): 0.0% 100.0% % of total (>10% for NPPF para 64.)									
Open Market Sale (OMS) housing 0%									
100% 100.0%									
CIL Rate (£ psm) 0.00 £ psm									
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	0.0	50.0%	0.0	25.0%	2.0	25%	2.0	
2 Bed House	35.0%	0.0	30.0%	0.0	45.0%	3.6	45%	3.6	
3 Bed House	40.0%	0.0	15.0%	0.0	25.0%	2.0	25%	2.0	
4 Bed House	20.0%	0.0	5.0%	0.0	5.0%	0.4	5%	0.4	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	0.0	100.0%	0.0	100.0%	8.0	100%	8.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%			(sqm)	(sqft)		
1 Bed House	55.0	592			55.0		592		
2 Bed House	72.0	775			72.0		775		
3 Bed House	87.0	936			87.0		936		
4 Bed House	115.0	1,238			115.0		1,238		
1 Bed Flat	55.0	592	85.0%		64.7		696		
2 Bed Flat	70.0	753			82.4		886		
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%			(sqm)	(sqft)		
1 Bed House	55.0	592			55.0		592		
2 Bed House	72.0	775			72.0		775		
3 Bed House	87.0	936			87.0		936		
4 Bed House	115.0	1,238			115.0		1,238		
1 Bed Flat	55.0	592	85.0%		64.7		696		
2 Bed Flat	70.0	753	85.0%		82.4		886		
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)	(sqm)	(sqft)			
1 Bed House	0	0	110	1,184	110	1,184			
2 Bed House	0	0	259	2,790	259	2,790			
3 Bed House	0	0	174	1,873	174	1,873			
4 Bed House	0	0	46	495	46	495			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	0	0	589	6,342	589	6,342			
AH % by floor area: 100.00% AH % by floor area due to mix									
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	140,000	2,545	236		280,000				
2 Bed House	210,000	2,917	271		756,000				
3 Bed House	275,000	3,161	294		550,000				
4 Bed House	375,000	3,261	303		150,000				
1 Bed Flat	140,000	2,545	236		0				
2 Bed Flat	170,000	2,429	226		0				
					1,736,000				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed House	115,500	55%	0		126,000	60%	136,500	65%	
3 Bed House	151,250	55%	0		165,000	60%	178,750	65%	
4 Bed House	206,250	55%	0		225,000	60%	243,750	65%	
1 Bed Flat	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed Flat	93,500	55%	0		102,000	60%	110,500	65%	

Scheme Ref: **T**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.0	@	140,000	-
2 Bed House	0.0	@	210,000	-
3 Bed House	0.0	@	275,000	-
4 Bed House	0.0	@	375,000	-
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	0.0			-
Affordable Rent GDV -				
1 Bed House	0.0	@	77,000	-
2 Bed House	0.0	@	115,500	-
3 Bed House	0.0	@	151,250	-
4 Bed House	0.0	@	206,250	-
1 Bed Flat	0.0	@	77,000	-
2 Bed Flat	0.0	@	93,500	-
	0.0			-
Social Rent GDV -				
1 Bed House	0.0	@	0	-
2 Bed House	0.0	@	0	-
3 Bed House	0.0	@	0	-
4 Bed House	0.0	@	0	-
1 Bed Flat	0.0	@	0	-
2 Bed Flat	0.0	@	0	-
	0.0			-
First Homes GDV -				
1 Bed House	2.0	@	84,000	168,000
2 Bed House	3.6	@	126,000	453,600
3 Bed House	2.0	@	165,000	330,000
4 Bed House	0.4	@	225,000	90,000
1 Bed Flat	0.0	@	84,000	-
2 Bed Flat	0.0	@	102,000	-
	8.0			1,041,600
Intermediate GDV -				
1 Bed House	0.0	@	91,000	-
2 Bed House	0.0	@	136,500	-
3 Bed House	0.0	@	178,750	-
4 Bed House	0.0	@	243,750	-
1 Bed Flat	0.0	@	91,000	-
2 Bed Flat	0.0	@	110,500	-
	0.0	8.0		-
Sub-total GDV Residential				
	8			1,041,600
				694,400
				1,179 £ psm (total GIA sqm)
				£MV (no AH) less £GDV (inc. AH)
				86,800 £ per unit (total units)
Grant	8	AH units @	26,141 per unit	209,132
Total GDV				1,250,732

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(3,696)
Planning Application Professional Fees, Surveys and reports				(10,000)
CIL	0 sqm (Market only)	0.00 £ psm		-
	0.00% % of GDV	0 £ per unit (total units)		-
Site Specific S106 Contributions				-
total	8 units @	6,000 per unit		(48,000)
	S106 analysis: 120,000 £ per ha	4.61% % of GDV	6,000 £ per unit (total units)	(48,000)
AH Commuted Sum	589 sqm (total)	0 £ psm		-
	Comm. Sum analysis: 0.00% % of GDV			-
cont./				

Scheme Ref: T
No Units: 8 **Location / Value Zone:** Island Wide **Development Scenario:** First Homes Exception Site
Notes: 40% First Homes Discount

Construction Costs -						
Site Clearance, Demolition & Remediation		0.40	ha @		0	£ per ha (if brownfield)
Net Biodiversity costs		8	units @		1,011	£ per unit
Site Infrastructure costs -						
	total		8 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		110	sqm @		1,288	psm
2 Bed House		259	sqm @		1,288	psm
3 Bed House		174	sqm @		1,288	psm
4 Bed House		46	sqm @		1,288	psm
5 Bed House		-	sqm @		1,288	psm
1 Bed Flat		-	sqm @		1,385	psm
2 Bed Flat		589	sqm @		1,385	psm
External works		758,890	@		15.0%	
	Ext. Works analysis:				14,229	£ per unit
M4(2) Category 2 Housing	Aff units	-	units @	20%	521	£ per unit
M4(3) Category 3 Housing	Aff units	-	units @	0%	10,111	£ per unit
M4(2) Category 2 Housing	Mrkt units	-	units @	20%	521	£ per unit
M4(3) Category 3 Housing	Mrkt units	-	units @	0%	10,111	£ per unit
Carbon/Energy Reduction/FHS		8	units @		4,000	£ per unit
EV Charging Points - Houses		8	units @		1,000	£ per unit
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		8	units @		9	£ per unit
SANGs		8	units @		0	£ per unit
	1 Bed	2	units @		337	£ per unit
	2 Bed	4	units @		487	£ per unit
Solent SPA		2	units @		637	£ per unit
	3 Bed	2	units @		749	£ per unit
	4 Bed	0	units @			
Contingency (on construction)		924,884	@		3.0%	
Professional Fees		924,884	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		-	OMS @		1.50%	0 £ per unit
Residential Sales Agent Costs		-	OMS @		1.50%	0 £ per unit
Residential Sales Legal Costs		-	OMS @		0.50%	0 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				1,250	£ per unit
Interest (on Development Costs) -			6.00% APR		0.487%	pcm
Developers Profit -						
Profit on OMS		0			20.00%	
Margin on AH		1,041,600			6.00%	on AH values
	Profit analysis:	1,041,600			6.00%	blended GDV
		1,108,806			5.64%	on costs
						(62,496)
						(62,496)
TOTAL COSTS						(1,171,302)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					79,430
SDLT		79,430	@	HMRC formula	6,529
Acquisition Agent fees		79,430	@	1.0%	(794)
Acquisition Legal fees		79,430	@	0.5%	(397)
Interest on Land		79,430	@	6.00%	(4,766)
Residual Land Value					80,001
	RLV analysis:	10,000	£ per plot	200,003	£ per ha
				80,940	£ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density		20.0	dph		
Site Area (Net)		0.40	ha	0.99	acres
Benchmark Land Value (Net)		10,000	£ per plot	200,000	£ per ha
	BLV analysis:		Density	1,473	sqm/ha
				6,417	sqft/ac
					80,000

BALANCE				
Surplus/(Deficit)		3	£ per ha	1
				£ per acre
				1

Scheme Ref: **U**
 No Units: **25** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **40% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES									
Total number of units in scheme									
AH Policy requirement (% Target)									
AH tenure split %									
Affordable Rent: 0.0%									
Social Rent: 0.0%									
First Homes: 100.0%									
Other Intermediate (LCHO/Sub-Market etc.): 0.0%									
100.0% % of total (>10% for NPPF para 64.)									
Open Market Sale (OMS) housing									
0%									
100% 100.0%									
CIL Rate (£ psm)									
0.00 £ psm									
Unit mix -									
	Mkt Units mix%	MV # units	AH Rent mix%	AH Rent # units	AH Int mix%	AH Int # units	Overall mix%	Total # units	
1 Bed House	5.0%	0.0	50.0%	0.0	25.0%	6.3	25%	6.3	
2 Bed House	35.0%	0.0	30.0%	0.0	45.0%	11.3	45%	11.3	
3 Bed House	40.0%	0.0	15.0%	0.0	25.0%	6.3	25%	6.3	
4 Bed House	20.0%	0.0	5.0%	0.0	5.0%	1.3	5%	1.3	
1 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
2 Bed Flat	0.0%	0.0	0.0%	0.0	0.0%	0.0	0%	0.0	
Total number of units	100.0%	0.0	100.0%	0.0	100.0%	25.0	100%	25.0	
OMS Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%						
1 Bed House	55.0	592			55.0	592			
2 Bed House	72.0	775			72.0	775			
3 Bed House	87.0	936			87.0	936			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	55.0	592	85.0%		64.7	696			
2 Bed Flat	70.0	753	85.0%		82.4	886			
AH Unit Floor areas -									
	Net area per unit (sqm)	(sqft)	Net to Gross %		Gross (GIA) per unit				
			%						
1 Bed House	55.0	592			55.0	592			
2 Bed House	72.0	775			72.0	775			
3 Bed House	87.0	936			87.0	936			
4 Bed House	115.0	1,238			115.0	1,238			
1 Bed Flat	55.0	592	85.0%		64.7	696			
2 Bed Flat	70.0	753	85.0%		82.4	886			
Total Gross Floor areas -									
	Mkt Units GIA (sqm)	(sqft)	AH units GIA		Total GIA (all units)				
			(sqm)	(sqft)	(sqm)	(sqft)			
1 Bed House	0	0	344	3,700	344	3,700			
2 Bed House	0	0	810	8,719	810	8,719			
3 Bed House	0	0	544	5,853	544	5,853			
4 Bed House	0	0	144	1,547	144	1,547			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	0	0	1,841	19,819	1,841	19,819			
AH % by floor area: 100.00% AH % by floor area due to mix									
Open Market Sales values (£) -									
	£ OMS (per unit)	£psm	£psf		total MV £ (no AH)				
1 Bed House	140,000	2,545	236		875,000				
2 Bed House	210,000	2,917	271		2,362,500				
3 Bed House	275,000	3,161	294		1,718,750				
4 Bed House	375,000	3,261	303		468,750				
1 Bed Flat	140,000	2,545	236		0				
2 Bed Flat	170,000	2,429	226		0				
					5,425,000				
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed House	115,500	55%	0		126,000	60%	136,500	65%	
3 Bed House	151,250	55%	0		165,000	60%	178,750	65%	
4 Bed House	206,250	55%	0		225,000	60%	243,750	65%	
1 Bed Flat	77,000	55%	0		84,000	60%	91,000	65%	
2 Bed Flat	93,500	55%	0		102,000	60%	110,500	65%	

Scheme Ref: **U**
 No Units: **25** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **40% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.0	@	140,000	-
2 Bed House	0.0	@	210,000	-
3 Bed House	0.0	@	275,000	-
4 Bed House	0.0	@	375,000	-
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	0.0			-
Affordable Rent GDV -				
1 Bed House	0.0	@	77,000	-
2 Bed House	0.0	@	115,500	-
3 Bed House	0.0	@	151,250	-
4 Bed House	0.0	@	206,250	-
1 Bed Flat	0.0	@	77,000	-
2 Bed Flat	0.0	@	93,500	-
	0.0			-
Social Rent GDV -				
1 Bed House	0.0	@	0	-
2 Bed House	0.0	@	0	-
3 Bed House	0.0	@	0	-
4 Bed House	0.0	@	0	-
1 Bed Flat	0.0	@	0	-
2 Bed Flat	0.0	@	0	-
	0.0			-
First Homes GDV -				
1 Bed House	6.3	@	84,000	525,000
2 Bed House	11.3	@	126,000	1,417,500
3 Bed House	6.3	@	165,000	1,031,250
4 Bed House	1.3	@	225,000	281,250
1 Bed Flat	0.0	@	84,000	-
2 Bed Flat	0.0	@	102,000	-
	25.0			3,255,000
Intermediate GDV -				
1 Bed House	0.0	@	91,000	-
2 Bed House	0.0	@	136,500	-
3 Bed House	0.0	@	178,750	-
4 Bed House	0.0	@	243,750	-
1 Bed Flat	0.0	@	91,000	-
2 Bed Flat	0.0	@	110,500	-
	0.0	25.0		-
Sub-total GDV Residential				
			25	3,255,000
AH on-site cost analysis:				
				£MV (no AH) less £GDV (inc. AH)
			1,179 £ psm (total GIA sqm)	2,170,000
				86,800 £ per unit (total units)
Grant				
	25	AH units @	25.962 per unit	649,059
Total GDV				3,904,059

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(11,550)
Planning Application Professional Fees, Surveys and reports				(30,000)
CIL		0 sqm (Market only)	0.00 £ psm	-
		0.00% % of GDV	0 £ per unit (total units)	-
CIL analysis:				
Site Specific S106 Contributions				-
		25 units @	6,000 per unit	(150,000)
	S106 analysis:	120,000 £ per ha	4.61% % of GDV	6,000 £ per unit (total units)
AH Commuted Sum		1,841 sqm (total)	0 £ psm	-
	Comm. Sum analysis:	0.00% % of GDV		
cont./				

Scheme Ref: U
No Units: 25 **Location / Value Zone:** Island Wide **Development Scenario:** First Homes Exception Site
Notes: 40% First Homes Discount

Construction Costs -					
Site Clearance, Demolition & Remediation		1.25 ha @		0 £ per ha (if brownfield)	-
Net Biodiversity costs		25 units @		1,011 £ per unit	(25,275)
Site Infrastructure costs -					
	total	25 units @			-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		344 sqm @		1,288 psm	(442,750)
2 Bed House		810 sqm @		1,288 psm	(1,043,280)
3 Bed House		544 sqm @		1,288 psm	(700,350)
4 Bed House		144 sqm @		1,288 psm	(185,150)
5 Bed House		- sqm @		1,288 psm	-
1 Bed Flat		- sqm @		1,385 psm	-
2 Bed Flat	1,841	- sqm @		1,385 psm	-
External works					
		2,371,530 @		15.0%	(355,730)
	Ext. Works analysis:			14,229 £ per unit	
M4(2) Category 2 Housing	Aff units	- units @	20% @	521 £ per unit	-
M4(3) Category 3 Housing	Aff units	- units @	0% @	10,111 £ per unit	-
M4(2) Category 2 Housing	Mrkt units	- units @	20% @	521 £ per unit	-
M4(3) Category 3 Housing	Mrkt units	- units @	0% @	10,111 £ per unit	-
Carbon/Energy Reduction/FHS		25 units @		4,000 £ per unit	(100,000)
EV Charging Points - Houses		25 units @		1,000 £ per unit	(25,000)
EV Charging Points - Flats		- units @		10,000 £ per unit	-
Water Efficiency		25 units @		9 £ per unit	(225)
SANGs		25 units @		0 £ per unit	-
	1 Bed	6 units @		337 £ per unit	(2,106)
	2 Bed	11 units @		487 £ per unit	(5,479)
Solent SPA	3 Bed	6 units @		637 £ per unit	(3,981)
	4 Bed	1 units @		749 £ per unit	(936)
Contingency (on construction)					
		2,890,262 @		3.0%	(86,708)
Professional Fees					
		2,890,262 @		8.0%	(231,221)
Disposal Costs -					
OMS Marketing and Promotion		- OMS @		1.50%	0 £ per unit
Residential Sales Agent Costs		- OMS @		1.50%	0 £ per unit
Residential Sales Legal Costs		- OMS @		0.50%	0 £ per unit
Affordable Sale Legal Costs					lump sum
					(10,000)
	Disposal Cost analysis:			400 £ per unit	
Interest (on Development Costs) -					
			6.00% APR	0.487% pcm	(25,302)
Developers Profit -					
Profit on OMS		0		20.00%	-
Margin on AH		3,255,000		6.00% on AH values	(195,300)
	Profit analysis:	3,255,000		6.00% blended GDV	(195,300)
		3,435,043		5.69% on costs	(195,300)
TOTAL COSTS					(3,630,343)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					273,715
SDLT		273,715 @		HMRC formula	(3,186)
Acquisition Agent fees		273,715 @		1.0%	(2,737)
Acquisition Legal fees		273,715 @		0.5%	(1,369)
Interest on Land		273,715 @		6.00%	(16,423)
Residual Land Value					250,001
	RLV analysis:	10,000 £ per plot	200,001 £ per ha	80,939 £ per acre	

BENCHMARK LAND VALUE (BLV)					
Residential Density		20.0 dph			
Site Area (Net)		1.25 ha		3.09 acres	
Benchmark Land Value (Net)		200,000 £ per ha		80,939 £ per acre	250,000
	BLV analysis:	Density	1,473 sqm/ha	6,417 sqft/ac	

BALANCE					
Surplus/(Deficit)		1 £ per ha		£ per acre	1

210721 Isle of Wight Residential Appraisals_R-U_v1 - Summary Table

Scheme Ref:	R	S	T	U
No Units:	35	8	8	25
Location / Value Zone:	Island Wide	Island Wide	Island Wide	Island Wide
Development Scenario:	Small Brownfield Flatted Scheme	Rural Exception Site	First Homes Exception Site	First Homes Exception Site
Notes:	40% First Homes Discount	40% First Homes Discount	40% First Homes Discount	40% First Homes Discount
Policy Assumptions				
AH Target % (& mix):	35.00%	100.00%	100.00%	100.00%
Affordable Rent:	52.50%	52.50%	0.00%	0.00%
Social Rent:	0.00%	0.00%	0.00%	0.00%
First Homes:	25.00%	25.00%	100.00%	100.00%
Other Intermediate (LCHO/Sub-Market etc.):	22.50%	22.50%	0.00%	0.00%
CIL (£ psm)	£0	£0	£0	£0
CIL Total (£)	£0	£0	£0	£0
Site Specific S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Specific S106 Total (£)	£210,000	£48,000	£48,000	£150,000
Sub-total CIL+S106 (£ per unit)	£6,000	£6,000	£6,000	£6,000
Site Infrastructure (£ per unit)	£0	£0	£0	£0
Site Infrastructure Total (£)	£0	£0	£0	£0
Sub-total CIL+S106+Infrastructure (£ per unit)	£6,000	£6,000	£6,000	£6,000
GDV / Cost Outputs				
Total GDV (£)	£4,734,639	£1,203,346	£1,250,732	£3,904,059
GDV (£ per unit)	£135,275	£150,418	£156,341	£156,162
Total Cost (Excluding Land + Profit)	£7,839,635	£1,066,309	£1,108,806	£3,435,043
Cost (£ per unit)	£223,990	£133,289	£138,601	£137,402
Profit KPI's				
Developers Profit Total (£)	£792,086	£57,607	£82,496	£195,300
Developers Profit (% on OMS)	20.00%	20.00%	20.00%	20.00%
Developers Profit (% on AH)	6.00%	6.00%	6.00%	6.00%
Developers Profit (% blended)	16.73%	6.00%	6.00%	6.00%
Developers Profit (% on costs)	10.10%	5.40%	5.64%	5.69%
Land Value KPI's				
RLV (£/acre)	-£2,948,008	£80,940	£80,940	£80,939
RLV (£/ha)	-£7,284,529	£200,003	£200,003	£200,001
RLV Total (£)	-£3,399,447	£80,001	£80,001	£250,001
BLV (£/acre)	£125,000	£80,939	£80,939	£80,939
BLV (£/ha)	£308,875	£200,000	£200,000	£200,000
BLV Total (£)	£144,142	£80,000	£80,000	£250,000
Surplus/Deficit (£/acre) [RLV-BLV]	-£3,073,008	£1	£1	£0
Surplus/Deficit (£/ha)	-£7,593,404	£2	£3	£1
Surplus/Deficit Total (£)	-£3,543,588	£1	£1	£1
#REF!	N/A	£30,403	£26,141	£25,962
Plan Viability comments	Not Viable	Viable	Viable	Viable

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