

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 2022 study is an update of the earlier viability work undertaken in 2018 & 2021 to inform previous versions of the draft Island Planning Strategy.
- ES 3 The most recent update was undertaken in 2021, which this report is primarily based upon. 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 development 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 2021 update study below – this focuses on each specific use that was tested.

Residential

- ES 6 In the 2021 study, the following conclusions were made, although these findings were caveated with the need to undertake industry consultations before findings could be verified:
- The Draft Island Planning Strategy was viable on the basis of 35% affordable housing with a 40% discount for First Homes.
 - 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 – although this was not to suggest all apartment schemes are undeliverable as evidence of schemes have been found throughout the island, in particular waterfront developments.
 - We recommended 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.

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 following consultation with the industry.

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 weakening demand. Our conclusions to seek mitigation on a site-by-site basis still remain.

Employment

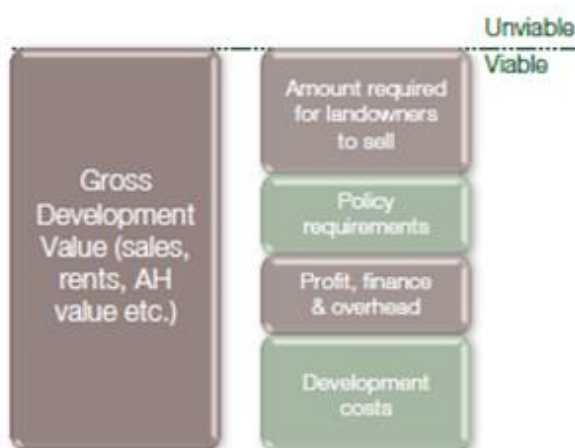
ES 13 In terms of employment uses, both office and industrial development were shown to be unviable in 2018 and therefore, the recommendation was made to be flexible with respect to how this type of development is delivered.

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. Increased construction costs have in particular impacted this sector. 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 (2022) 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. 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.

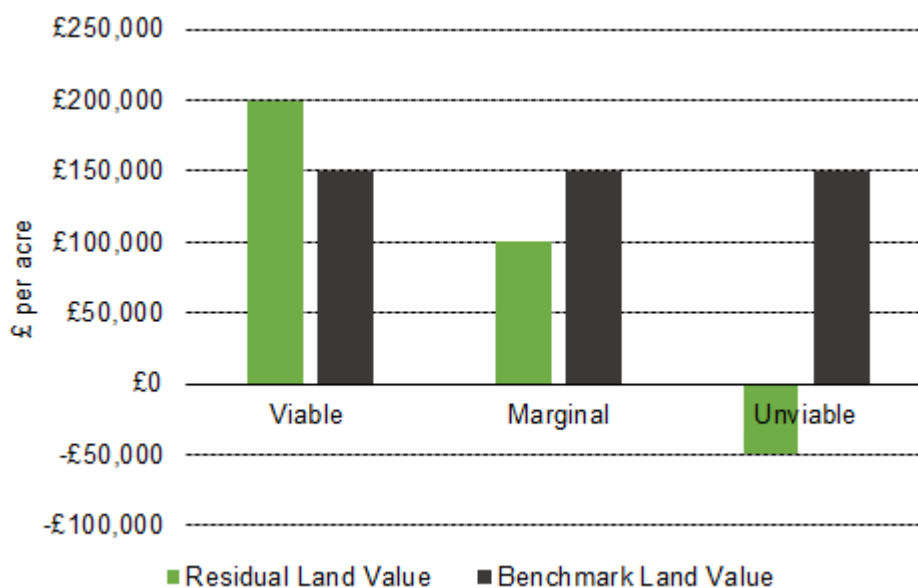
¹ Local Housing Delivery Group, Local Government Association / Home Builders Federation / NHBC (20 June 2012) Viability Testing Local Plans, Advice for planning practitioners, Edition 1 (the 'Harman' report) page 25

- 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 - 566961808 of this report. They are based on a combination of assumptions utilising Build Cost Information Service (BCIS) (see Appendix 5), 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 The majority of typologies in lower value areas have been shown to be marginal, with those shown to be viable all being located on greenfield sites. This changes from when the appraisals were undertaken in 2021 where all typologies were shown to be viable at 35% affordable housing, with the exception of the large 1,200-unit strategic site. The major reason for this shift in viability is due to rising build costs outstripping our assumption for house price inflation on the island.
- ES 23 The results of the appraisals also indicate there is a difference in the results of greenfield versus brownfield, with greenfield typologies producing superior results. This reflects the lower costs of development. However, given the majority of brownfield 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. Such funding could be targeted at site remediation and infrastructure which will then improve viability.
- ES 24 Of the main residential typologies (excluding Typology L – strategic site), only the development of apartment schemes on brownfield sites is being shown as wholly unviable. This was also the case in our 2021 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%	Marginal
C	20	Lower Value Zone - Greenfield	35%	Viable
D	20	Lower Value Zone - Brownfield	35%	Marginal
E	50	Lower Value Zone - Greenfield	35%	Marginal
F	50	Lower Value Zone - Brownfield	35%	Marginal
G	100	Lower Value Zone - Greenfield	35%	Viable
H	100	Lower Value Zone - Brownfield	35%	Marginal
I	200	Lower Value Zone - Greenfield	35%	Marginal
J	200	Lower Value Zone - Brownfield	35%	Marginal
K	500	Lower Value Zone - Greenfield	35%	Marginal
L	750	Lower Value Zone - Mixed	35%	Unviable
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 25 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 in line with draft IPS policies AFF1 and H5.
- 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 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, in relation to the tenure and mix of onsite affordable housing, on such sites to enable regeneration to take place on brownfield land in urban locations.
- 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 The pandemic has now been surpassed by a general “cost of living crisis” and significant inflation which has coursed throughout the economy. 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.
- 1.5 To provide background context to this update, we summarise the conclusions from the 2021 study below – this focuses on each specific use that was tested.

Residential

- 1.6 In the 2021 study, the following conclusions were made:
- The Draft Island Planning Strategy was viable on the basis of 35% affordable housing with a 40% discount for First Homes.
 - 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 – although this was not to suggest apartment schemes are undeliverable as evidence of schemes have been found throughout the island.
 - We recommended 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.
- 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.

Specialist Residential

- 1.8 The majority of sheltered housing and extra care housing typologies were unviable with the full policy requirement including 35% affordable housing.
- 1.9 Holiday let accommodation is only marginally viable at the full policy requirement and 35% affordable housing. The viability buffer was marginal and flexibility was previously recommended with regards to these typologies.
- 1.10 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

- 1.11 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.
- 1.12 We have not re-appraised 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

- 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 (July) 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:	Contents:
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.
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 The pandemic has now been surpassed by a general “cost of living crisis” and significant inflation which has coursed throughout the economy. 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 presented under the sub-headings below:

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.*

² National Planning Policy Framework, February 2019, para 1

³ National Planning Policy Framework, February 2019, para 2

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 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.

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

- 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).

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.

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

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

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

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

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

Standardised Inputs

- 2.19 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.
- 2.20 The PPG also sets out standardised inputs to viability assessment. See also our detailed methodology and approach in section 4 in this respect.
- 2.21 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 planning system to secure maximum benefits in the public interest through the granting of planning permission.'*⁹
- 2.22 The PPG describes how the gross development value and costs should be defined for the purposes of viability assessment (Paragraphs 011 and 012).
- 2.23 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
- 2.24 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

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

- 2.25 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.
- 2.26 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
- 2.27 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.*
- 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).*
- 2.28 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).
- 2.29 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.

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

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

2.30 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

2.31 In this respect we have provided sensitivities on the profit margin.

PPG for First Homes

2.32 On 24 May 2021 MHCLG (now DLUHC) issued guidance on First Homes. This is as follows;

Table 2.1 - PPG for First Homes Key Cross-References

Paragraph Number - Item	Quote / Comments
Para 001 - What is a First Home?	<p>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</p> <p>a) must be <i>discounted by a minimum of 30%</i> against the market value</p> <p>b) are sold to a person or persons meeting the First Homes eligibility criteria [Para 002]</p> <p>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</p> <p>d) after the discount has been applied, the first sale must be at a price <i>no higher than £250,000 (or £420,000 in Greater London)</i>.</p> <p>First Homes are the government's preferred discounted market tenure and <i>should account for at least 25% of all affordable housing units</i> delivered by developers through planning obligations. (our emphasis)</p>

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

Paragraph Number - Item Quote / Comments

Para 004 - Minimum discount

In order to qualify as a First Home, a property must be sold *at least 30% below the open market value.*

Local authorities have the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes).

Para 013 - 25% tenure mix

Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required.

Policies for First Homes should reflect the requirement that a *minimum of 25% of all affordable housing units secured through developer contributions should be First Homes.* (our emphasis)

Para 015 - How should the remaining 75% of affordable housing be secured through developer contributions?

Once a minimum of 25% of First Homes has been accounted for, social rent should be *delivered in the same percentage as set out in the local plan.* The remainder of the affordable housing tenures should be delivered in line with the proportions set out in the local plan policy.

For example, if a local plan policy requires an affordable housing mix of 20% shared ownership units, 40% affordable rent units and 40% social rent units, a planning application compliant with national policy would deliver an affordable housing tenure mix of 25% First Homes and 40% social rent. The remainder (35%) would be split in line with the ratio set out in the local plan policy, which is 40% affordable rent to 20% shared ownership, or 2:1. 35% split in this way results in 12% shared ownership; and 23% affordable rent.

In another example, if a local plan policy requires 80% of units to be shared ownership and 20% to be social rent, a policy

Paragraph Number - Item Quote / Comments

compliant application would deliver 25% First Homes units, 20% social rent and 55% shared ownership.

Para 016 - First Homes and CIL

The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) make provisions for charging authorities to give relief or grant exemptions from the levy. These regulations *allow developers of First Homes to obtain an exemption* from the requirement to pay CIL.

This is the same for all affordable housing tenures.

Para 023 - 10% of affordable homes should be available for affordable home ownership

The 25% expected First Homes contribution for any affordable product can make up or contribute to the 10% of the overall number of homes expected to be an affordable home ownership product on major developments as set out in the NPPF.

Source: PPG First Homes (Published 24 May 2021) and AspinallVerdi

2.33 The next section of the report sets out the local planning policies which impact viability.

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), (2022). 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 97.8% of the homes allocated are within the following primary (88.6%) and secondary (9.2%) settlements:
- Primary Settlements: Cowes (including Gurnard & Northwood), East Cowes, Newport, The Bay (Sandown, Lake and Shanklin) and Ryde.
 - Secondary Settlements: Bembridge, The West Wight (Freshwater and Totland), Wootton and Ventnor.
- 3.7 There are a total of 3,550 dwellings proposed on allocated sites. Of these, 1,720 are on greenfield sites. Of that 1,720, 474 have a resolution to grant planning permission and a further 432 are the subject of current planning applications awaiting determination.
- 3.8 There are 825 dwellings proposed for allocation on purely brownfield sites, of which 146 have a resolution to grant planning permission and a further 70 are subject of current planning applications. Of the remainder, 460 are on public sector land owned by either the IWC or NHS.
- 3.9 The remaining 1,005 dwellings proposed for allocation are on 'mix sites' with elements of brownfield and greenfield. The largest, the Former Camp Hill prison site, is allocated for 750 homes and is 65/35 in favour of greenfield and is in public sector ownership (MoJ). Of the remaining 255, 175 are in public sector ownership and the final 80 are on a campsites.

- 3.10 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.
- 3.11 Development proposals for non-allocated sites will be expected to:
- Be located within 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;
 - Clearly contribute to delivering the Island's identified housing need, economic aspirations or achieving Island-wide regeneration aspirations; and
 - Make as much use as possible of previously developed land in line with H9; and
 - Deliver all policy requirements of the Island Planning Strategy.
- 3.12 Outside defined settlement boundaries proposals for infill development will be supported in accordance with policies; H4 - Infill Opportunities outside Settlement Boundaries, H6 Housing in the Countryside, H7 Rural & First Home Exception Sites and H9 New Housing on Previously Developed Land.
- 3.13 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 financial 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).
- 3.14 A number of policies that have been identified that will have a cost implication are:
- G3 – Developer Contributions - including affordable housing, transport infrastructure, ecological/ environmental mitigation, education and health infrastructure, open space and/ or Suitable Alternative Natural Greenspaces (SANGs), cultural, public realm provision, community and sports infrastructure/ facilities.
 - 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. Developments of 75+ dwellings may

be required to provide any Suitable Alternative Natural Greenspace (SANG) in line with EV3.

- 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. 10% of all new market homes to be M4(3) compliant and up to 30% in the affordable sector.
- T2 – A Better Connected Island – contributions towards infrastructure.
- T5 – Electric Vehicle Charging Points – electric charging points required on developments
- C5 – Facilitating Independent Living – at least 20% of the total dwellings for private market sale built to meet Part M4(2) of the Building Regulations to ensure suitability for older people and/ or those with mobility problems.
- C11 – Net Zero Carbon and Lowering Energy Consumption in New Development – all major development to meet net zero thresholds and include renewable energy systems to meet 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.

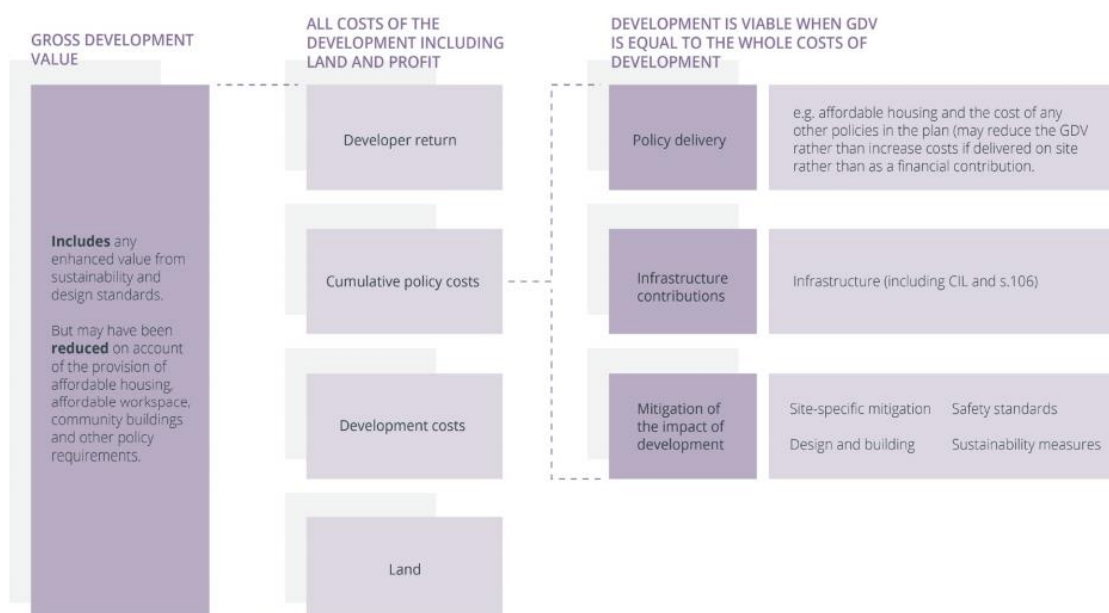
4 Methodology

- 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.

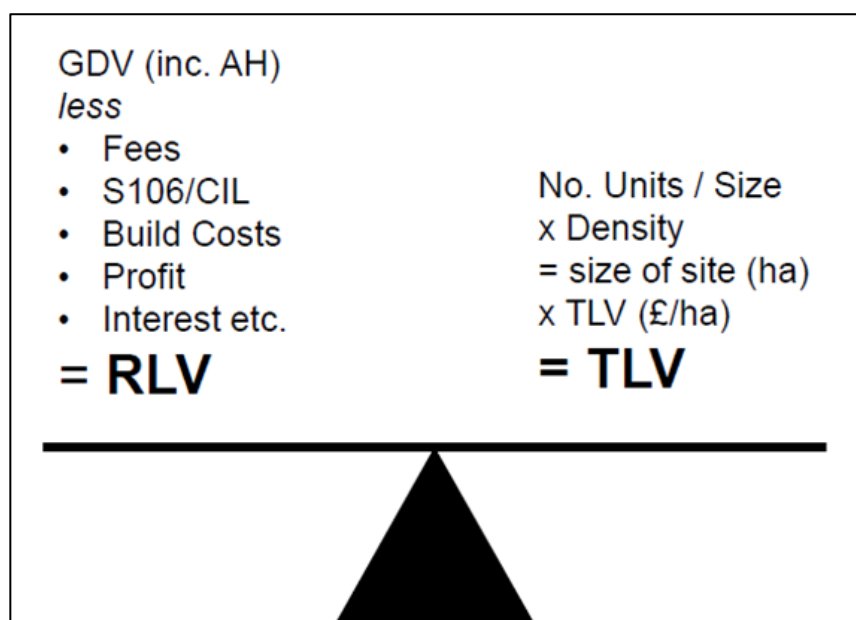
Figure 4.1 - Elements required for a viability assessment



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.'*¹⁵

- 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.'¹⁶
- 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.*'¹⁷
- 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.*'¹⁸

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.*'¹⁹

¹⁵ MHCLG, 05 May 2019, PPG, Paragraph: 004 Reference ID: 10-004-20190509

¹⁶ Ibid, Paragraph: 004 Reference ID: 10-003-20180724

¹⁷ MHCLG, 24 July 2018, PPG, Paragraph 005 Reference ID: 10-005-20180724

¹⁸ MHCLG, National Planning Policy Framework (NPPF), February 2019. Paragraph 57

¹⁹ Ibid, Paragraph: 011 Reference ID: 10-011-20180724

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 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.*'²⁰

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 criticism²¹ 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+)'²²*

- 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*

²⁰ MHCLG, 05 May 2019, PPG, Paragraph 014 Reference ID: 10-014-20190509

²¹ Sayce, S, et al, January 2017, Viability and the planning system: the relationship between economic viability testing, land values and affordable housing in London

²² MHCLG, 05 May 2019, PPG, Paragraph: 013 Reference ID: 10-013-20190509

*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 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.²³

- 4.21 As the RICS guidance explains '*[t]he PPG is unambiguous that EUV+ is the primary approach,*²⁴ 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.***²⁵
- 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.

²³ MHCLG, 09 May 2019, PPG, Paragraph: 014 Reference ID: 10-014-20190509

²⁴ 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

²⁵ 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

*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.*²⁶

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.*²⁷

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*²⁸ 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.*²⁹
- **The Harman Report**³⁰ - 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.’*³¹ 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.’*³² 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.’*³³ It refers to these ‘prospective sellers’ as *‘potentially making a once in a lifetime decision over whether to sell an asset*

²⁶ MHCLG, 09 May 2019, PPG, Paragraph: 016 Reference ID: 10-016-20190509

²⁷ MHCLG, 24 July 2018, PPG, 3.21 Paragraph: 010 Reference ID: 10-010-20180724

²⁸ 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

²⁹ Ibid, paragraph 5.3.7

³⁰ Local Housing Delivery Group Chaired by Sir John Harman, 20 June 2012, Viability Testing Local Plans, Advice for planning practitioners

³¹ Ibid, page 29

³² Ibid

³³ Ibid, page 30

*that may have been in the family, trust or institution's ownership for many generations.*³⁴
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.'*³⁵

- **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.'*³⁶
- **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.'*³⁷ 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.'*³⁸
- **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

³⁴ Ibid

³⁵ Ibid

³⁶ HCA, August 2010, Area Wide Viability Model (Annex 1 Transparent Viability Assumptions)

³⁷ Planning Inspectorate, 15 May 2020, Examination of the Shared Strategic Section 1 Plan - North Essex Authorities, Paragraph 204

³⁸ Ibid, Paragraph 205

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 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 S106 and 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 extensions³⁹. However, lessons from previous attempts to tax betterment⁴⁰ 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 and brownfield scheme economics is usually important to understand for affordable housing targets; plan viability and Section 106 (or CIL rate) setting⁴¹.
- 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.

³⁹ See Barker Review (2004) and Housing Green Paper (2007)

⁴⁰ the 2007 Planning Gain Supplement, 1947 ‘Development Charge’, 1967 ‘Betterment Levy’ and the 1973 ‘Development Gains Tax’ have all ended in repeal

⁴¹ Whilst the Isle of Wight does not intend to introduce CIL, this section remains relevant in the context of securing contributions through Section 106.

- 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 through securing an allocation, there is 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 Report⁴².
- 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.'*⁴³ 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...'*⁴⁴

⁴² 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

⁴³ 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

⁴⁴ 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

- 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.

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 construction 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 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 (i.e. land, buildings and plant) 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.'*⁴⁵
- 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.

⁴⁵ MHCLG, 24 July 2018, PPG, Paragraph: 012 Reference ID: 10-012-20180724

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 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 motivation 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 specific 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

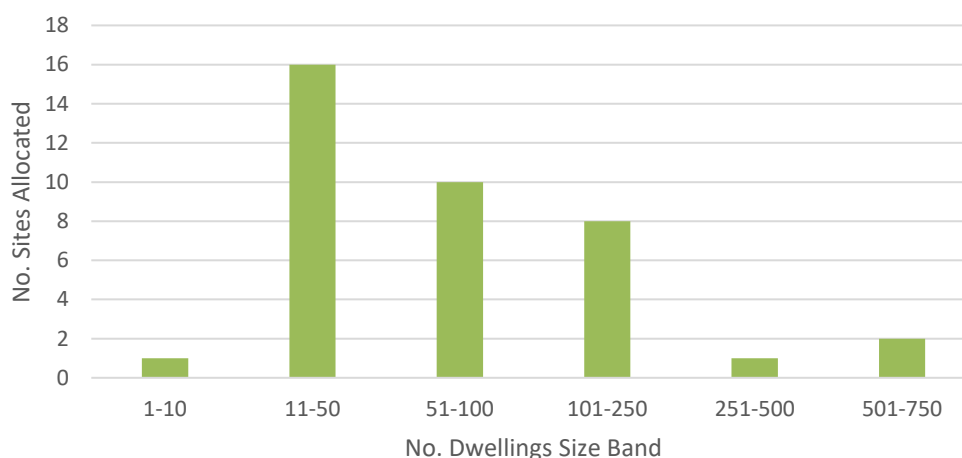
5.2 This section sets out our analysis of proposed allocations and our site typologies to be appraised. The data below correlates with the site allocations as prescribed within the Draft Island Planning Strategy (DIPS) 2022. The 2022 update of the IPS has seen the removal of 48 greenfield sites (2,036 dwellings), 23 brownfield sites (287 dwellings) and 5 mixed sites (147 dwellings) from the first 2018 draft IPS. The removal of the sites has been due to one or more of the following factors:

- Too small to allocate (under 10 units)
- Outside of any primary, secondary or Rural Service Centre (RSC) boundary
- In or adjacent to RSC or at SRS so can be rural exception site
- Operational site, no certainty of delivery.
- Adjacent greenfield site, less certain of delivery, not a logical ext to SB, site specific issues.

5.3 The remaining sites that have been allocated have been analysed and outlined below.

5.4 The graph below shows the number of sites by residential yield. By categorising the sites in such a way, we can clearly illustrate the spread of allocations and the typical sizes of the sites identified for residential development. This shows that the majority of dwellings will be delivered on sites between 11-50 dwellings (42%), followed by 51-100 dwellings (26%) and 101-250 dwellings (21%). The other site ranges fall around or below 5%. This suggests our typologies should primarily be focused on sites up to 250 units.

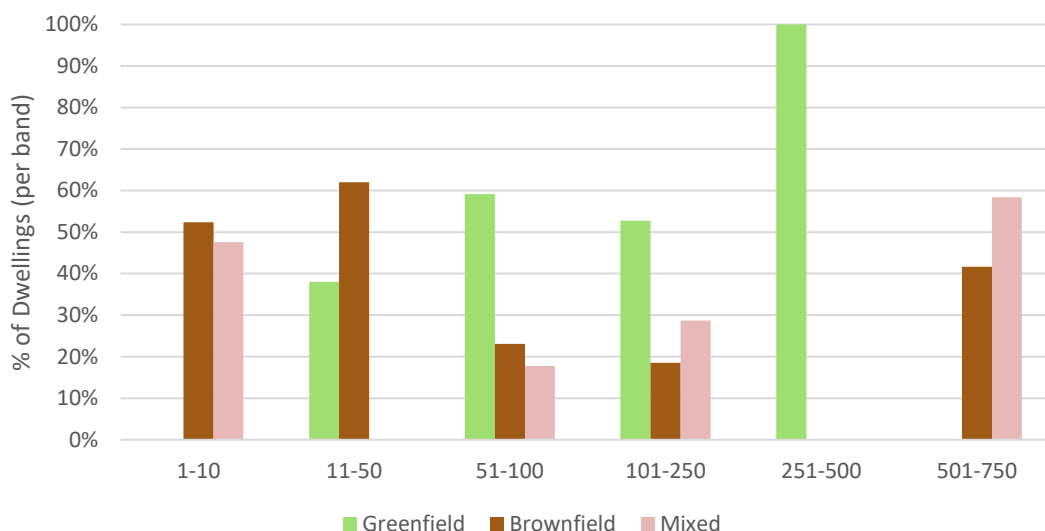
Figure 5.1 - Proposed Allocations by Residential Yield



Source: AspinallVerdi using Isle of Wight Council

5.5 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 250 dwellings and those over 10 dwellings.

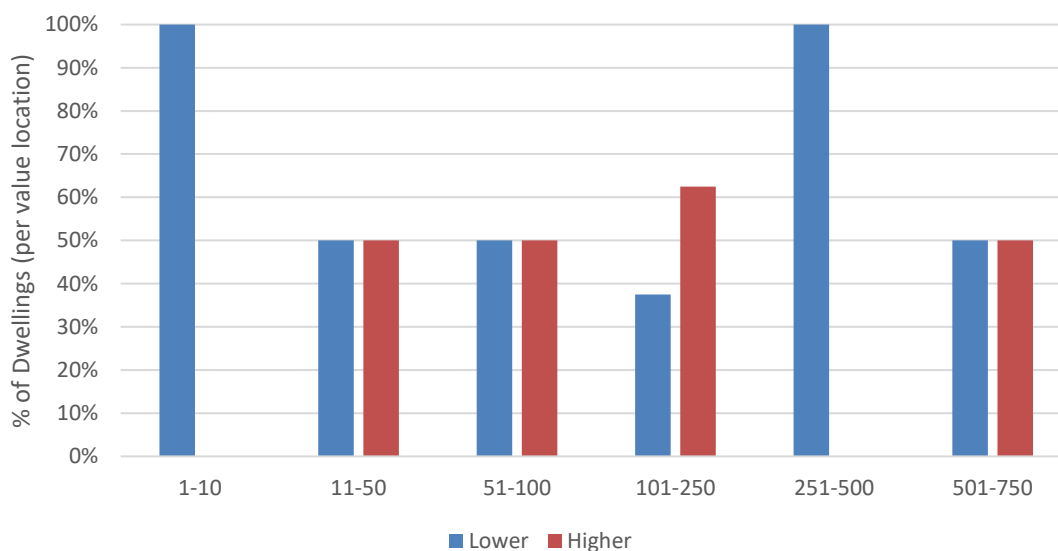
Figure 5.2 - Proposed Allocations by Residential Yield and Site Typology



Source: AspinallVerdi using Isle of Wight Council Data

5.6 In terms of value zones, the allocated sites are split evenly across lower and higher value areas, 19 sites in each, therefore requiring a balanced approach to the site typologies.

Figure 5.3 - Proposed Allocations by Residential Yield and Value Zone



Source: AspinallVerdi using Isle of Wight Council

5.7 Based on the analysis above we have established our site typologies which are provided in detailed at Appendix 2. We summarise these in Table 5.1. This also includes typologies for 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 100 Units 200 Units 500 Units 	<ul style="list-style-type: none"> 10 Units 20 Units 50 Units 100 Units 200 Units 	<ul style="list-style-type: none"> 750Units
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 | 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 25-45 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 Policy H8 in the DIPS which recommends the following mix.

Table 5.2 - Suggested Mix of Housing by Size and Tenure

Tenure	1-Bed	2-Bed	3-Bed	4+Bed
Private	5%	30%	40%	25%
Affordable Rent	40%	30%	25%	5%
Intermediate	20%	40%	30%	10%

Source: Draft Island Planning Strategy 2022

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 completely 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	£150,000	£2,727	55.00	£180,000	£3,273
2-Bed Flat	70.00	£180,000	£2,571	70.00	£230,000	£3,286
2-Bed House	72.00	£225,000	£3,125	78.00	£260,000	£3,333
3-Bed House	87.00	£280,000	£3,218	97.00	£330,000	£3,402
4-Bed House	115.00	£380,000	£3,304	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	£140,000	£3,111	45.00	£160,000	£3,556
2-Bed Flat	60.00	£170,000	£2,833	60.00	£200,000	£3,333
2-Bed House	70.00	£210,000	£3,000	75.00	£240,000	£3,200
3-Bed House	84.00	£265,000	£3,155	93.00	£315,000	£3,387
4-Bed House	110.00	£375,000	£3,409	115.00	£420,000	£3,652

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, which aligns with policies AFF1 and H5 of the Council's DIPS, aiming to provide genuinely affordable homes that meet the needs of residents.
- 5.15 The policy states that on sites of 10+ dwellings, there is a 35% affordable housing requirement of which at least 25% should be available as First Homes. We have assumed a discount rate in line with the governments minim with a discount of 30% from full market value.
- 5.16 The remaining units should be split 70% affordable rent and 30% intermediate tenures, although the Council would support alternative mixes to meet local needs. The transfer values we have assumed for these units reflect those set out in Policy AFF1 which are:
- 1 and 2 beds at 70% of market value
 - 3 beds at 65% of market value
 - 4+ beds at 60% of market value

Development Cost Assumptions

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

Table 5.6 - 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 £1,499 psm which based on the BCIS Mean rebased to the Isle of Wight. We provide further explanation and data below this table.
Flats 3-5 Storey (build costs)	We have adopted £1,737 psm which based on the BCIS Mean rate for flats of 3-5 storeys (as this is assumed to be the typical height of flat schemes on the island) rebased to the Isle of Wight. 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.

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 net zero standards in line with LGA research undertaken for IOW Council</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

Finance Costs

0.5% - Sales Legal fees on the open market housing and a £10,000 lump sum for affordable housing legal fees

1.5% - Marketing & Disposal on the open market housing

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).

On specialist housing typologies we have used 5.0% for marketing and disposal based on the Harman Report⁴⁶.

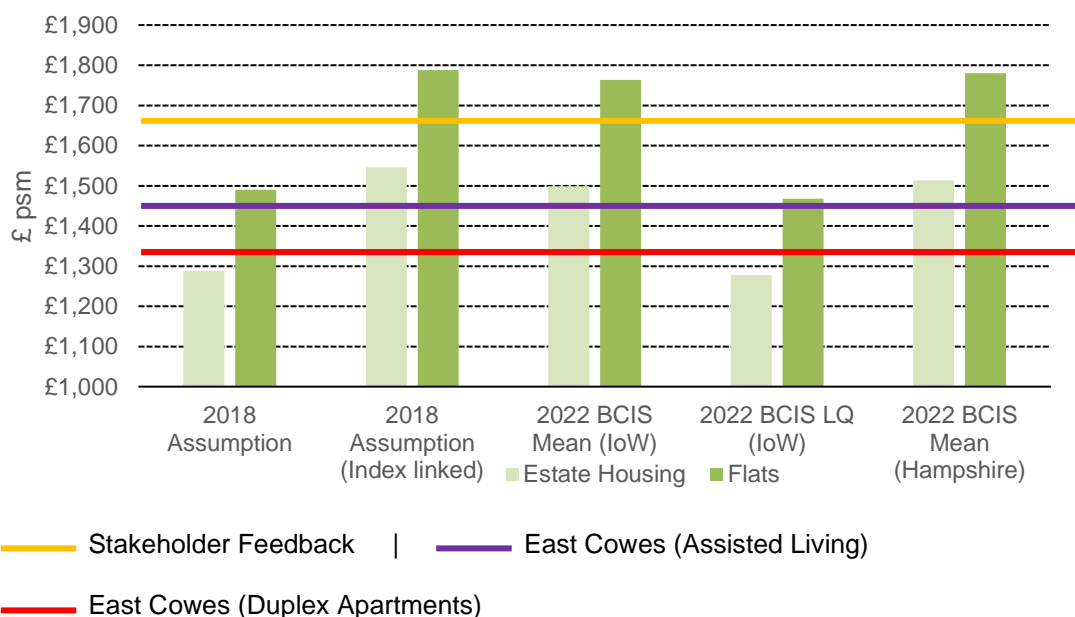
7.0% interest rate (Applies to 100% of cashflow to include Finance Fees etc).

Source: AspinallVerdi

House / Apartment Build Costs

5.18 Figure 5.4 - Build Cost Analysis shows our 2018 build cost assumption for estate housing and flats and shows where the cost would be if we index linked the costs using the BCIS General Build Cost Index (from October 2018 to May 2022). We then compare this to the current BCIS mean and lower quartile rates for Isle of Wight and the mean rate for Hampshire as a comparison.

Figure 5.4 - Build Cost Analysis



Source: AspinallVerdi

⁴⁶ 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)

- 5.19 The orange lines reflects the feedback we have received during the stakeholder consultation stage of the plan viability study. We received feedback from developers on the Island who provided evidence of actual build costs they are seeing in the market at present. Three separate consultees outlined that they are seeing build costs at or around £1,700 psm. They raised concerns that BCIS is currently lagging behind, not reflecting continuous build cost inflation through; rising labour costs, rising material costs and the regulatory changes to red diesel. The consultees also pointed out the unique difficulties for undertaking developments on the Island which is based on the uncompetitive tendering process due to an extremely limited pool of contractors that work on the Island.
- 5.20 Finally, the red and purple lines reflect evidence from a scheme on the Isle of Wight in East Cowes⁴⁷. 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 5.5 which illustrates the level of design and complexity with undercroft parking and deck access.

Figure 5.5 - CGI from Isle of Wight Cost Comparable



Source: Debenham Smith Architecture

⁴⁷ This evidence was found in 2021.

- 5.21 We believe that the current BCIS mean build rates, rebased to IOW, reflect appropriate build costs to include within this analysis. The current mean rates broadly align with both the 2018 index linked costs as well as the costs outlined for Hampshire and the two pieces of evidence outlined above. Therefore, our cost assumption of £1,499 psm for the estate housing and £1,763 for flatted schemes is a robust and reasonable approach.
- 5.22 Within our appraisals we have undertaken sensitivity analysis which reflect movements in build costs.

Suitable Alternative Natural Greenspace (SANG)

- 5.23 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.⁴⁸ 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 5.7 - 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

⁴⁸ Surrey Heath Borough Council (27.01.2015) Use of suitable alternative natural greenspace (SANG) land at Shepherd Meadows Sandhurst

Timescales

5.24 Table 5.8 summarises the timing assumptions we have made in our appraisals.

Table 5.8 - Timing Assumptions

	Smaller Sites (<49 Dwellings)	Larger Sites (>50 Dwellings)
Planning	6 Months	8 Months
Pre-Development	4 Months	7 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

- 5.25 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%⁴⁹ being *'considered a suitable return to developers in order to establish the viability of plan policies.'*
- 5.26 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.
- 5.27 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 value and that these units are generally pre-sold.⁵⁰

⁴⁹ Paragraph: 018 Reference ID: 10-018-201 90509, Revision date: 09 05 2019

⁵⁰ Paragraph: 018 Reference ID: 10-018-20190509, Revision date: 09 05 2019

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

Land Value (Benchmark Land Value)

5.29 Table 5.9 - Table 5.12 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 5.9 - Greenfield Benchmark Land Value Assumptions (Lower Value Area)

Typology	EUV		Uplift		BLV	
	(per acre) (gross)	Net: Gross (%)	(per acre) (net)	x over EUV	(per acre) (net dev.) (rounded)	(per ha) (net dev.) (rounded)
Smaller Residential (<10 units)	£7,500	100%	£7,000	13.3	£100,000	£247,100
Smaller Residential (11-49 units)	£7,500	75%	£10,000	11.5	£115,000	£284,165
Larger Residential (50-200 units)	£7,500	65%	£11,538	11.7	£135,000	£432,425

Source: AspinallVerdi

Table 5.10 - Brownfield Benchmark Land Value Assumptions (Lower Value Area)

Typology	EUV		Uplift	BLV		
	(per acre) (gross)	Net: Gross (%)		(per acre) (net)	x / % over EUV	(per acre) (net dev.) (rounded)
Strategic Sites (Mixed)	£7,500	50%	£15,000	13.3	£200,000	£494,200
Smaller Residential (<10 units)	£90,000	100%	£90,000	11.1%	£100,000	£247,100
Smaller Residential (11-50 units)	£90,000	80%	£112,500	11.1%	£125,000	£308,875
Larger Residential (51-200 units)	£90,000	75%	£120,000	12.5%	£135,000	£333,585

Source: AspinallVerdi

Table 5.11 - Greenfield Benchmark Land Value Assumptions (Higher Value Area)

Typology	EUV		Uplift	BLV		
	(per acre) (gross)	Net: Gross (%)		(per acre) (net)	x over EUV	(per acre) (net dev.) (rounded)
Smaller Residential (11-50 units)	£7,500	75%	£10,000	17.5	£175,000	£432,425
Larger Residential (51-200 units)	£7,500	65%	£11,538	18.6	£215,000	£531,265

Source: AspinallVerdi

Table 5.12 - Brownfield Benchmark Land Value Assumptions (Higher Value Area)

Typology	EUV		Uplift		BLV	
	(per acre) (gross)	Net: Gross (%)	(per acre) (net)	% over EUV	(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 We set out below the results of our viability appraisals. For ease of reference, the results are set out by area and follow our typologies matrix.
- 6.2 The residential appraisals are appended in full at Appendix 6. These include a summary table at the end of each batch of appraisals (by grouping as described below).

Lower Value Area

- 6.3 In the lower value area we have appraised 12 typologies which are summarised in following three 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
Location / Value Zone:	Lower	Lower	Lower	Lower
Development Scenario:	Greenfield	Brownfield	Greenfield	Brownfield
Notes:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£2,376,878	£2,376,878	£4,753,756	£4,753,756
GDV (£ per unit)	£237,688	£237,688	£237,688	£237,688
Total Cost (Excluding Land + Profit)	£1,867,301	£1,922,608	£3,720,404	£3,832,298
Cost (£ per unit)	£186,730	£192,261	£186,020	£191,615
Profit KPI's				
Developers Profit Total (£)	£399,233	£399,233	£798,465	£798,465
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)	16.80%	16.80%	16.80%	16.80%
Developers Profit (% on costs)	21.38%	20.77%	21.46%	20.84%
Land Value KPI's				
RLV (£/acre)	£107,192	£94,062	£108,092	£94,609
RLV (£/ha)	£264,871	£232,428	£267,096	£233,778
RLV Total (£)	£105,948	£58,107	£213,677	£116,889
BLV (£/acre)	£100,000	£100,000	£100,000	£100,000
BLV (£/ha)	£247,100	£247,100	£247,100	£247,100
BLV Total (£)	£98,840	£61,775	£197,680	£123,550
Surplus/Deficit (£/acre) [RLV-BLV]	£7,192	£-5,938	£8,092	£-5,391
Surplus/Deficit (£/ha)	£17,771	£-14,672	£19,996	£-13,322
Surplus/Deficit Total (£)	£7,108	£-3,668	£15,997	£-6,661
Plan Viability comments	Viable	Marginal	Viable	Marginal

Source: AspinallVerdi - 220707 Isle of Wight Residential Appraisals_A-D_v0.1 - (updated mix)

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

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:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£11,333,266	£11,333,266	£21,929,908	£22,666,533
GDV (£ per unit)	£226,665	£226,665	£219,299	£226,665
Total Cost (Excluding Land + Profit)	£8,895,388	£9,177,084	£17,061,741	£18,541,352
Cost (£ per unit)	£177,908	£183,542	£170,617	£185,414
Profit KPI's				
Developers Profit Total (£)	£1,907,358	£1,907,358	£3,695,444	£3,814,717
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)	16.83%	16.83%	16.85%	16.83%
Developers Profit (% on costs)	21.44%	20.78%	21.66%	20.57%
Land Value KPI's				
RLV (£/acre)	£113,978	£73,082	£145,171	£50,819
RLV (£/ha)	£281,640	£180,586	£358,717	£125,573
RLV Total (£)	£469,400	£225,732	£1,024,905	£279,051
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]	-£21,022	-£61,918	£10,171	-£84,181
Surplus/Deficit (£/ha)	-£51,945	-£152,999	£25,132	-£208,012
Surplus/Deficit Total (£)	-£86,575	-£191,249	£71,805	-£462,249
Plan Viability comments	Marginal	Marginal	Viable	Marginal

Source: AspinallVerdi - 220707 Isle of Wight Residential Appraisals_E-H_v0.1 - (updated mix)

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

Scheme Ref:	I	J	K	L
No Units:	200	200	500	750
Location / Value Zone:	Lower	Lower	Lower	Lower
Development Scenario:	Greenfield	Brownfield	Greenfield	Mixed
Notes:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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	£6,000,000
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 (£)	£44,541,513	£44,541,513	£111,353,781	£222,707,563
GDV (£ per unit)	£222,708	£222,708	£222,708	£296,943
Total Cost (Excluding Land + Profit)	£35,754,134	£36,855,608	£90,933,155	£186,486,976
Cost (£ per unit)	£178,771	£184,278	£181,866	£248,649
Profit KPI's				
Developers Profit Total (£)	£7,522,791	£7,522,791	£18,806,977	£37,613,954
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)	16.89%	16.89%	16.89%	16.89%
Developers Profit (% on costs)	21.04%	20.41%	20.68%	20.17%
Land Value KPI's				
RLV (£/acre)	£78,213	£13,804	£39,839	-£21,758
RLV (£/ha)	£193,264	£34,108	£98,441	-£53,764
RLV Total (£)	£1,104,368	£151,593	£1,406,306	-£1,194,763
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	£10,982,222
Surplus/Deficit (£/acre) [RLV-BLV]	-£56,787	-£121,196	-£95,161	-£221,758
Surplus/Deficit (£/ha)	-£140,321	-£299,477	-£235,144	-£547,964
Surplus/Deficit Total (£)	-£801,832	-£1,331,007	-£3,359,194	-£12,176,985
Plan Viability comments	Marginal	Marginal	Marginal	Not Viable

Source: AspinalVerdi - 220707 Isle of Wight Residential Appraisals_I-L_v0.1 - (updated mix)

Lower Value Area - conclusions

- 6.4 The majority (8) of typologies have been shown to be marginal for plan making purposes. All of the typologies generate a positive RLV but a negative balance (RLV – BLV).
- 6.5 Three of the typologies (A,C and G) are viable for planning making purposes and are located on greenfield sites.
- 6.6 We have also tested a 750 unit scheme mixed use site which is unviable.
- 6.7 These results have changed since the appraisals were undertaken in 2021 where all typologies were shown to be viable at 35% affordable housing with the exception of the large 1,200-unit strategic site. The major reason for this shift in viability is due to rising build costs outstripping our assumption for house price inflation on the island.
- 6.8 We have undertaken sensitivity analysis on the following variables across all typologies to understand how movements in our assumptions affect viability:

Site Specific S106	Profit
Benchmark Land Value	Density
Build Costs	Market Values
Carbon Reduction Costs	First Homes Transfer Values

- 6.9 The results of the sensitivity analysis reduce our concerns on the marginality of certain typologies as there is considered to be sufficient areas for movement in the appraisal to provide viable results with manipulation of certain variables.
- 6.10 The results of the appraisals also indicate there is an unsurprising difference in the results of greenfield versus brownfield, with greenfield typologies producing superior results. However, given the majority of brownfield 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 Area

6.11 In the lower value area, we have appraised 5 typologies which are summarised in Table 6.4.

Table 6.4 - Appraisal Summary of Typologies M -Q (Higher Value Areas)

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:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£5,588,186	£6,985,232	£25,803,572	£38,488,533	£24,891,713
GDV (£ per unit)	£279,409	£279,409	£258,036	£256,590	£165,945
Total Cost (Excluding Land + Profit)	£4,162,067	£5,039,747	£19,151,573	£29,936,057	£31,440,566
Cost (£ per unit)	£208,103	£201,590	£191,516	£199,574	£209,604
Profit KPI's					
Developers Profit Total (£)	£938,621	£1,173,276	£4,337,364	£6,493,037	£4,059,703
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)	16.80%	16.80%	16.81%	16.87%	16.31%
Developers Profit (% on costs)	22.55%	23.28%	22.65%	21.69%	12.91%
Land Value KPI's					
RLV (£/acre)	£349,806	£274,569	£285,079	£217,553	£-4,203,975
RLV (£/ha)	£864,370	£678,460	£704,431	£537,574	£-10,388,021
RLV Total (£)	£432,185	£678,460	£2,012,659	£1,791,914	£-9,165,901
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]	£199,806	£99,569	£70,079	£57,553	£-4,363,975
Surplus/Deficit (£/ha)	£493,720	£246,035	£173,166	£142,214	£-10,783,381
Surplus/Deficit Total (£)	£246,860	£246,035	£494,759	£474,048	£-9,514,748
Plan Viability comments	Viable	Viable	Viable	Viable	Not Viable

Source: AspinallVerdi - 220707 Isle of Wight Residential Appraisals_M-Q_v0.1 - (updated mix)

Higher Value Area - conclusions

- 6.12 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

6.13 We have also appraised 5 Island wide typologies which are summarised in Table 6.5 Table 6.4.

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

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:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£5,261,675	£1,445,144	£1,491,615	£4,654,140
GDV (£ per unit)	£150,334	£180,643	£186,452	£186,166
Total Cost (Excluding Land + Profit)	£14,814,851	£1,290,207	-£1,329,955	-£4,123,160
Cost (£ per unit)	£423,281	£161,276	-£166,244	-£164,926
Profit KPI's				
Developers Profit Total (£)	£855,558	£74,589	£81,312	£254,100
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)	16.26%	6.00%	6.00%	6.00%
Developers Profit (% on costs)	5.78%	5.78%	6.11%	6.16%
Land Value KPI's				
RLV (£/acre)	-£7,798,799	£80,940	£80,940	£80,939
RLV (£/ha)	-£19,270,832	£200,003	£200,003	£200,001
RLV Total (£)	-£8,993,055	£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]	-£7,923,799	£1	£1	£1
Surplus/Deficit (£/ha)	-£19,579,707	£3	£3	£3
Surplus/Deficit Total (£)	-£9,137,197	£1	£1	£1
Grant per unit	N/A	£25,249	£17,052	£16,766
Plan Viability comments	Not Viable	Viable with Grant	Viable with Grant	Viable with Grant

Source: AspinallVerdi - 220617 Isle of Wight Residential Appraisals_R-U_v0.1 - (updated mix)

Island Wide - conclusions

- 6.14 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 (8 units) at £25,249 per unit
 - T – First Homes Exception Site (8 Units) at £17,052 per unit
 - U – First Homes Exception Site (25 Units) at £16,766 per unit
- 6.15 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.

Summary of Appraisal Results

6.16 Table 6.6 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%	Marginal
C	20	Lower Value Zone - Greenfield	35%	Viable
D	20	Lower Value Zone - Brownfield	35%	Marginal
E	50	Lower Value Zone - Greenfield	35%	Marginal
F	50	Lower Value Zone - Brownfield	35%	Marginal
G	100	Lower Value Zone - Greenfield	35%	Viable
H	100	Lower Value Zone - Brownfield	35%	Marginal
I	200	Lower Value Zone - Greenfield	35%	Marginal
J	200	Lower Value Zone - Brownfield	35%	Marginal
K	500	Lower Value Zone - Greenfield	35%	Marginal
L	750	Lower Value Zone - Mixed	35%	Unviable
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

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 in line with draft IPS policies AFF1 and H5.
- 7.2 The exception to this is the brownfield regeneration sites in urban areas where further costs can affect viability. 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 (in relation to the tenure and mix of onsite affordable housing) on such sites to enable regeneration to take place on brownfield land in urban locations.
- 7.3 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.
- 7.4 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.	# Real 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	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
B	10	Lower Value Zone	Brownfield	0.25	40.00	0.25	0.62	£287	£0	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
C	20	Lower Value Zone	Greenfield	1.00	25.00	0.80	1.98	£1,011	£0	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
D	20	Lower Value Zone	Brownfield	0.63	40.00	0.50	1.24	£287	£0	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
E	50	Lower Value Zone	Greenfield	2.08	30.00	1.67	4.12	£1,011	£0	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
F	50	Lower Value Zone	Brownfield	1.56	40.00	1.25	3.09	£287	£0	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
G	100	Lower Value Zone	Greenfield	3.86	35.00	2.86	7.06	£1,011	£4,215	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
H	100	Lower Value Zone	Brownfield	3.00	45.00	2.22	5.49	£287	£4,215	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
I	200	Lower Value Zone	Greenfield	7.71	35.00	5.71	14.12	£1,011	£4,215	£569	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	5.0%	-	-	30.0%	40.0%	25.0%	100.0%	20.0%	10.0%	20.0%	20.0%	25.0%	5.0%	100.0%	10.0%	20.0%	10.0%	20.0%	30.0%	10.0%	100.0%	20%	0%
J	200	Lower Value Zone	Brownfield	6.00	45.00	4.44	10.98	£287	£4,215	£569	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	5.0%	-	-	30.0%	40.0%	25.0%	100.0%	20.0%	10.0%	20.0%	20.0%	25.0%	5.0%	100.0%	10.0%	20.0%	10.0%	20.0%	30.0%	10.0%	100.0%	20%	0%
K	500	Lower Value Zone	Greenfield	21.43	35.00	14.29	35.30	£1,011	£4,215	£569	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	20.0%	10.0%	20.0%	20.0%	25.0%	5.0%	100.0%	10.0%	20.0%	10.0%	20.0%	30.0%	10.0%	100.0%	20%	0%
L	1200	Lower Value Zone	Mixed (GF / BF)	40.00	45.00	26.67	65.89	£1,011	£4,215	£569	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	20.0%	10.0%	20.0%	20.0%	25.0%	5.0%	100.0%	10.0%	20.0%	10.0%	20.0%	30.0%	10.0%	100.0%	20%	0%
M	20	Higher Value Zone	Brownfield	0.60	40.00	0.50	1.24	£287	£0	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
N	25	Higher Value Zone	Greenfield	1.25	25.00	1.00	2.47	£1,011	£0	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
O	100	Higher Value Zone	Greenfield	3.86	35.00	2.86	7.06	£1,011	£4,215	£569	£1,000	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
P	150	Higher Value Zone	Brownfield	4.17	45.00	3.33	8.24	£287	£4,215	£569	£1,000 (Houses) £2,500 (Flats)	£6,000	35%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	20.0%	10.0%	20.0%	20.0%	25.0%	5.0%	100.0%	10.0%	20.0%	10.0%	20.0%	30.0%	10.0%	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	£502	£1,000	£6,000	100%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
T	8	Island Wide	First Homes Exception Site	0.40	20.00	0.40	0.99	£1,011	£0	£502	£1,000	£6,000	100%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%
U	25	Island Wide	First Homes Exception Site	1.25	20.00	1.25	3.09	£1,011	£0	£502	£1,000	£6,000	100%	On-site	52.50%	22.50%	25.00%	-	-	5.0%	30.0%	40.0%	25.0%	100.0%	-	-	40.0%	30.0%	25.0%	5.0%	100.0%	-	-	20.0%	40.0%	30.0%	10.0%	100.0%	20%	0%

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 BC5 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 2022

Private and Confidential

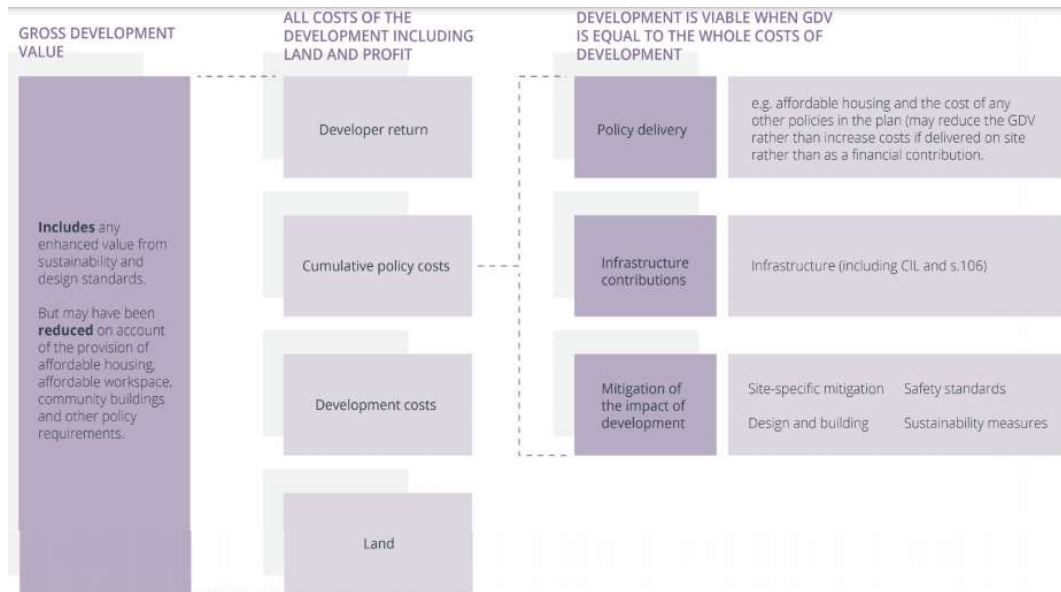
1 Introduction

- 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 The original research was conducted in 2018 with an update undertaken in June 2021. This paper is based on the past analysis with some updates to reflect the time that has passed.
- 1.3 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

- 1.4 In a development context, the land value is calculated using a residual approach – the Residual Land Value (RLV).
- 1.5 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).

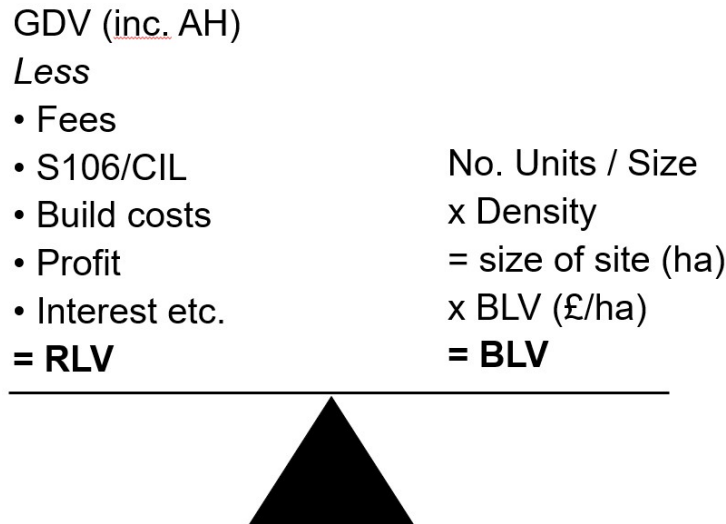
Figure 1.1- Development Viability



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

- 1.6 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)

- 1.7 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?

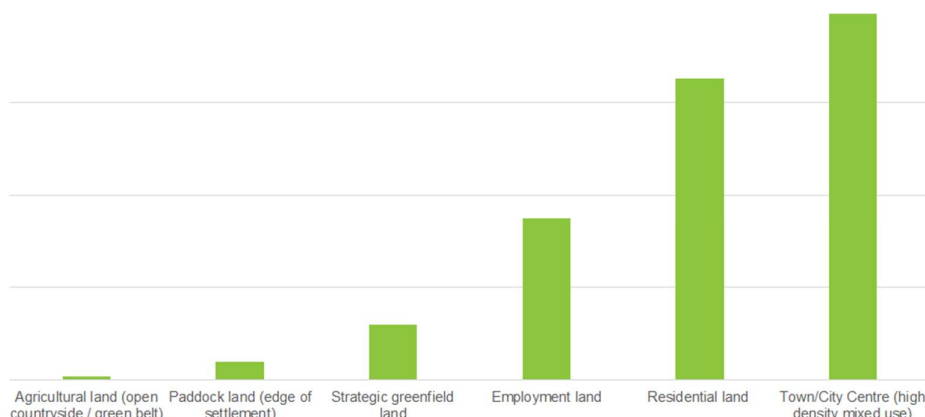
‘The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements’.

Paragraph: 016 Reference ID: 10-016-20190509

1.8 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.

1.9 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)

1.10 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.

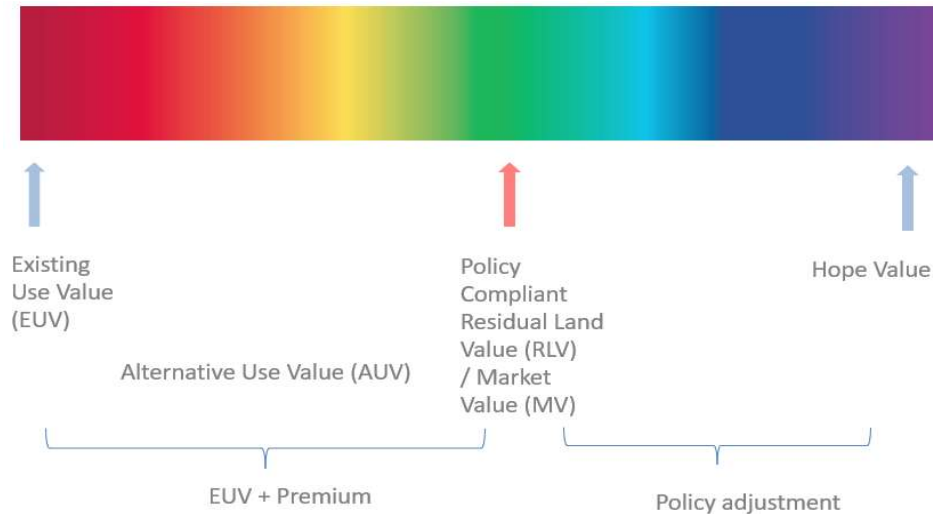
1.11 We also recognise that some vendors have different motivations for selling sites and releasing land. Some investors take a very long-term view of returns, where as other vendors could be forced sellers (e.g. when a bank forecloses).

1.12 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.

1.13 Figure 1.4 illustrates the concepts set out above.

Figure 1.4 - Benchmark Land Value Approaches



Source: AspinallVerdi

1.14 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.

1.15 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

1.16 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

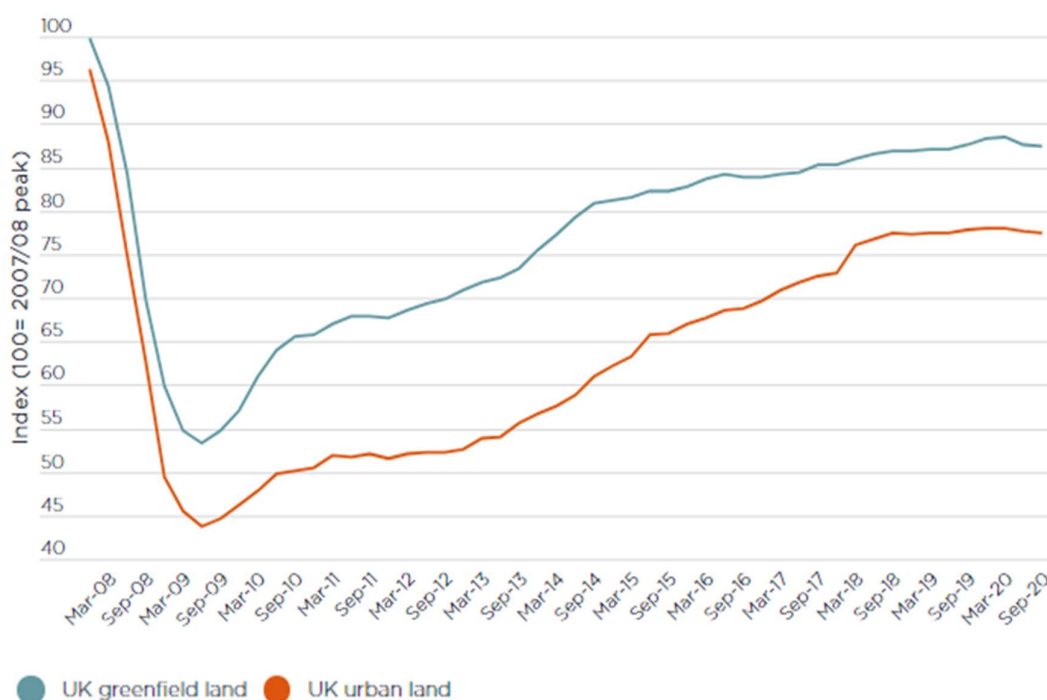
2.1 This section provides some background context to development land values and agricultural land values at a national level.

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 (Q4 2021), Savills reported increases of 3.9% and 0.7% respectively, bringing annual growth to 8.8% for greenfield and 6.8% for urban land³.

2.3 Looking at the trends, greenfield land values remain above urban land values⁴ but the gap has narrowed in recent years following a period of faster growth for greenfield land following the Global Financial Crisis (GFC).

Figure 2.1 – UK Greenfield and Urban Residential Land Value Index

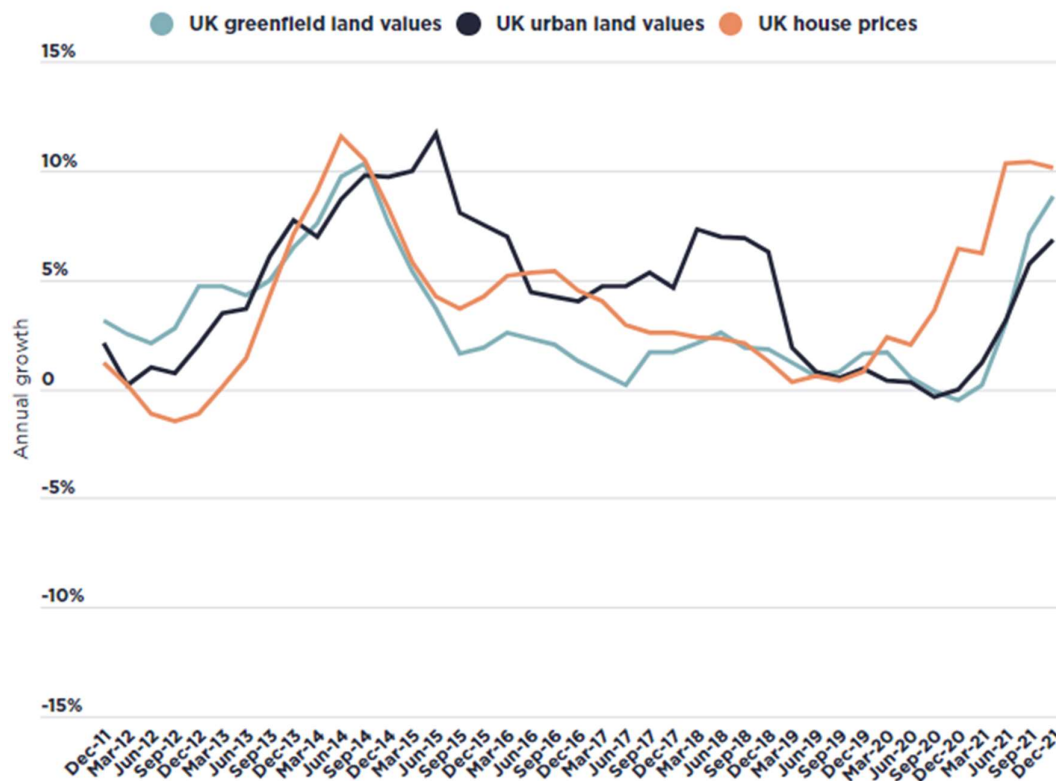


Source: Savills Research, Nationwide

³ Savills (2022) Market in Minutes: Residential Development Land – Q4 2021
https://www.savills.co.uk/research_articles/229130/324376-0

⁴ 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)

Figure 2.2 – Annual Growth in UK Land and House Values



Source: Savills Research, Nationwide

- 2.4 Land values were seen to plateau around 2017-2018 but have more recently seen strong growth. 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 was 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 Other factors that could have been restricting land value growth were; 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 Savills⁵.
- 2.6 Despite the factors outlined above, land values have seen strong growth through 2021. This has been down to unceasing demand for development land across the UK, particularly for “sweet spot” sites up to 200 units, increasing competition leading to higher values. House price inflation

⁵ Savills Research, Residential Development Land Q4 2019, page 2

has also influenced land value growth despite being partially offset by build cost inflation. Constrained land supply has been a contributing factor for increased competition evidenced nationally with 20% fewer homes were granted consent in the 12 months to Q3 2021 compared to 2019.

- 2.7 Looking forward competition for land is likely to remain strong as a result of the supply-demand imbalance in the land market. There is however future uncertainty around build costs and environmental requirements which will have the potential to impact future growth in land values alongside lower house price inflation expectations due to affordability constraints in certain parts of the country. Developers are also starting to factor increasing costs to meet the Future Homes Standard, ranging from £5,000 to £10,000 per plot in addition to other environmental mitigation provisions into their land bids.

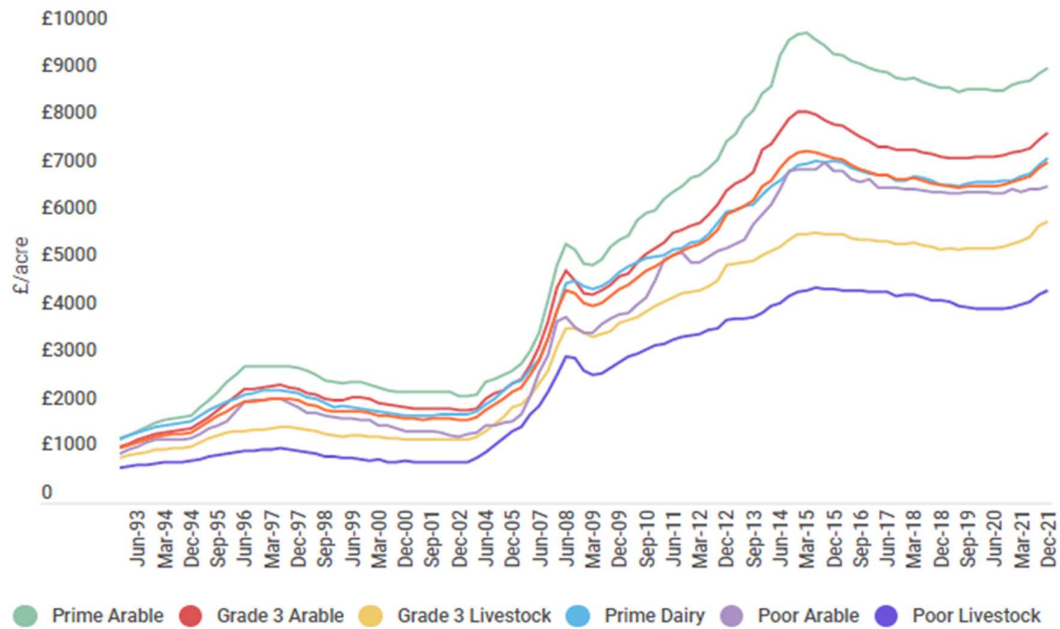
Agricultural Land

- 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, which accounts for 47% of the proposed allocated dwellings in the Island Planning Strategy.

- 2.9 Figure 2.33 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. From 2015 until around December 2020, there was a general negative trend across and land types. In 2021, aligning with the data outlined in Figure 2.2 there has been a slight uptick with the average price for prime arable land around £9,000 per acre. Grade 3 arable land stands at around £7,500 per acre at the end of 2021.

According to Savills Research, the downwards trend was 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.

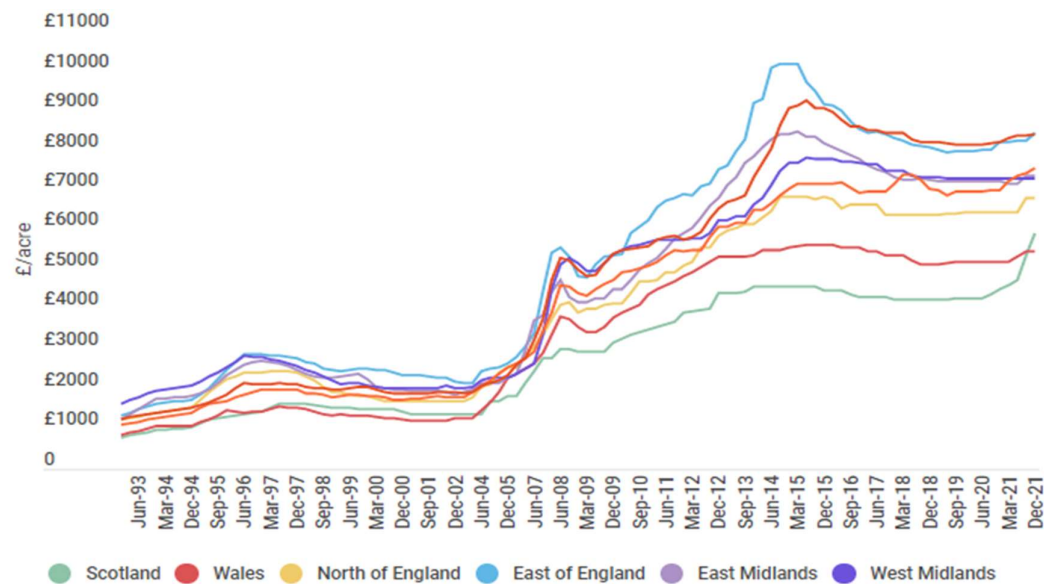
Figure 2.3 - Average Agricultural Land Values Per Acre (by land type)



Source: Savills Research

2.10 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 4). This graph provides an overall average and does not distinguish between grade of land.

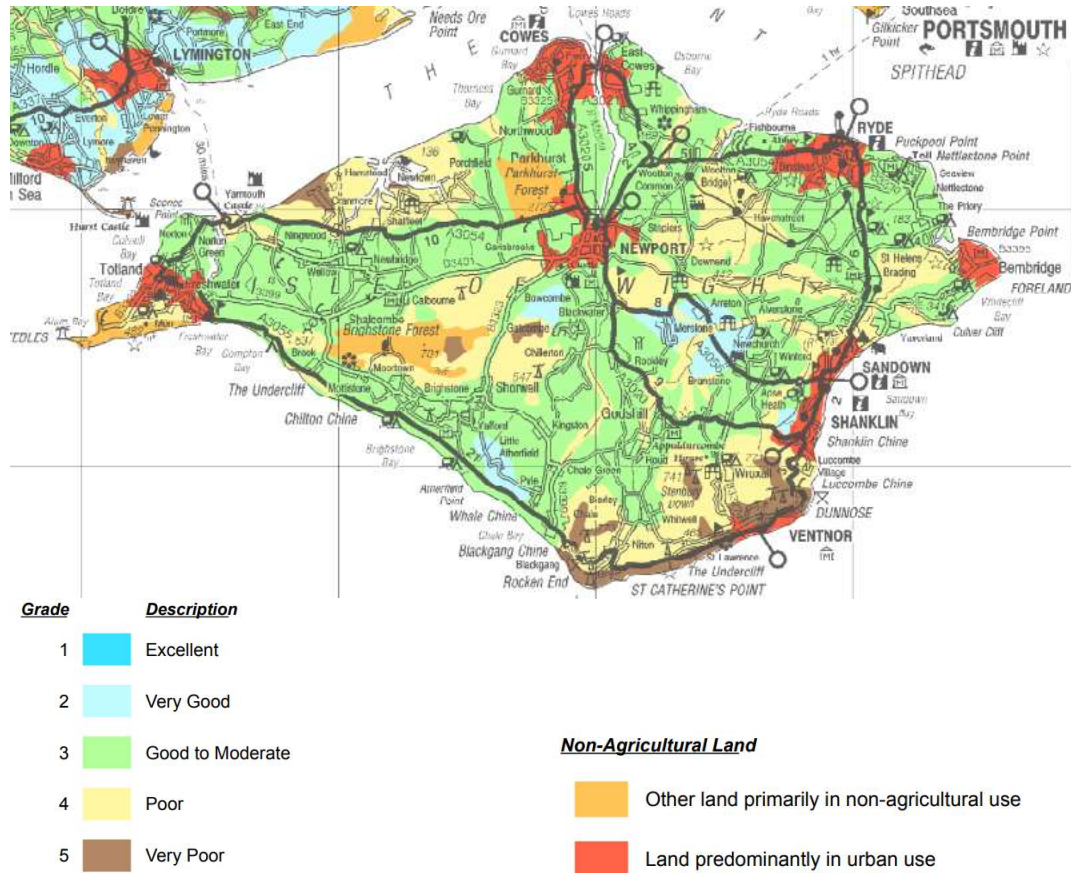
Figure 2.4 - Average Agricultural Land Values Per Acre (by region)



Source: Savills Research

2.11 Figure 2.5 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 2.5 - Agricultural Land Classification Map, Isle of Wight



Source: Natural England

2.12 If land is generally Grade 3 or Grade 4, we can equate this back to the evidence presented above in Figure 2.33 and Figure 2.44. Grade 3 land nationally is on average between £7,500-£8,000 per acre and Grade 4 around £6,000-£6,500 per acre. In the South East, agricultural land values are on average around £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.

2.13 We will consider this evidence later once we have reviewed any market specific data, but it suggests a value of between £6,500-£8,000 per acre for agricultural Existing Use Value.

3 Market Evidence

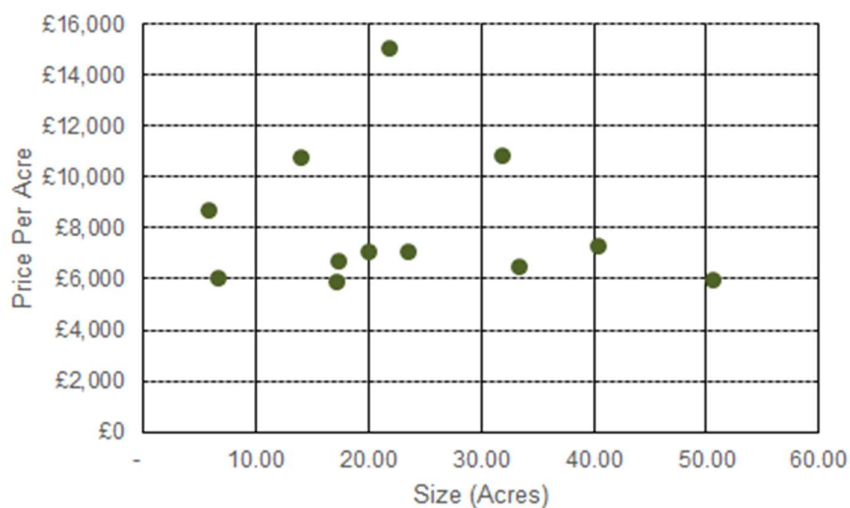
3.1 This section is split into agricultural and development land values. This market research was undertaken in June 2021, so values are reflective of this time period.

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)

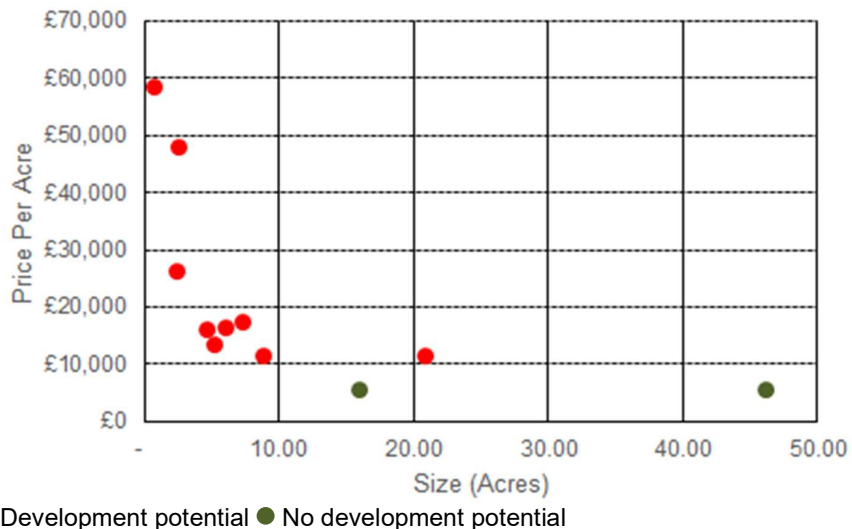


Source: AspinallVerdi

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: AspinallVerdi

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, 52% are brownfield or mixed brownfield.
- 3.17 In June 2021 we 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 gathered is summarised below.

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 The conclusion of the 2021 study was to retained the same land value assumptions as per the 2018 study. However, due to the uplift in land values seen since this time, as shown in Figure 2.3 we have increased our assumptions slightly to reflect greenfield value increases across the UK.

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	Greenfield /Brownfield	EUV -					Uplift Multiplier x [X] x [Y]%	BLV -	
			(per acre) (gross)	(per ha) (gross)	Net: Gross (%)	(per acre) (net)	(per ha) (net)		(per acre) (net developable) (rounded)	(per ha) (net developable)
Smaller Residential (<10 units)	Lower Value Area	Greenfield	£7,500	£18,533	100%	£7,500	£18,533	13.3	£100,000	£247,100
Smaller Residential (11-50 units)	Lower Value Area	Greenfield	£7,500	£18,533	75%	£10,000	£24,710	11.5	£115,000	£284,165
Smaller Residential (11-50 units)	Higher Value Area	Greenfield	£7,500	£18,533	75%	£10,000	£24,710	17.5	£175,000	£432,425
Larger Residential (51-200 units)	Lower Value Area	Greenfield	£7,500	£18,533	65%	£11,538	£28,512	11.7	£135,000	£333,585
Larger Residential (51-200 units)	Higher Value Area	Greenfield	£7,500	£18,533	65%	£11,538	£28,512	18.6	£215,000	£531,265
Strategic Sites	Lower Value Area	Mixed	£7,500	£18,533	50%	£15,000	£37,065	13.3	£200,000	£494,200
Smaller Residential (<10 units)	Lower Value Area	Brownfield	£90,000	£222,390	100%	£90,000	£222,390	11.1%	£100,000	£247,100

Smaller Residential (11-50 units)	Lower Value Area	Brownfield	£90,000	£222,390	80%	£112,500	£277,988	11.1%	£125,000	£308,875
Smaller Residential (11-50 units)	Higher Value Area	Brownfield	£100,000	£247,100	80%	£125,000	£308,875	20.0%	£150,000	£370,650
Larger Residential (51-200 units)	Lower Value Area	Brownfield	£90,000	£222,390	75%	£120,000	£296,520	12.5%	£135,000	£333,585
Larger Residential (51-200 units)	Higher Value Area	Brownfield	£100,000	£247,100	75%	£133,333	£329,467	20.0%	£160,000	£395,360
Rural Exception Sites	Island Wide	Greenfield	£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 (%).

Appendix 4 - Residential Market Paper

Final Report

Residential Market Paper (Appendix 4)

Isle of Wight Council

June 2022

Private and Confidential

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1 Introduction

- 1.1 This Appendix provides the detail and evidence behind the sales value assumptions used in our financial appraisals.
- 1.2 The residential market research has been undertaken over multiple stages. The original market assessment was undertaken in 2018, with an update being undertaken in May 2021.
- 1.3 In order to bring the May 2021 work up to date this appendix report makes amendments where appropriate to ensure our value assumptions are reflective of the market at present (May 2022).
- 1.4 We have dated the chapter titles to highlight which year the analysis was undertaken and to identify where any updates have been made.

2 Summary of 2018 Conclusions

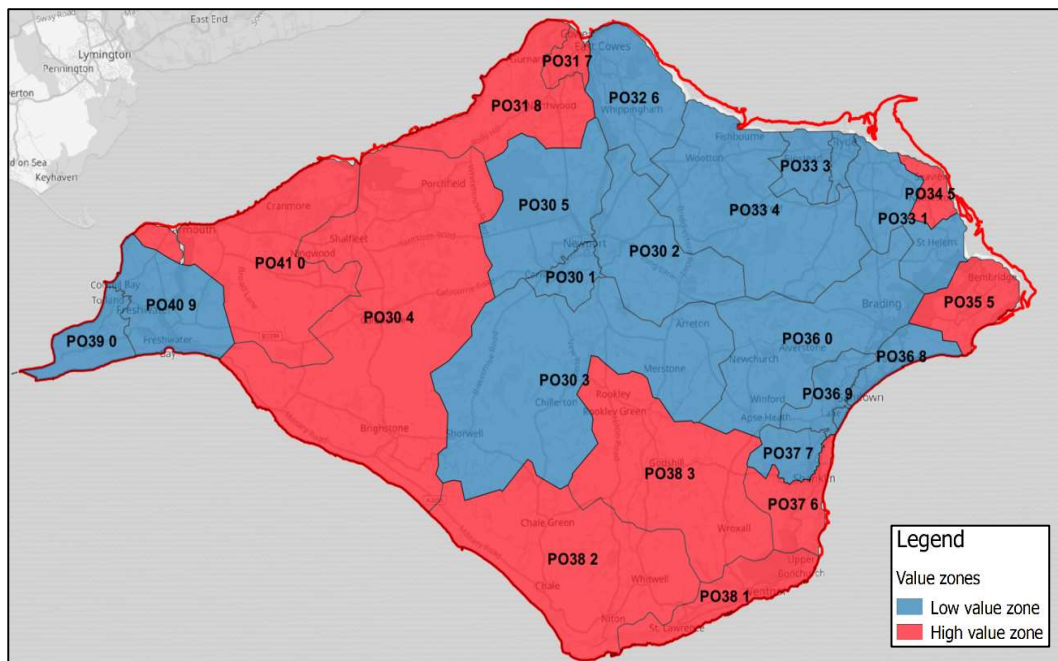
1.5 Through our market research, we identified the lower and higher value zones shown in the figure below. The higher value areas included:

- 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)

1.6 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 2.1 – Isle of Wight Housing Value Zones (2018)



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

1.7 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.

1.8 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 many of whom will have larger budgets.

- 1.9 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.
- 1.10 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.
- 1.11 Table 2.1 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 2.1 – 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

- 1.12 Table 2.2 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.
- 1.13 The lower values were derived from analysis of the Barratt and David Wilson Homes 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 2.2 – 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

- 1.14 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.
- 1.15 In the sections below we set out the market research which was undertaken in 2021, with slight updates, which can inform our review of the sales value assumptions.

2 Market Evidence (2021)

2.1 This section presents market evidence from 2021 which has been used 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

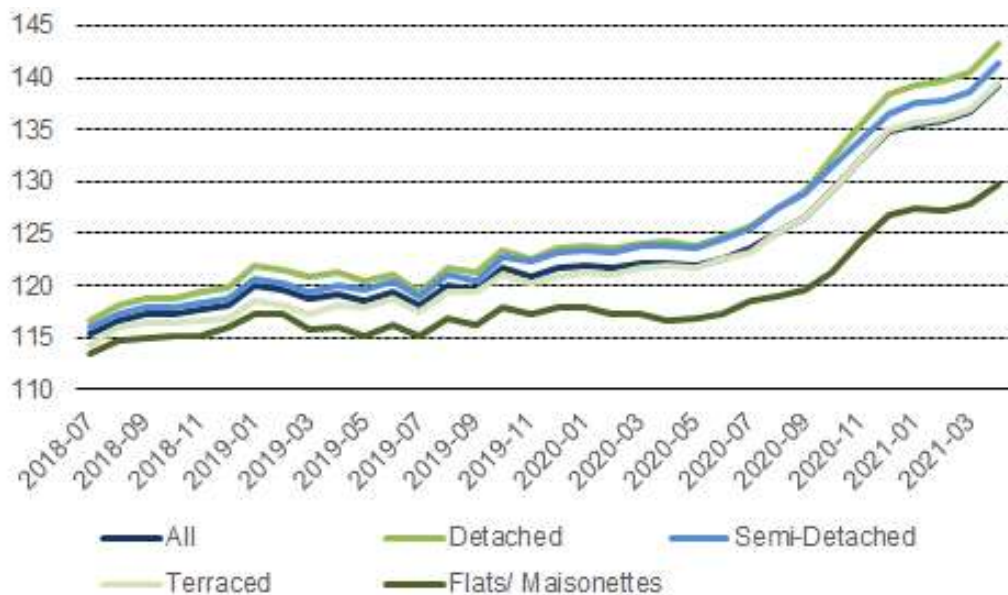


Source: Savills Research

2.5 Nationally, the impact of stamp duty relief has resulted in the number of transactions being increased 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). This pattern of house price growth has been generally experienced across the UK.

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 (July 2018 – April 2021)



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 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

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.

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

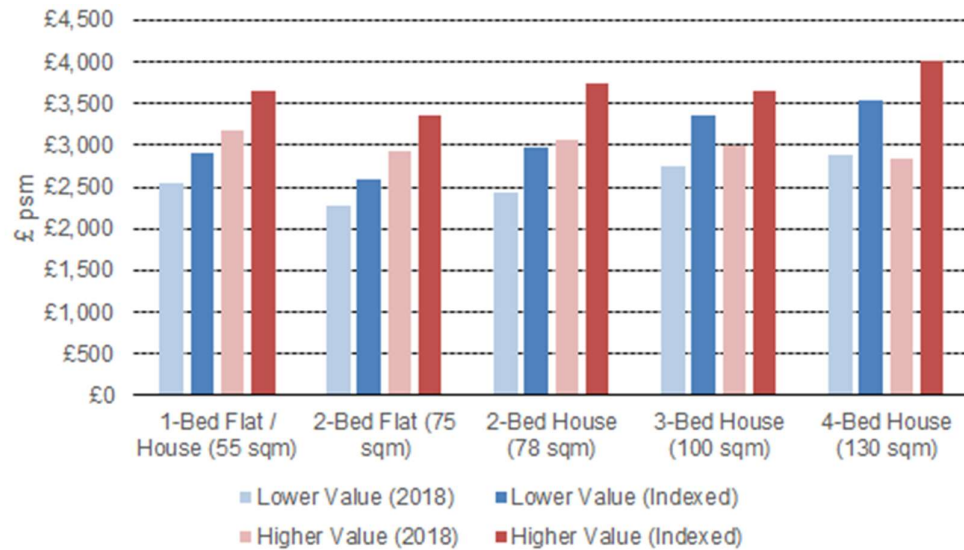
Table 2.2 – 2018 Value Assumptions Index Linked (Larger Sites >50 dwellings)

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

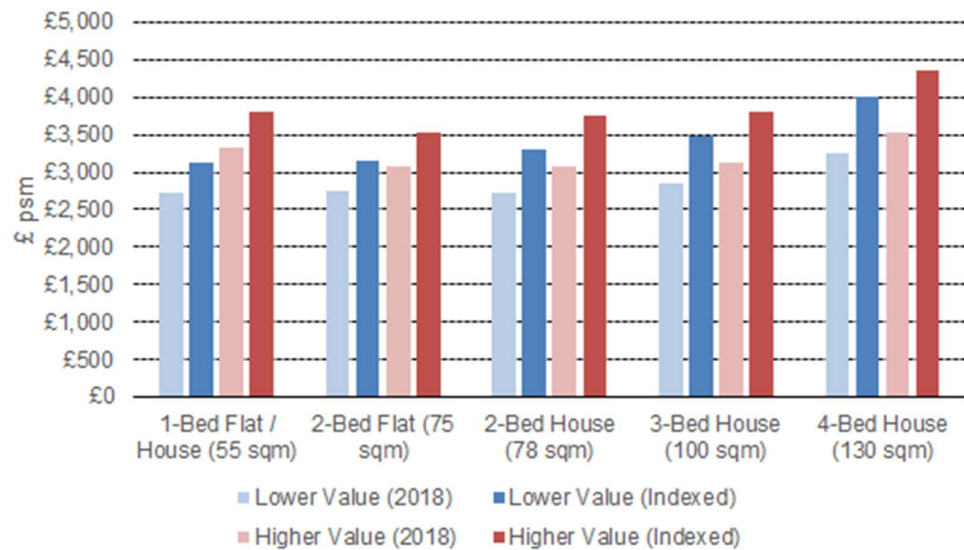
2.9 Figure 2.3 - Figure 2.4 below show the changes on a per square metre basis with 1 and 2-bed flats increasing by between £328-£483 psm and 2-4 bed houses increasing by between £536-£807 psm. Notably, all assumptions would be over £3,000 psm on larger sites regardless of market area. On smaller sites, values in lower value areas would exceed £2,500 psm and in some instances be over £3,000 psm.

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.

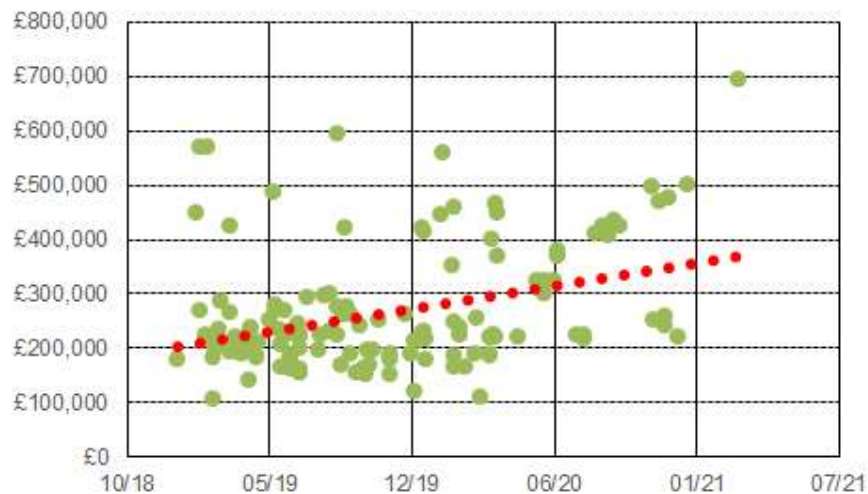
New-Build Sales Prices (2021)

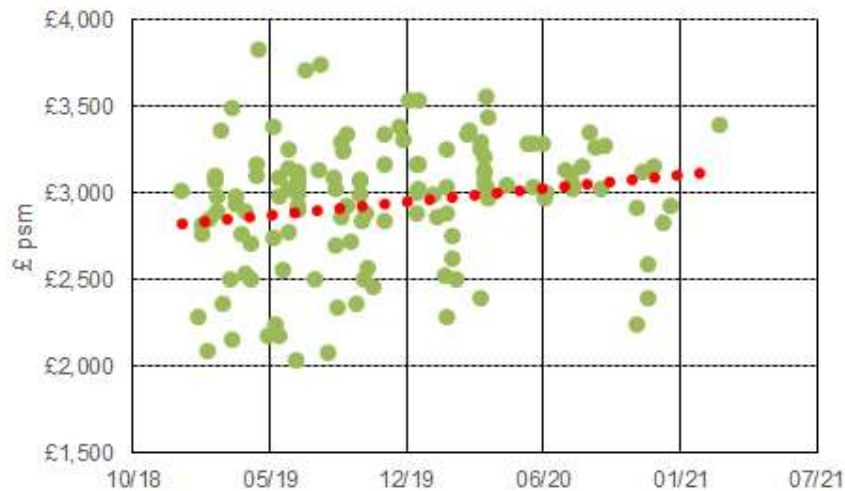
2.11 We have undertaken a review of Land Registry new-build sales between January 2019 and March 2021. There is normally a three-month lag in Land Registry data being uploaded, but Covid-19 disrupted this and then a subsequent increase in sales since June 2020 has meant sales are registering at a slower rate. To illustrate this, from the 135 sales we have identified, only one of these has taken place in 2021. This time lag may not indicate the full extent of the price inflation which has taken place.

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

- 2.13 The information present above does not reflect the effect of location and specific attributes of the development. As mentioned earlier location and size of property can have a significant effect on sales values which can be achieved, as they are targeting different market segments.

New-Build Sales by Property Type

- 2.14 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.
- 2.15 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.
- 2.16 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

- 2.17 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

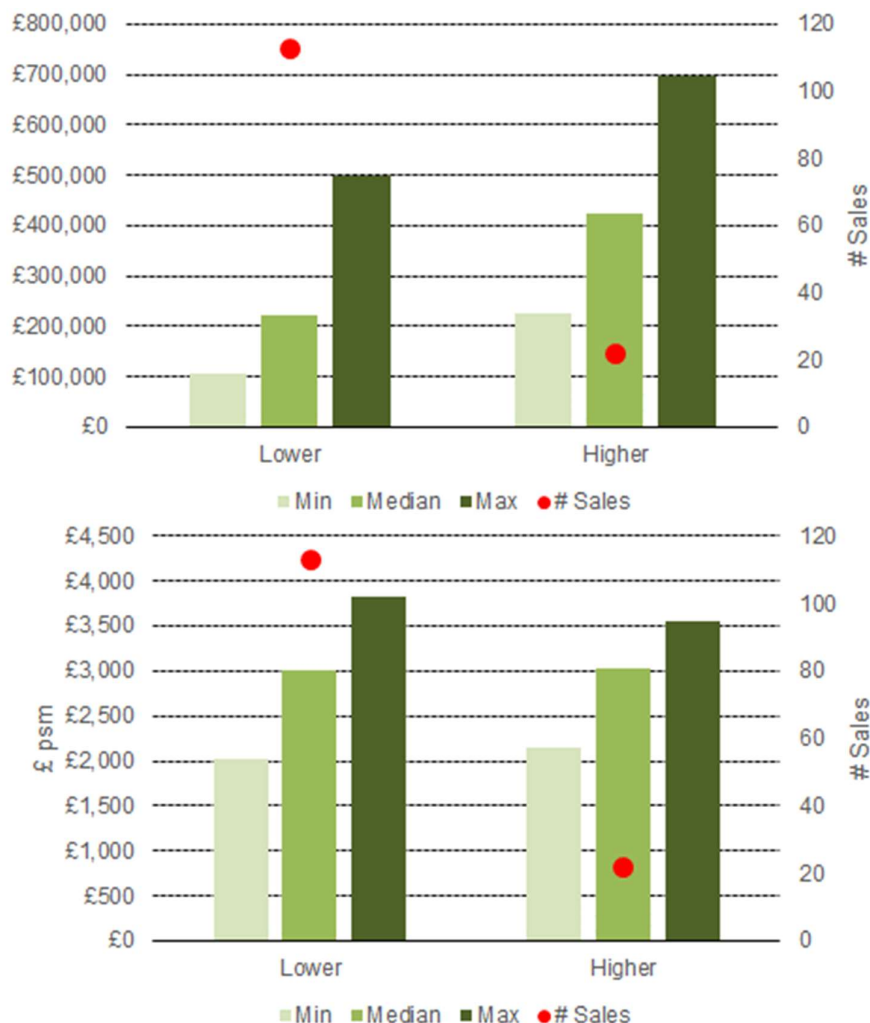


Source: AspinallVerdi using Land Registry

New-Build Sales by Value Zone

2.18 We have also analysed the data by the 2018 market value zones set out in Figure 2.1 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

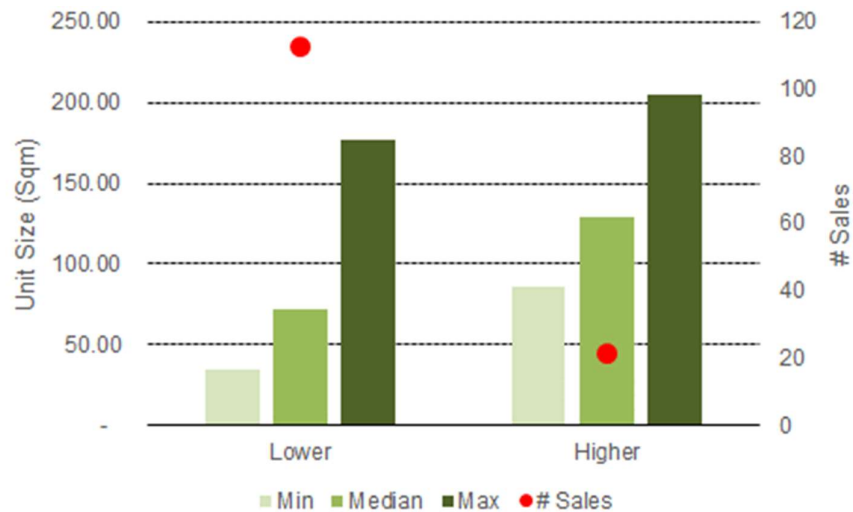


Source: AspinallVerdi using Land Registry

- 2.19 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.
- 2.20 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

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

Hawthorn Meadows Case Study

2.22 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.

2.23 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.

2.24 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

- 2.25 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.
- 2.26 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.

2.27 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

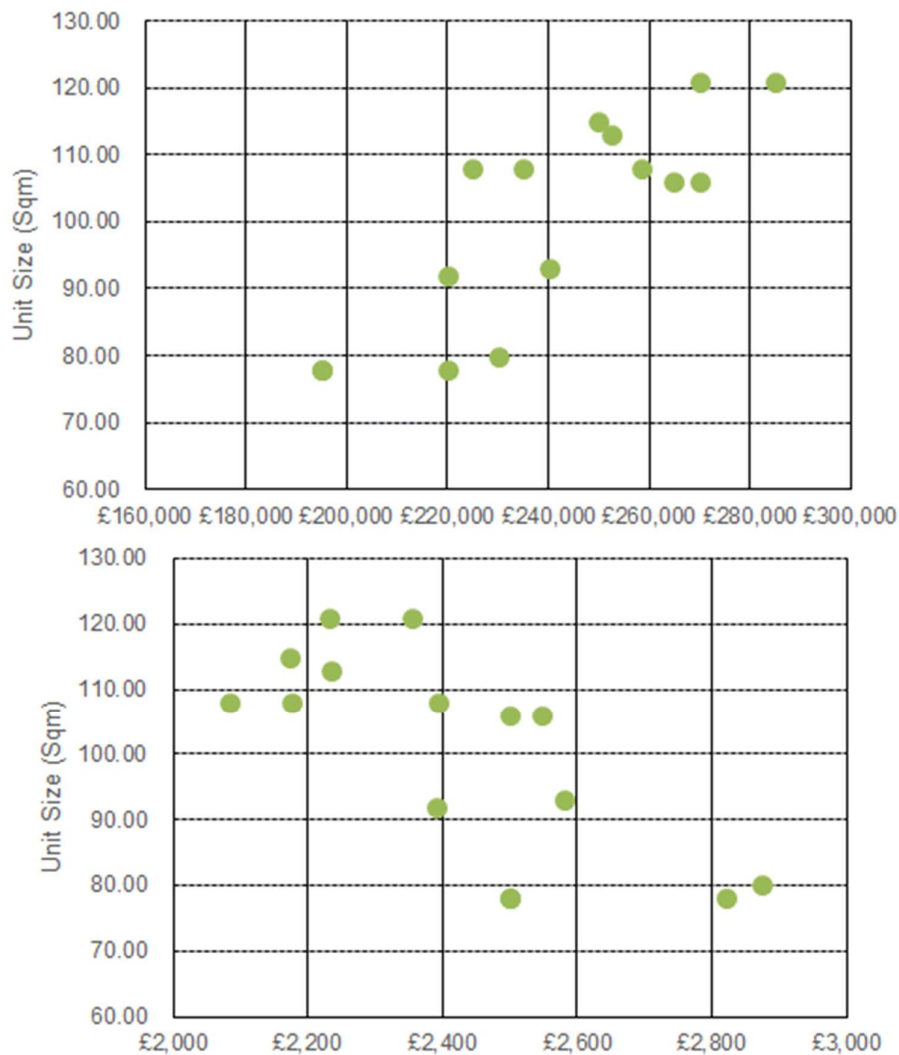


Source: AspinallVerdi using Land Registry

Gatcombe Manor Case Study

2.28 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

- 2.29 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

- 2.30 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.
- 2.31 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

- 2.32 It is worth noting that the lowest values on a PSM basis are for large properties, which could be argued to be those which are larger than average and aimed at aspirational buyers. The absolute value to some extent indicates this.

Wishing Well Close Case Study

- 2.33 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

- 2.34 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.
- 2.35 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 (lower) £220,000 (£3,008 psm) and (higher) £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.
- 2.36 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.
- 2.37 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

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

West Acre Park – Captiva Homes

2.39 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

2.40 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

House Type and Size		Asking Price
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

2.41 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

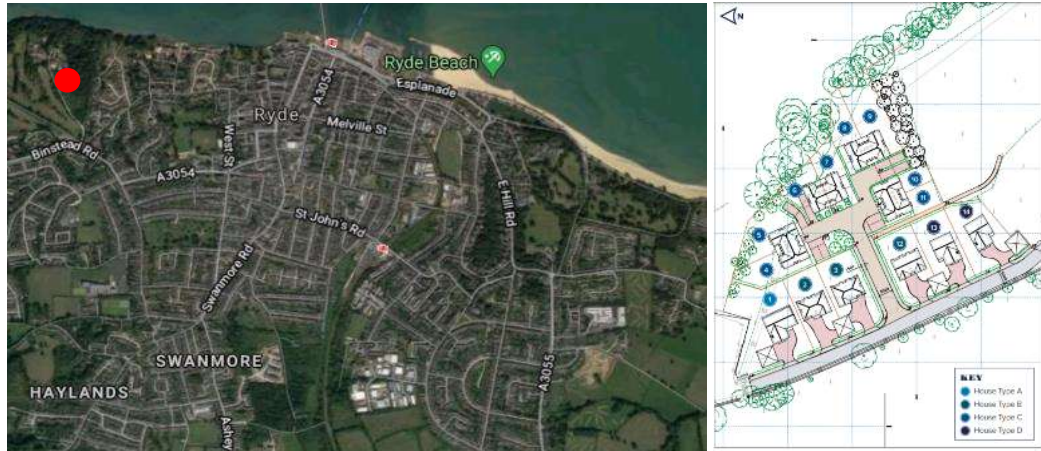


Source: Captiva Homes

Spencer Park, Ryde – Element Housing

2.42 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

2.43 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 a 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)	

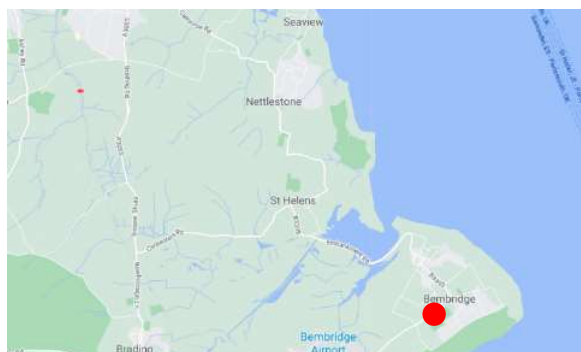
Property Type	Price	Image
4-bed detached (192 sqm)	Asking price £625,000 (£3,255 psm)	
5-bed detached (250 sqm)	Sale agreed, asking price was £725,000 (£2,900 psm)	

Source: Spence Willard

Steyne Road, Bembridge – Thornwood Estates

2.44 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

2.45 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

2.46 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.

2.47 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

2.48 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

2.49 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

2.50 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

- 2.51 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.
- 2.52 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

2.53 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 (2021)

- 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.

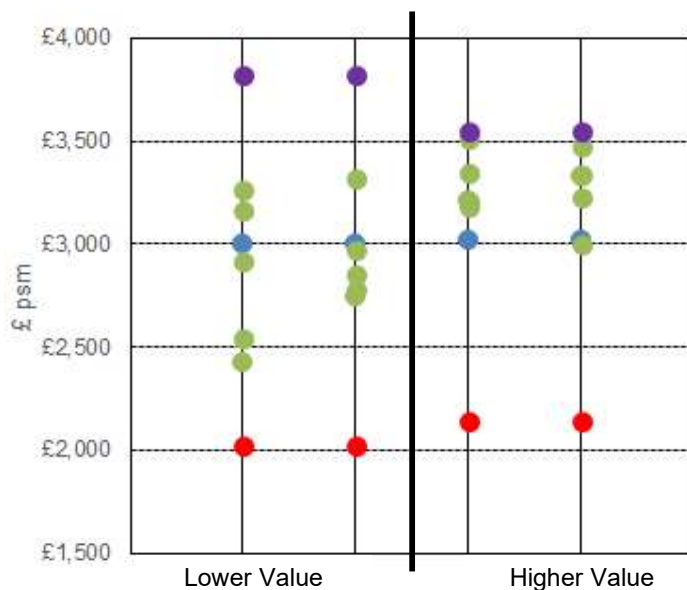
3.5 To inform our approach, the sold price data has had the greatest weight. Figure 3.1 shows that our assumptions are generally around the median rate up to towards the maximum on a per square metre basis but importantly not exceeding this Figure 2.5. We consider that we have adopted a reasonable approach 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

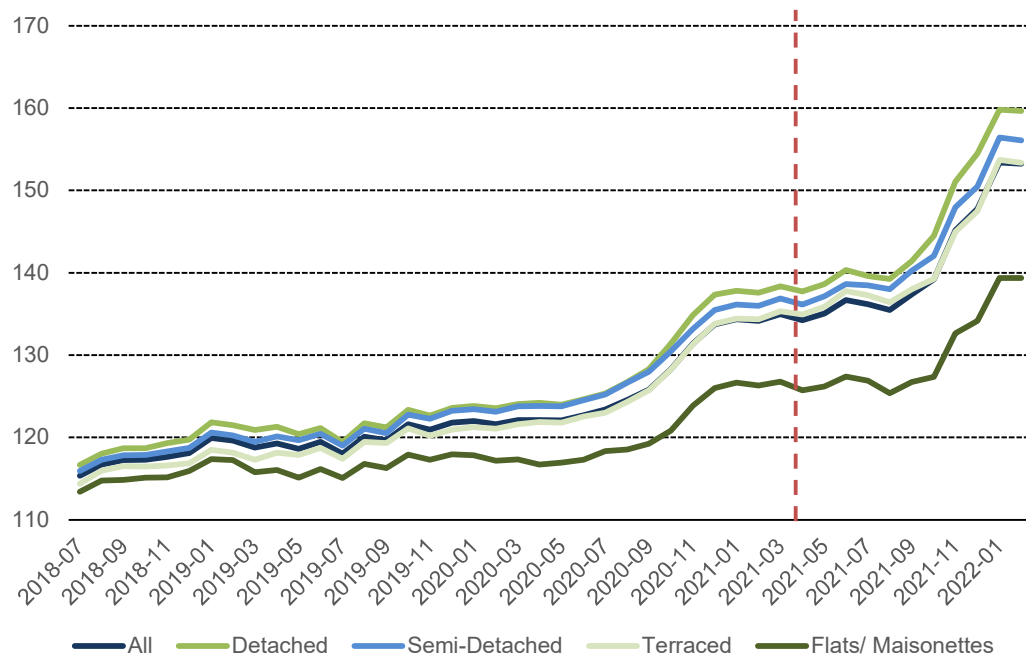
4 Market Value Assumptions (2022)

- 4.1 The market analysis above that was undertaken in 2021 allowed us to identify residential values for the viability appraisals in the range of £125,000 - £450,000 (£2,545 psm - £3,516 psm).
- 4.2 We have undertaken some analysis, which is outlined below, using Land Registry HPI data and transactional data to identify whether the value assumptions arrived at in 2021 are still applicable.

Land Registry – House Price Index

- 4.3 In 2021, analysis was undertaken of the Land Registry House Price Index which was outlined in Figure 2.2. The red line below indicates the level the index was at when the 2021 analysis was undertaken. We have updated the data which can be seen in Figure 4.1 below.

Figure 4.1 - Land Registry House Price Index for Isle of Wight (July 2018 – May 2022)



Source: Land Registry

- 4.4 The data indicates that across all house types the HPI index for Isle of Wight has increased from 134.2 in April 2021 to 153.2 in February 2022, highlighting an increase of 14.16%.
- 4.5 We have also used Land Registry transactional data to identify values per dwelling type between April 2021 (when analysis was last undertaken) to the present day (May 2022) which is outlined in Table 4.2 below.

Table 4.1 – Land Registry Average House Price (2022 update)

Avg Prices	All	Detached	Semi	Terraced	Flats
<i>Jan-18</i>	£207,398	£305,686	£209,825	£167,140	£125,996
<i>Apr-21</i>	£255,153	£384,148	£262,173	£208,361	£144,947
Feb-22	£280,802	£427,958	£289,295	£228,996	£155,575
<i>% Increase from 2021</i>	9.13%	10.24%	9.38%	9.01%	6.83%

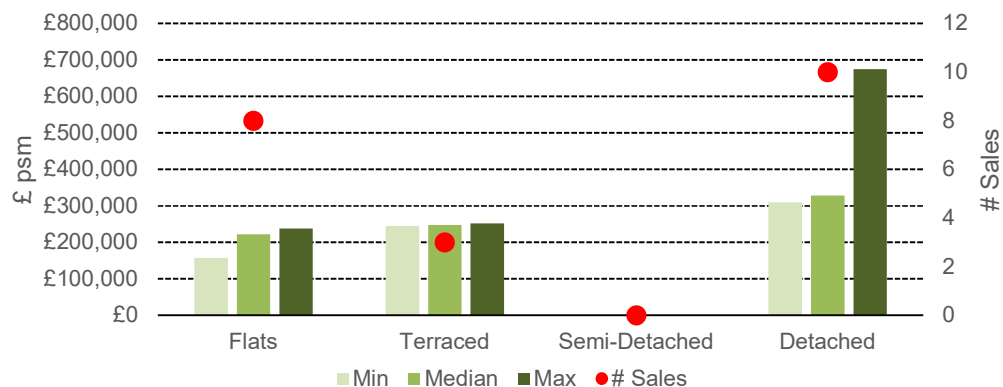
Source: Land Registry

- 4.6 The data indicates that since our previous analysis house prices across the Isle of Wight have increased by approximately 9.13%. This aligns with ONS analysis which has indicated that house prices across the UK have increased by £27,000 / 10.9% over the period February 2021 – February 2022⁴.

New-Build Sales Prices (2022)

- 4.7 We have analysed the transactional data in more detail below.
- 4.8 We were able to identify just 21 transactions of new-build residential properties (8 x flats, 3 x terraced, 10 x detached) on the island since the previous analysis was undertaken in March 2021, reflecting a relatively small sample size. There is generally a 3-month lag between what has transacted on the market and what is available on Land Registry so the data may be incomplete but will still allow for high-level analysis and comparison to be undertaken.
- 4.9 Figure 4.2 below outlines the sales values per house type.

Figure 4.2 - New-Build Sales by House Type



⁴ <https://www.homebuilding.co.uk/news/house-prices>



Table 4.2 – Land Registry Values per House Type

	Flat	Terraced	Semi	Detached
<i>Min</i>	£157,000	£245,000	-	£309,500
<i>Median</i>	£222,000	£248,000	-	£328,250
<i>Max</i>	£238,000	£252,000	-	£675,000

Source: AspinallVerdi using Land Registry

Conclusion

- 4.1 We have undertaken high-level analysis of residential values across the Isle of Wight using Land Registry data. Although there was a limited sample size, data has indicated that house prices have on average have increased by circa 9% on the island from April 2021 to February 2022, in line with what has been seen across the UK.
- 4.2 Tables 4.3 and 4.4 below outline our value assumptions used within our appraisals given the analysis above and undertaken in 2018, and 2021. The uplift in values reflect general house price inflation while also still aiming to coinciding with achievable capital values for the island and provide an appropriate spread of values across the different house types.

Table 4.3 – 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	£150,000	£2,727	55.00	£180,000	£3,273
2-Bed Flat	70.00	£180,000	£2,571	70.00	£230,000	£3,286
2-Bed House	72.00	£225,000	£3,125	78.00	£260,000	£3,333
3-Bed House	87.00	£280,000	£3,218	97.00	£330,000	£3,402
4-Bed House	115.00	£380,000	£3,304	128.00	£450,000	£3,516

Source: AspinallVerdi

Table 4.4 – 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	£140,000	£3,111	45.00	£160,000	£3,556
2-Bed Flat	60.00	£170,000	£2,833	60.00	£200,000	£3,333
2-Bed House	70.00	£210,000	£3,000	75.00	£240,000	£3,200
3-Bed House	84.00	£265,000	£3,155	93.00	£315,000	£3,387
4-Bed House	110.00	£375,000	£3,409	115.00	£420,000	£3,652

Source: AspinallVerdi

Table 4.4 – Change in Value Assumptions from 2021 Study

Typology	Lower Value		Higher Value	
	<49 Units	>50 Units	<49 Units	>50 Units
1-Bed Flat / House	+£10,000 (£182 psm)	+£15,000 (+£333 psm)	+£5,000 (£91 psm)	+£10,000 (£222 psm)
2-Bed Flat	+£10,000 (+£143 psm)	+£5,000 (£83 psm)	+£5,000 (+£71 psm)	+£0 (+£0 psm)
2-Bed House	+£15,000 (+£208 psm)	+£10,000 (+£143 psm)	+£10,000 (+£128 psm)	+£15,000 (+£200 psm)
3-Bed House	+£5,000 (+£57 psm)	+£15,000 (+£179 psm)	+£5,000 (+£52 psm)	+£15,000 (+£161 psm)
4-Bed House	+£5,000 (+£45 psm)	+£10,000 (+£91 psm)	+£0 (+£0 psm)	+£20,000 (+£174 psm)

Source: AspinallVerdi

5 Older Persons Housing (2021)

5.1 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.

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

5.3 Our value assumptions in 2018 were based on a combination of market evidence for sheltered housing and the Retirement Housing Group’s⁵ (RHG) research. Their methodology is set out in Table 5.1.

⁵ 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 5.1 - 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

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

Table 5.2 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

5.5 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 £2,625-£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

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

Woodland View

- 5.7 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 5.1 - Woodland View CGI



Source: Hose Rhodes Dickson

Colwell Road

- 5.8 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.
- 5.9 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 5.2 - Over 55's Apartment Scheme off Colwell Road



Source: Hose Rhodes Dickson

Princess Court – Captiva Homes

- 5.10 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.
- 5.11 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.
- 5.12 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.
- 5.13 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 5.3 – Princess Court



Source: Google and Captiva Homes

Older Persons Accommodation - Value Assumptions (2021)

- 5.14 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 5.3 - 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

Older Persons Accommodation - Value Assumptions (2022 update)

- 5.15 We have undertaken desktop market research to identify present market values for older persons accommodation across the Isle of Wight. Our research has indicated that present values are still broadly in line with what they were when the 2021 analysis was undertaken. We have therefore concluded there is insufficient evidence to suggest values have increased so our value assumptions have remained the same as above.

6 Affordable Housing Transfer Values (2022 update)

- 6.1 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.
- 6.2 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.
- 6.3 We begin this chapter by first outlining the Council's policy position on affordable housing as set out within the Island Planning Strategy (IPS) (2022) document. The policies, which are specifically worded to support flexible approaches for developers, aim to provide targets for affordable housing mixes on future developments.
- 6.4 To then test whether the policy prescribed transfer values, set out in Policy AFF1, are appropriate we have conducted analysis based on intermediate tenure properties reflecting differing levels of equity investment.

Affordable Housing Policy

- 6.5 The key policies which will impact housing and tenure mix, as well as transfer values, are set out below: (The text has been taken directly from the IPS 2022 document)
- AFF1 – Isle of Wight Affordable Housing
 - The Council has recognised that affordable housing as defined in the NPPF (20% discount from Market Value) is not affordable on the island. To address this, the Council will use the following definition of affordable housing:
 - For 1 and 2-bed homes: Up to 70% of market sale/rent value or the Local Housing Allowance, whichever is the lowest;
 - For 3-bed homes: Up to 65% market sale/rent or the Local Housing Allowance, whichever is the lowest;
 - For 4+-bed homes: Up to 50% market sale / rent or the Local Housing Allowance, whichever is the lowest.
 - H5 – Delivering Affordable Housing

- Proposals for a net gain of 10 or more dwellings to provide at least 35% affordable housing that meets the definition of affordable housing set out in policy AFF1.
- On such sites at least 25% of the affordable homes provided should be available as ‘First Homes’. First Homes are homes available to buy for qualifying first time buyers but with a minimum discount of 30% below their full market value. The Council has the ability to prioritise these homes for local people and/or key workers and increase the discount from market value based on local affordability, therefore will require a minimum discount of 40% from market value on these homes.
- The remaining affordable dwellings (25% First Homes, 75% remainder) a target mix of 70% of affordable housing for rent and 30% starter homes, discounted market sales or other affordable routes to home ownership will be required although alternative mixes that meet identified local housing needs will be supported. (for the purposes of the plan the target 70/30% split will be used).
- H8 – Ensuring the Right Mix of Housing
 - All proposals for residential development should demonstrate how they provide an appropriate mix of housing sizes that contribute to meeting identified needs and market demand in line with the latest Housing Needs Assessment and/or Local Housing Needs Surveys.
 - Development proposals for 10 or more dwellings should aim to deliver the percentage splits for housing sizes and tenures as set out in the table below, or those within an up-to-date Housing Needs Survey for the parish, or alternatively provide evidence to justify any different approach:

Tenure	1-bed	2-bed	3-bed	4+bed
Private	5%	35%	40%	20%
Affordable rent	50%	30%	15%	5%
Low cost home ownership	25%	45%	25%	5%

Intermediate Tenures (low-cost home ownership)

- 6.6 To test whether the affordable housing transfer values set out in Policy AFF1 are appropriate and achievable we have undertaken the following analysis based on two scenarios of a 50% equity share and a 10% equity share.
- 6.7 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%.

- 6.8 Table 6.1 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 an interest rate of 2.75% on 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 circa 74.75% of market value.

Table 6.1 – 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	£150,000	£180,000	£225,000	£280,000	£380,000
Initial Equity (50%)	£75,000	£90,000	£112,500	£140,000	£190,000
Rent (on Unsold Equity)	2.75%				
Gross Yearly Rent	£2,063	£2,475	£3,094	£3,850	£5,2
Net Yearly Rent	£1,856	£2,228	£2,784	£3,465	£4,703
Investment Yield	5.00%				
Transfer Price	£112,125	£134,550	£168,188	£209,300	£284,050
% Of Market Value	74.75%				

Source: AspinallVerdi

- 6.9 To provide evidence of the approach above, when we undertook to original analysis in 2021 we were 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.
- 6.10 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 6.2 – in this we have adjusted the yield upwards by 0.50% to reflect the increased risk associated with the RP owning a greater share and potentially being burdened with more operational cost.

Table 6.2 - 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	£150,000	£180,000	£225,000	£280,000	£380,000
Initial Equity (10%)	£15,000	£18,000	£22,500	£28,000	£38,000
Rent (on Unsold Equity)	2.75%				
Gross Yearly Rent	£3,713	£4,455	£5,569	£6,930	£9,405
Net Yearly Rent	£3,341	£4,010	£5,012	£6,237	£8,465
Investment Yield	5.50%				
Transfer Price	£75,750	£90,900	£113,625	£141,400	£191,900
% Of Market Value	50.50%				

Source: AspinallVerdi

- 6.11 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 circa 50% up to 75% 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.

Conclusion (low-cost home ownership)

- 6.12 Taken the above analysis into consideration we are content that the transfer values outlined in Policy AFF1 of the IPS, namely
- 70% of MV for 1 and 2 beds
 - 65% of MV for 3 beds and
 - 50% of MV for 4+ beds
- 6.13 These are reasonable across each house type and are reflected in our financial appraisals.

Appendix 5 - BCIS Build Costs

£/m2 study

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

Last updated: 21-May-2022 05:55

› Rebased to Isle of Wight (108; sample 19)

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,497	820	1,312	1,456	1,630	3,379	1216
810.1 Estate housing							
Generally (15)	1,499	730	1,278	1,443	1,637	5,185	1464
Single storey (15)	1,685	956	1,434	1,630	1,868	5,185	238
2-storey (15)	1,449	730	1,259	1,410	1,580	3,143	1130
3-storey (15)	1,547	934	1,239	1,483	1,739	3,075	91
4-storey or above (15)	3,154	1,532	2,535	2,830	4,212	4,661	5
810.11 Estate housing detached (15)	1,929	1,107	1,519	1,671	1,942	5,185	22
810.12 Estate housing semi detached							
Generally (15)	1,497	885	1,284	1,464	1,637	2,760	352
Single storey (15)	1,663	1,097	1,444	1,638	1,835	2,760	73
2-storey (15)	1,454	885	1,282	1,427	1,593	2,571	266
3-storey (15)	1,424	1,061	1,132	1,402	1,521	2,151	13
810.13 Estate housing terraced							
Generally (15)	1,545	934	1,255	1,454	1,703	4,661	260
Single storey (15)	1,783	1,136	1,491	1,828	2,072	2,451	19
2-storey (15)	1,485	940	1,247	1,428	1,632	3,143	197
3-storey (15)	1,578	934	1,232	1,459	1,801	3,075	42
816. Flats (apartments)							
Generally (15)	1,763	872	1,468	1,673	1,991	6,059	848
1-2 storey (15)	1,674	1,024	1,413	1,598	1,874	3,089	189
3-5 storey (15)	1,737	872	1,466	1,658	1,967	3,678	560
6 storey or above (15)	2,097	1,277	1,705	1,980	2,235	6,059	96
843. Supported housing							
Generally (15)	1,894	967	1,587	1,751	2,087	3,855	134
Single storey (15)	2,188	1,370	1,752	1,890	2,323	3,855	17
2-storey (15)	1,883	967	1,578	1,713	2,087	3,356	42
3-storey (15)	1,742	979	1,579	1,672	1,922	2,612	47
4-storey or above (15)	1,977	1,202	1,572	1,814	2,024	3,728	25

Appendix 6 - Residential Development Appraisals

220707 Isle of Wight Residential Appraisals_A-D_v0.1 - (updated mix) - Version Notes

Date	Version	Comments
220708	1	issued as final version to client

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

309 ASSUMPTIONS - RESIDENTIAL USES

Total number of units in scheme								10 Units	
AH Policy requirement (% Target)								35%	
AH tenure split %								Affordable Rent: 52.5%	
								Social Rent: 0.0%	52.5% % Rented
								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	40.0%	0.7	20.0%	0.3	14%	1.4	
2 Bed House	30.0%	2.0	30.0%	0.6	40.0%	0.7	32%	3.2	
3 Bed House	40.0%	2.6	25.0%	0.5	30.0%	0.5	36%	3.6	
4 Bed House	25.0%	1.6	5.0%	0.1	10.0%	0.2	19%	1.9	
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	59	632	77	824			
2 Bed House	140	1,511	88	943	228	2,454			
3 Bed House	226	2,435	83	897	310	3,332			
4 Bed House	187	2,012	30	320	217	2,331			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	571	6,150	259	2,791	831	8,941			
AH % by floor area:			31.22% 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	2,727	253					208,875	
2 Bed House	225,000	3,125	290					712,406	
3 Bed House	280,000	3,218	299					996,275	
4 Bed House	380,000	3,304	307					715,588	
1 Bed Flat	150,000	2,727	253					0	
2 Bed Flat	180,000	2,571	239					0	
								2,633,144	
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	105,000	70%	0		105,000	70%	105,000	70%	
2 Bed House	157,500	70%	0		157,500	70%	157,500	70%	
3 Bed House	182,000	65%	0		182,000	70%	182,000	65%	
4 Bed House	228,000	60%	0		228,000	70%	228,000	60%	
1 Bed Flat	105,000	70%	0		105,000	70%	105,000	70%	
2 Bed Flat	126,000	70%	0		126,000	70%	126,000	70%	

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.3	@	150,000	48,750
2 Bed House	2.0	@	225,000	438,750
3 Bed House	2.6	@	280,000	728,000
4 Bed House	1.6	@	380,000	617,500
1 Bed Flat	0.0	@	150,000	-
2 Bed Flat	0.0	@	180,000	-
	6.5			1,833,000
Affordable Rent GDV -				
1 Bed House	0.7	@	105,000	77,175
2 Bed House	0.6	@	157,500	86,822
3 Bed House	0.5	@	182,000	83,606
4 Bed House	0.1	@	228,000	20,948
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	1.8			268,551
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	@	105,000	18,375
2 Bed House	0.4	@	157,500	55,125
3 Bed House	0.3	@	196,000	51,450
4 Bed House	0.1	@	266,000	23,275
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	0.9			148,225
Intermediate GDV -				
1 Bed House	0.2	@	105,000	16,538
2 Bed House	0.3	@	157,500	49,613
3 Bed House	0.2	@	182,000	42,998
4 Bed House	0.1	@	228,000	17,955
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	0.8	3.5		127,103
Sub-total GDV Residential				2,376,878
AH on-site cost analysis:				256,266
			309 £ psm (total GIA sqm)	EMV (no AH) less £GDV (inc. AH) 256,267 £ per unit (total units)
Grant				-
4 AH units @ per unit				
Total GDV				2,376,878

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(4,620)
Planning Application Professional Fees, Surveys and reports				(10,000)
CIL	571 sqm (Market only)	0.00 £ psm		-
	CIL analysis:	0.00% % of GDV	0 £ per unit (total units)	
Site Specific S106 Contributions				-
	total	10 units @ per unit		(60,000)
	S106 analysis:	150,000 £ per ha	2.52% % of GDV	6,000 £ per unit (total u (60,000))
AH Commuted Sum	831 sqm (total)	 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
cont./				

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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		77	sqm @		1,499	psm
2 Bed House		228	sqm @		1,499	psm
3 Bed House		310	sqm @		1,499	psm
4 Bed House		217	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat		831	sqm @		1,737	psm
External works		1,245,180	@		15.0%	
	Ext. Works analysis:				18,678	£ per unit
M4(2) Category 2 Housing	Aff units	3.50	units @	70% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	3.50	units @	30% @	10,111	£ per unit
M4(2) Category 2 Housing	Mkrt units	6.50	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mkrt units	6.50	units @	10% @	10,111	£ per unit
Part L & Part F, 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	1	units @		337	£ per unit
	2 Bed	3	units @		487	£ per unit
Solent SPA	3 Bed	4	units @		637	£ per unit
	4 Bed	2	units @		749	£ per unit
Contingency (on construction)		1,516,988	@		3.0%	
Professional Fees		1,516,988	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		1,833,000	OMS @	1.50%	2,750	£ per unit
Residential Sales Agent Costs		1,833,000	OMS @	1.50%	2,750	£ per unit
Residential Sales Legal Costs		1,833,000	OMS @	0.50%	917	£ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				7,416	£ per unit
Interest (on Development Costs) -			7.00% APR		0.565%	pcm
Developers Profit -						
Profit on OMS		1,833,000		20.00%		
Margin on AH		543,878		6.00% on AH values		
	Profit analysis:	2,376,878		16.80% blended GDV	(399,233)	
		1,867,301		21.38% on costs	(399,233)	
TOTAL COSTS						(2,266,533)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					110,345
SDLT		110,345	@	HMRC formula	4,983
Acquisition Agent fees		110,345	@	1.0%	(1,103)
Acquisition Legal fees		110,345	@	0.5%	(552)
Interest on Land		110,345	@	7.00%	(7,724)
Residual Land Value					105,948
	RLV analysis:	10,595	£ per plot	264,871	£ per ha
				107,192	£ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density			25.0	dph	
Site Area (Net)			0.40	ha	0.99
Benchmark Land Value (Net)	9,884	£ per plot	247,100	£ per ha	100,000
	BLV analysis:	Density	2,077	sqm/ha	9,046
				sqft/ac	

BALANCE					
Surplus/(Deficit)		17,771	£ per ha	7,192	£ per acre

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
	-	155,660	136,776	117,893	99,009	80,125	61,241	42,358
1,000	146,652	127,768	108,884	90,001	71,117	52,233	33,349	
2,000	137,643	118,760	99,876	80,992	62,109	43,225	24,341	
3,000	128,635	109,751	90,868	71,984	53,100	34,217	15,333	
4,000	119,627	100,743	81,859	62,976	44,092	25,208	6,325	
5,000	110,619	91,735	72,851	53,967	35,084	16,200	(2,684)	
6,000	101,610	82,727	63,843	44,959	26,075	7,192	(11,692)	
7,000	92,602	73,718	54,835	35,951	17,067	(1,817)	(20,700)	
8,000	83,594	64,710	45,826	26,943	8,059	(10,825)	(29,709)	
9,000	74,585	55,702	36,818	17,934	(949)	(19,833)	(38,717)	
10,000	65,577	46,693	27,810	8,926	(9,958)	(28,841)	(47,725)	
12,500	43,056	24,173	5,289	(13,595)	(32,478)	(51,362)	(70,246)	
15,000	20,536	1,652	(17,232)	(36,115)	(54,999)	(73,931)	(92,890)	
17,500	(1,985)	(20,869)	(39,752)	(58,696)	(77,655)	(96,614)	(115,573)	
20,000	(24,506)	(43,461)	(62,420)	(81,379)	(100,338)	(119,298)	(138,257)	

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
15.0%	212,667	187,614	162,560	137,506	112,453	87,399	62,346	
16.0%	190,456	166,636	142,817	118,997	95,177	71,358	47,538	
17.0%	168,244	145,659	123,073	100,488	77,902	55,316	32,731	
18.0%	146,033	124,681	103,330	81,978	60,626	39,275	17,923	
19.0%	123,822	103,704	83,586	63,469	43,351	23,233	3,116	
20.0%	101,610	82,727	63,843	44,959	26,075	7,192	(11,692)	

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
100,000	101,610	82,727	63,843	44,959	26,075	7,192	(11,692)	
110,000	91,610	72,727	53,843	34,959	16,075	(2,808)	(21,692)	
120,000	81,610	62,727	43,843	24,959	6,075	(12,808)	(31,692)	
130,000	71,610	52,727	33,843	14,959	(3,925)	(22,808)	(41,692)	
140,000	61,610	42,727	23,843	4,959	(13,925)	(32,808)	(51,692)	
150,000	51,610	32,727	13,843	(5,041)	(23,925)	(42,808)	(61,692)	
160,000	41,610	22,727	3,843	(15,041)	(33,925)	(52,808)	(71,692)	
170,000	31,610	12,727	(6,157)	(25,041)	(43,925)	(62,808)	(81,692)	
180,000	21,610	2,727	(16,157)	(35,041)	(53,925)	(72,808)	(91,692)	
190,000	11,610	(7,273)	(26,157)	(45,041)	(63,925)	(82,808)	(101,692)	
200,000	1,610	(17,273)	(36,157)	(55,041)	(73,925)	(92,808)	(111,692)	
210,000	(8,390)	(27,273)	(46,157)	(65,041)	(83,925)	(102,808)	(121,692)	
220,000	(18,390)	(37,273)	(56,157)	(75,041)	(93,925)	(112,808)	(131,692)	
230,000	(28,390)	(47,273)	(66,157)	(85,041)	(103,925)	(122,808)	(141,692)	
240,000	(38,390)	(57,273)	(76,157)	(95,041)	(113,925)	(132,808)	(151,692)	
250,000	(48,390)	(67,273)	(86,157)	(105,041)	(123,925)	(142,808)	(161,692)	

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
15		20,966	9,636	(1,694)	(13,025)	(24,355)	(35,685)	(47,015)
18		41,127	27,909	14,690	1,471	(11,747)	(24,966)	(38,184)
Density (dph)		61,288	46,181	31,074	15,967	860	(14,247)	(29,354)
25.0		81,449	64,454	47,459	30,463	13,468	(3,527)	(20,523)
23		101,610	82,727	63,843	44,959	26,075	7,192	(11,692)
25		121,771	100,999	80,227	59,455	38,683	17,911	(2,861)
28		141,932	119,272	96,611	73,951	51,291	28,630	5,970
30		162,093	137,545	112,996	88,447	63,898	39,349	14,800
33		182,254	155,817	129,380	102,943	76,506	50,068	23,631
35		202,415	174,090	145,764	117,439	89,113	60,788	32,462
38		222,577	192,363	162,149	131,935	101,721	71,507	41,293
40		242,738	210,635	178,533	146,431	114,328	82,226	50,124
43		262,899	228,908	194,917	160,926	126,936	92,945	58,954
45		283,060	247,181	211,301	175,422	139,543	103,664	67,785
48		303,221	265,453	227,686	189,918	152,151	114,383	76,616
50		323,382	283,726	244,070	204,414	164,758	125,103	85,447
53								

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
90%		250,965	230,889	210,814	190,738	170,663	150,587	130,512
92%		221,094	201,257	181,420	161,583	141,745	121,908	102,071
Build Cost		191,223	171,624	152,025	132,427	112,828	93,229	73,630
100%		161,352	141,992	122,631	103,271	83,910	64,550	45,190
(105% = 5% increase)		131,481	112,359	93,237	74,115	54,993	35,871	16,749
100%		101,610	82,727	63,843	44,959	26,075	7,192	(11,692)
102%		71,739	53,094	34,449	15,803	(2,842)	(21,487)	(40,133)
104%		41,869	23,461	5,054	(13,353)	(31,760)	(50,167)	(68,574)
106%		11,998	(6,171)	(24,340)	(42,508)	(60,677)	(78,889)	(97,128)
108%		(17,873)	(35,804)	(53,763)	(71,763)	(89,762)	(107,762)	(125,761)
110%		(47,837)	(65,597)	(83,356)	(101,115)	(118,875)	(136,634)	(154,394)
112%		(77,910)	(95,429)	(112,949)	(130,468)	(147,988)	(165,507)	(183,027)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
80%		(241,763)	(241,595)	(241,427)	(241,259)	(241,091)	(240,923)	(240,756)
82%		(207,334)	(209,079)	(210,824)	(212,569)	(214,313)	(216,058)	(217,803)
Market Values		(172,905)	(176,563)	(180,220)	(183,878)	(187,535)	(191,193)	(194,850)
100%		(138,476)	(144,047)	(149,617)	(155,187)	(160,757)	(166,328)	(171,898)
(105% = 5% increase)		(104,048)	(111,530)	(119,013)	(126,496)	(133,979)	(141,462)	(148,945)
90%		(69,619)	(79,014)	(88,410)	(97,806)	(107,201)	(116,597)	(125,993)
92%		(35,215)	(46,498)	(57,807)	(69,115)	(80,423)	(91,732)	(103,040)
94%		(1,009)	(14,192)	(27,374)	(40,557)	(53,740)	(66,922)	(80,105)
96%		33,197	18,114	3,031	(12,052)	(27,135)	(42,218)	(57,301)
98%		67,404	50,421	33,437	16,454	(530)	(17,513)	(34,496)
100%		101,610	82,727	63,843	44,959	26,075	7,192	(11,692)
102%		135,817	115,033	94,249	73,465	52,680	31,896	11,112
104%		170,023	147,339	124,654	101,970	79,285	56,601	33,917
106%		204,230	179,645	155,060	130,475	105,890	81,306	56,721
108%		238,436	211,951	185,466	158,981	132,495	106,010	79,525
110%		272,643	244,257	215,872	187,486	159,101	130,715	102,329
112%		306,849	276,563	246,277	215,991	185,706	155,420	125,134
114%		341,055	308,869	276,683	244,497	212,311	180,124	147,938
116%		375,262	341,175	307,089	273,002	238,916	204,829	170,742
118%		409,468	373,481	337,494	301,508	265,521	229,534	193,547
120%		443,675	405,788	367,900	330,013	292,126	254,238	216,351

Scheme Ref: **A**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
1,000	7,192	131,652	112,769	93,885	75,001	56,117	37,234	18,350
2,000		121,638	102,755	83,871	64,987	46,103	27,220	8,336
Part L & Part F, FHS		111,624	92,741	73,857	54,973	36,089	17,206	(1,678)
4,000		101,610	82,727	63,843	44,959	26,075	7,192	(11,692)
£ per dwelling		91,596	72,713	53,829	34,945	16,061	(2,822)	(21,706)
5,000		81,582	62,699	43,815	24,931	6,047	(12,836)	(31,720)
6,000		71,568	52,685	33,801	14,917	(3,966)	(22,850)	(41,734)
7,000		61,554	42,671	23,787	4,903	(13,980)	(32,864)	(51,748)
8,000		51,540	32,657	13,773	(5,111)	(23,994)	(42,878)	(61,762)
9,000		41,527	22,643	3,759	(15,125)	(34,008)	(52,892)	(71,776)
10,000		31,513	12,629	(6,255)	(25,139)	(44,022)	(62,906)	(81,801)
11,000		21,499	2,615	(16,269)	(35,153)	(54,036)	(72,923)	(91,882)
12,000		11,485	(7,399)	(26,283)	(45,167)	(64,050)	(83,005)	(101,964)
13,000		1,471	(17,413)	(36,297)	(55,181)	(74,127)	(93,086)	(112,045)
14,000		(8,543)	(27,427)	(46,311)	(65,249)	(84,209)	(103,168)	(122,127)
15,000								

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	7,192	10%	15%	20%	25%	30%	35%	40%
40%	7,192	86,408	59,924	33,439	6,954	(19,530)	(46,015)	(72,500)
45%		88,942	63,724	38,506	13,288	(11,929)	(37,147)	(62,365)
First Homes £		91,476	67,525	43,574	19,623	(4,328)	(28,279)	(52,230)
50%		94,009	71,325	48,641	25,957	3,273	(19,412)	(42,096)
70%		96,543	75,126	53,708	32,291	10,873	(10,544)	(31,961)
of Market Value		99,077	78,926	58,776	38,625	18,474	(1,676)	(21,827)
65%		101,610	82,727	63,843	44,959	26,075	7,192	(11,692)
70%								

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

309 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%		
Open Market Sale (OMS) housing								65%	16.6% % of total (>10% for NPPF para 64.)
								100%	
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	40.0%	0.7	20.0%	0.3	14%	1.4	
2 Bed House	30.0%	2.0	30.0%	0.6	40.0%	0.7	32%	3.2	
3 Bed House	40.0%	2.6	25.0%	0.5	30.0%	0.5	36%	3.6	
4 Bed House	25.0%	1.6	5.0%	0.1	10.0%	0.2	19%	1.9	
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	59	632	77	824			
2 Bed House	140	1,511	88	943	228	2,454			
3 Bed House	226	2,435	83	897	310	3,332			
4 Bed House	187	2,012	30	320	217	2,331			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	571	6,150	259	2,791	831	8,941			
AH % by floor area:		31.22% 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	2,727	253					208,875	
2 Bed House	225,000	3,125	290					712,406	
3 Bed House	280,000	3,218	299					996,275	
4 Bed House	380,000	3,304	307					715,588	
1 Bed Flat	150,000	2,727	253					0	
2 Bed Flat	180,000	2,571	239					0	
								2,633,144	
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	105,000	70%	0		105,000	70%	105,000	70%	
2 Bed House	157,500	70%	0		157,500	70%	157,500	70%	
3 Bed House	182,000	65%	0		196,000	70%	182,000	65%	
4 Bed House	228,000	60%	0		266,000	70%	228,000	60%	
1 Bed Flat	105,000	70%	0		105,000	70%	105,000	70%	
2 Bed Flat	126,000	70%	0		126,000	70%	126,000	70%	

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.3	@	150,000	48,750
2 Bed House	2.0	@	225,000	438,750
3 Bed House	2.6	@	280,000	728,000
4 Bed House	1.6	@	380,000	617,500
1 Bed Flat	0.0	@	150,000	-
2 Bed Flat	0.0	@	180,000	-
	6.5			1,833,000
Affordable Rent GDV -				
1 Bed House	0.7	@	105,000	77,175
2 Bed House	0.6	@	157,500	86,822
3 Bed House	0.5	@	182,000	83,606
4 Bed House	0.1	@	228,000	20,948
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	1.8			268,551
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	@	105,000	18,375
2 Bed House	0.4	@	157,500	55,125
3 Bed House	0.3	@	196,000	51,450
4 Bed House	0.1	@	266,000	23,275
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	0.9			148,225
Intermediate GDV -				
1 Bed House	0.2	@	105,000	16,538
2 Bed House	0.3	@	157,500	49,613
3 Bed House	0.2	@	182,000	42,998
4 Bed House	0.1	@	228,000	17,955
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	0.8	3.5		127,103
Sub-total GDV Residential				10
AH on-site cost analysis:				2,376,878
			EMV (no AH) less £GDV (inc. AH)	256,266
			309 £ psm (total GIA sqm)	25,627 £ per unit (total units)
Grant				
		4	AH units @	per unit
Total GDV				2,376,878

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(4,620)
Planning Application Professional Fees, Surveys and reports				(10,000)
CIL				-
		571 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	2.52% % of GDV	6,000 £ per unit (total u (60,000)
AH Commuted Sum				-
Comm. Sum analysis:		831 sqm (total)	0 £ psm	
		0.00% % of GDV		
cont./				

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

Construction Costs -						
Site Clearance, Demolition & Remediation		0.25	ha @		110,000	£ per ha (if brownfield)
Net Biodiversity costs		10	units @		287	£ 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		77	sqm @		1,499	psm
2 Bed House		228	sqm @		1,499	psm
3 Bed House		310	sqm @		1,499	psm
4 Bed House		217	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat		831	sqm @		1,737	psm
External works		1,245,180	@		15.0%	
	Ext. Works analysis:				18,678	£ per unit
M4(2) Category 2 Housing	Aff units	3.50	units @	70% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	4	units @	30% @	10,111	£ per unit
M4(2) Category 2 Housing	Mkrt units	7	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mkrt units	7	units @	10% @	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	1	units @		337	£ per unit
	2 Bed	3	units @		487	£ per unit
Solent SPA		4	units @		637	£ per unit
	3 Bed	2	units @		749	£ per unit
	4 Bed	2	units @			
Contingency (on construction)		1,537,248	@		5.0%	
Professional Fees		1,537,248	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		1,833,000	OMS @	1.50%	2,750	£ per unit
Residential Sales Agent Costs		1,833,000	OMS @	1.50%	2,750	£ per unit
Residential Sales Legal Costs		1,833,000	OMS @	0.50%	917	£ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				7,416	£ per unit
Interest (on Development Costs) -			7.00% APR		0.565%	pcm
Developers Profit -						
Profit on OMS		1,833,000		20.00%		
Margin on AH		543,878		6.00% on AH values		
	Profit analysis:	2,376,878		16.80% blended GDV	(399,233)	
		1,922,608		20.77% on costs	(399,233)	
TOTAL COSTS						(2,321,841)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					55,037
SDLT		55,037	@	HMRC formula	7,748
Acquisition Agent fees		55,037	@	1.0%	(550)
Acquisition Legal fees		55,037	@	0.5%	(275)
Interest on Land		55,037	@	7.00%	(3,853)
Residual Land Value					58,107
	RLV analysis:	5,811	£ per plot	232,428	£ per ha
				94,062	£ 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
	BLV analysis:	Density	3,323	sqm/ha	14,474
				sqft/ac	

BALANCE					
Surplus/(Deficit)		(14,672)	£ per ha	(5,938)	£ per acre
					(3,668)

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
	-	230,051	200,149	170,247	140,346	110,444	80,542	50,640
1,000		215,638	185,736	155,834	125,932	96,030	66,129	36,227
Site Specific S106		201,225	171,323	141,421	111,519	81,617	51,715	21,814
6,000		186,811	156,910	127,008	97,106	67,204	37,302	7,400
4,000		172,398	142,496	112,594	82,693	52,791	22,889	(7,013)
5,000		157,985	128,083	98,181	68,279	38,377	8,476	(21,426)
6,000		143,572	113,670	83,768	53,866	23,964	(5,938)	(35,840)
7,000		129,158	99,256	69,355	39,453	9,551	(20,351)	(60,253)
8,000		114,745	84,843	54,941	25,040	(4,862)	(34,764)	(64,666)
9,000		100,332	70,430	40,528	10,626	(19,276)	(49,177)	(79,124)
10,000		85,919	56,017	26,115	(3,787)	(33,689)	(63,620)	(93,641)
12,500		49,885	19,984	(9,918)	(39,873)	(69,893)	(99,914)	(129,934)
15,000		13,852	(16,125)	(46,146)	(76,166)	(106,187)	(136,207)	(166,228)
17,500		(22,398)	(52,418)	(82,439)	(112,460)	(142,480)	(172,501)	(202,521)
20,000		(58,691)	(88,712)	(118,732)	(148,753)	(178,774)	(208,794)	(238,815)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
15.0%		321,262	281,489	241,715	201,942	162,168	122,395	82,621
16.0%		285,724	247,925	210,126	172,327	134,527	96,728	58,929
Profit		250,186	214,361	178,536	142,711	106,887	71,062	35,237
20.0%		214,648	180,797	146,947	113,096	79,246	45,395	11,545
19.0%		179,110	147,234	115,357	83,481	51,605	19,729	(12,147)
20.0%		143,572	113,670	83,768	53,866	23,964	(5,938)	(35,840)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
100,000		143,572	113,670	83,768	53,866	23,964	(5,938)	(35,840)
110,000		133,572	103,670	73,768	43,866	13,964	(15,938)	(45,840)
BLV (£ per acre)		123,572	93,670	63,768	33,866	3,964	(25,938)	(55,840)
100,000		113,572	83,670	53,768	23,866	(6,036)	(35,938)	(65,840)
140,000		103,572	73,670	43,768	13,866	(16,036)	(45,938)	(75,840)
150,000		93,572	63,670	33,768	3,866	(26,036)	(55,938)	(85,840)
160,000		83,572	53,670	23,768	(6,134)	(36,036)	(65,938)	(95,840)
170,000		73,572	43,670	13,768	(16,134)	(46,036)	(75,938)	(105,840)
180,000		63,572	33,670	3,768	(26,134)	(56,036)	(85,938)	(115,840)
190,000		53,572	23,670	(6,232)	(36,134)	(66,036)	(95,938)	(125,840)
200,000		43,572	13,670	(16,232)	(46,134)	(76,036)	(105,938)	(135,840)
210,000		33,572	3,670	(26,232)	(56,134)	(86,036)	(115,938)	(145,840)
220,000		23,572	(6,330)	(36,232)	(66,134)	(96,036)	(125,938)	(155,840)
230,000		13,572	(16,330)	(46,232)	(76,134)	(106,036)	(135,938)	(165,840)
240,000		3,572	(26,330)	(56,232)	(86,134)	(116,036)	(145,938)	(175,840)
250,000		(6,428)	(36,330)	(66,232)	(96,134)	(126,036)	(155,938)	(185,840)

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
Density (dph)	15	(37,063)	(48,276)	(59,490)	(70,703)	(81,916)	(93,148)	(104,406)
	18	(19,000)	(32,082)	(45,164)	(58,246)	(71,328)	(84,410)	(97,523)
	20	(936)	(15,887)	(30,838)	(45,789)	(60,740)	(75,691)	(90,642)
40.0	23	17,127	307	(16,512)	(33,332)	(50,152)	(66,972)	(83,792)
	25	35,191	16,502	(2,187)	(20,875)	(39,564)	(58,253)	(76,941)
	28	53,254	32,697	12,139	(8,418)	(28,976)	(49,533)	(70,091)
	30	71,318	48,891	26,465	4,038	(18,388)	(40,814)	(63,241)
	33	89,381	65,086	40,791	16,495	(7,800)	(32,095)	(56,390)
	35	107,445	81,280	55,116	28,952	2,788	(23,376)	(49,540)
	38	125,508	97,475	69,442	41,409	13,376	(14,657)	(42,690)
	40	143,572	113,670	83,768	53,866	23,964	(5,938)	(35,840)
	43	161,635	129,864	98,094	66,323	34,552	2,781	(28,989)
	45	179,699	146,059	112,419	78,780	45,140	11,501	(22,139)
	48	197,762	162,254	126,745	91,237	55,728	20,220	(15,289)
	50	215,825	178,448	141,071	103,694	66,316	28,939	(8,438)
	53	233,889	194,643	155,397	116,150	76,904	37,658	(1,588)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
Build Cost	90%	386,845	355,002	323,158	291,315	259,472	227,629	195,786
	92%	338,190	306,735	275,280	243,826	212,371	180,916	149,461
	94%	289,535	258,469	227,402	196,336	165,269	134,203	103,136
100%	96%	240,881	210,202	179,524	148,846	118,167	87,489	56,811
(105% = 5% increase)	98%	192,226	161,936	131,646	101,356	71,066	40,776	10,486
	100%	143,572	113,670	83,768	53,866	23,964	(5,938)	(35,840)
	102%	94,917	65,403	35,890	6,376	(23,137)	(52,651)	(82,209)
	104%	46,262	17,137	(11,988)	(41,131)	(70,370)	(99,608)	(128,847)
	106%	(2,397)	(31,245)	(60,093)	(88,941)	(117,789)	(146,637)	(175,485)
	108%	(51,380)	(79,837)	(108,295)	(136,752)	(165,209)	(193,666)	(222,123)
	110%	(100,363)	(128,430)	(156,496)	(184,562)	(212,629)	(240,695)	(268,761)
	112%	(149,346)	(177,022)	(204,697)	(232,373)	(260,048)	(287,724)	(315,399)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
Market Values	80%	(406,310)	(405,727)	(405,144)	(404,561)	(403,979)	(403,396)	(402,813)
	82%	(351,224)	(353,701)	(356,179)	(358,656)	(361,134)	(363,611)	(366,089)
	84%	(296,138)	(301,675)	(307,213)	(312,751)	(318,289)	(323,827)	(329,365)
100%	86%	(241,051)	(249,650)	(258,248)	(266,846)	(275,444)	(284,042)	(292,640)
(105% = 5% increase)	88%	(185,965)	(197,624)	(209,282)	(220,941)	(232,599)	(244,258)	(255,916)
	90%	(130,879)	(145,598)	(160,317)	(175,036)	(189,754)	(204,473)	(219,192)
	92%	(75,793)	(93,572)	(111,351)	(129,130)	(146,910)	(164,689)	(182,468)
	94%	(20,707)	(41,546)	(62,386)	(83,225)	(104,065)	(124,904)	(145,744)
	96%	34,111	10,290	(13,530)	(37,351)	(61,220)	(85,120)	(109,020)
	98%	88,841	61,980	35,119	8,257	(18,604)	(45,465)	(72,326)
	100%	143,572	113,670	83,768	53,866	23,964	(5,938)	(35,840)
	102%	198,302	165,359	132,417	99,475	66,532	33,590	647
	104%	253,032	217,049	181,066	145,083	109,100	73,117	37,134
	106%	307,763	268,739	229,715	190,692	151,668	112,645	73,621
	108%	362,493	320,429	278,365	236,300	194,236	152,172	110,108
	110%	417,223	372,118	327,014	281,909	236,804	191,700	146,595
	112%	471,954	423,808	375,663	327,518	279,372	231,227	183,082
	114%	526,684	475,498	424,312	373,126	321,940	270,755	219,569
	116%	581,414	527,188	472,961	418,735	364,508	310,282	256,056
	118%	636,144	578,877	521,610	464,343	407,076	349,809	292,542
	120%	690,875	630,567	570,260	509,952	449,644	389,337	329,029

Scheme Ref: **B**
 No Units: **10** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
1,000		192,505	162,603	132,701	102,799	72,897	42,995	13,094
2,000		176,194	146,292	116,390	86,488	56,586	26,684	(3,217)
Carbon/Energy Reduction/FHS		3,000	159,883	129,981	100,079	70,177	40,275	(19,528)
4,000		4,000	143,572	113,670	83,768	53,866	23,964	(5,938)
£ per dwelling		5,000	127,261	97,359	67,457	37,555	7,653	(22,249)
6,000		6,000	110,949	81,048	51,146	21,244	(8,658)	(38,560)
7,000		7,000	94,638	64,737	34,835	4,933	(24,969)	(54,871)
8,000		8,000	78,327	48,426	18,524	(11,378)	(41,280)	(71,236)
9,000		9,000	62,016	32,115	2,213	(27,689)	(57,636)	(87,657)
10,000		10,000	45,705	15,803	(14,098)	(44,037)	(74,057)	(104,078)
11,000		11,000	29,394	(508)	(30,437)	(60,458)	(90,478)	(120,499)
12,000		12,000	13,083	(16,838)	(46,858)	(76,879)	(106,900)	(136,920)
13,000		13,000	(3,238)	(33,259)	(63,280)	(93,300)	(123,321)	(153,341)
14,000		14,000	(19,660)	(49,680)	(79,701)	(109,721)	(139,742)	(169,762)
15,000		15,000	(36,081)	(66,101)	(96,122)	(126,143)	(156,163)	(186,184)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,938)	10%	15%	20%	25%	30%	35%	40%
40%		140,556	109,147	77,737	46,328	14,918	(16,491)	(47,901)
45%		141,059	109,901	78,742	47,584	16,426	(14,732)	(45,890)
50%		141,561	110,654	79,748	48,841	17,934	(12,973)	(43,880)
55%		142,064	111,408	80,753	50,097	19,441	(11,214)	(41,870)
60%		142,566	112,162	81,758	51,353	20,949	(9,455)	(39,860)
65%		143,069	112,916	82,763	52,610	22,457	(7,697)	(37,850)
70%		143,572	113,670	83,768	53,866	23,964	(5,938)	(35,840)

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

309 ASSUMPTIONS - RESIDENTIAL USES

Total number of units in scheme								20 Units
AH Policy requirement (% Target)								35%
AH tenure split %	Affordable Rent:						52.5%	
	Social Rent:						0.0%	52.5% % Rented
	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	40.0%	1.5	20.0%	0.7	14%	2.8
2 Bed House	30.0%	3.9	30.0%	1.1	40.0%	1.3	32%	6.3
3 Bed House	40.0%	5.2	25.0%	0.9	30.0%	1.0	36%	7.1
4 Bed House	25.0%	3.3	5.0%	0.2	10.0%	0.3	19%	3.8
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%	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	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)	Net to Gross %			Gross (GIA) per unit (sqm)			
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)	AH units GIA (sqm)			Total GIA (all units) (sqm)			
1 Bed House	36	385	117	1,264	153	1,649		
2 Bed House	281	3,023	175	1,885	456	4,908		
3 Bed House	452	4,870	167	1,794	619	6,664		
4 Bed House	374	4,023	59	639	433	4,662		
1 Bed Flat	0	0	0	0	0	0		
2 Bed Flat	0	0	0	0	0	0		
	1,143	12,300	519	5,583	1,661	17,883		
	AH % by floor area:		31.22% 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	2,727	253			417,750		
2 Bed House	225,000	3,125	290			1,424,813		
3 Bed House	280,000	3,218	299			1,992,550		
4 Bed House	380,000	3,304	307			1,431,175		
1 Bed Flat	150,000	2,727	253			0		
2 Bed Flat	180,000	2,571	239			0		
						5,266,288		
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	105,000	70%	0		105,000	70%	105,000	70%
2 Bed House	157,500	70%	0		157,500	70%	157,500	70%
3 Bed House	182,000	65%	0		196,000	70%	182,000	65%
4 Bed House	228,000	60%	0		266,000	70%	228,000	60%
1 Bed Flat	105,000	70%	0		105,000	70%	105,000	70%
2 Bed Flat	126,000	70%	0		126,000	70%	126,000	70%

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.7	@	150,000	97,500
2 Bed House	3.9	@	225,000	877,500
3 Bed House	5.2	@	280,000	1,456,000
4 Bed House	3.3	@	380,000	1,235,000
1 Bed Flat	0.0	@	150,000	-
2 Bed Flat	0.0	@	180,000	-
	13.0			3,666,000
Affordable Rent GDV -				
1 Bed House	1.5	@	105,000	154,350
2 Bed House	1.1	@	157,500	173,644
3 Bed House	0.9	@	182,000	167,213
4 Bed House	0.2	@	228,000	41,895
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	3.7			537,101
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	@	105,000	36,750
2 Bed House	0.7	@	157,500	110,250
3 Bed House	0.5	@	196,000	102,900
4 Bed House	0.2	@	266,000	46,550
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	1.8			296,450
Intermediate GDV -				
1 Bed House	0.3	@	105,000	33,075
2 Bed House	0.6	@	157,500	99,225
3 Bed House	0.5	@	182,000	85,995
4 Bed House	0.2	@	228,000	35,910
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	1.6	7.0		254,205
Sub-total GDV Residential				4,753,756
AH on-site cost analysis:				512,531
			309 £ psm (total GIA sqm)	EMV (no AH) less £GDV (inc. AH) 25,627 £ per unit (total units)
Grant				
		7	AH units @ [redacted] per unit	-
Total GDV				4,753,756

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(9,240)
Planning Application Professional Fees, Surveys and reports				(30,000)
CIL				-
		1,143 sqm (Market only)	0.00 £ psm	-
CIL analysis:		0.00% % of GDV	0 £ per unit (total units)	-
Site Specific S106 Contributions				-
total				(120,000)
		20 units @ [redacted] per unit		
S106 analysis:		150,000 £ per ha	2.52% % of GDV	6,000 £ per unit (total u) (120,000)
AH Commuted Sum				-
		1,861 sqm (total)	[redacted] £ psm	-
Comm. Sum analysis:		0.00% % of GDV		-
cont./				

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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		153	sqm @		1,499	psm
2 Bed House		456	sqm @		1,499	psm
3 Bed House		619	sqm @		1,499	psm
4 Bed House		433	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat	1,661	-	sqm @		1,737	psm
External works		2,490,360	@		15.0%	
	Ext. Works analysis:				18,678	£ per unit
M4(2) Category 2 Housing	Aff units	7.00	units @	70%	@	521 £ per unit
M4(3) Category 3 Housing	Aff units	7	units @	30%	@	10,111 £ per unit
M4(2) Category 2 Housing	Mkrt units	13	units @	20%	@	521 £ per unit
M4(3) Category 3 Housing	Mkrt units	13	units @	10%	@	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	6	units @			487 £ per unit
Solent SPA	3 Bed	7	units @			637 £ per unit
	4 Bed	4	units @			749 £ per unit
Contingency (on construction)		3,033,975	@		3.0%	
Professional Fees		3,033,975	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		3,666,000	OMS @		1.50%	2,750 £ per unit
Residential Sales Agent Costs		3,666,000	OMS @		1.50%	2,750 £ per unit
Residential Sales Legal Costs		3,666,000	OMS @		0.50%	917 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:					6,916 £ per unit
Interest (on Development Costs) -			7.00%	APR		0.565% pcm
Developers Profit -						
Profit on OMS		3,666,000			20.00%	
Margin on AH		1,087,756			6.00%	on AH values
	Profit analysis:	4,753,756			16.80%	blended GDV (798,465)
		3,720,404			21.46%	on costs (798,465)
TOTAL COSTS						(4,518,870)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					234,886
SDLT		234,886	@	HMRC formula	(1,244)
Acquisition Agent fees		234,886	@	1.0%	(2,349)
Acquisition Legal fees		234,886	@	0.5%	(1,174)
Interest on Land		234,886	@	7.00%	(16,442)
Residual Land Value					213,677
	RLV analysis:	10,684	£ per plot	267,096	£ per ha
				108,092	£ 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 £ per acre
	BLV analysis:	Density	2,077	sqm/ha	9,046 sqft/ac

BALANCE				
Surplus/(Deficit)		19,996	£ per ha	8,092 £ per acre

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
	-	158,374	139,106	119,837	100,569	81,301	62,033	42,764
1,000		149,384	130,116	110,847	91,579	72,311	53,043	33,774
2,000		140,394	121,125	101,857	82,589	63,321	44,053	24,784
3,000		131,404	112,135	92,867	73,599	54,331	35,062	15,794
4,000		122,414	103,145	83,877	64,609	45,341	26,072	6,804
5,000		113,424	94,155	74,887	55,619	36,351	17,082	(2,186)
6,000		104,433	85,165	65,897	46,629	27,361	8,092	(11,176)
7,000		95,443	76,175	56,907	37,639	18,370	(898)	(20,166)
8,000		86,453	67,185	47,917	28,649	9,380	(9,888)	(29,180)
9,000		77,463	58,195	38,927	19,659	390	(18,916)	(38,224)
10,000		68,473	49,205	29,937	10,655	(8,653)	(27,960)	(47,267)
12,500		45,967	26,660	7,352	(11,955)	(31,262)	(50,570)	(69,877)
15,000		23,358	4,050	(15,257)	(34,564)	(53,872)	(73,179)	(92,486)
17,500		748	(18,559)	(37,867)	(57,174)	(76,481)	(95,789)	(115,096)
20,000		(21,862)	(41,169)	(60,476)	(79,784)	(99,091)	(118,398)	(137,706)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
15.0%		215,490	190,052	164,614	139,176	113,738	88,300	62,862
16.0%		193,279	169,075	144,871	120,667	96,462	72,258	48,054
17.0%		171,068	148,097	125,127	102,157	79,187	56,217	33,247
18.0%		148,856	127,120	105,384	83,648	61,911	40,175	18,439
19.0%		126,645	106,143	85,640	65,138	44,636	24,134	3,632
20.0%		104,433	85,165	65,897	46,629	27,361	8,092	(11,176)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
100,000		104,433	85,165	65,897	46,629	27,361	8,092	(11,176)
110,000		94,433	75,165	55,897	36,629	17,361	(1,908)	(21,176)
120,000		84,433	65,165	45,897	26,629	7,361	(11,908)	(31,176)
130,000		74,433	55,165	35,897	16,629	(2,639)	(21,908)	(41,176)
140,000		64,433	45,165	25,897	6,629	(12,639)	(31,908)	(51,176)
150,000		54,433	35,165	15,897	(3,371)	(22,639)	(41,908)	(61,176)
160,000		44,433	25,165	5,897	(13,371)	(32,639)	(51,908)	(71,176)
170,000		34,433	15,165	(4,103)	(23,371)	(42,639)	(61,908)	(81,176)
180,000		24,433	5,165	(14,103)	(33,371)	(52,639)	(71,908)	(91,176)
190,000		14,433	(4,835)	(24,103)	(43,371)	(62,639)	(81,908)	(101,176)
200,000		4,433	(14,835)	(34,103)	(53,371)	(72,639)	(91,908)	(111,176)
210,000		(5,567)	(24,835)	(44,103)	(63,371)	(82,639)	(101,908)	(121,176)
220,000		(15,567)	(34,835)	(54,103)	(73,371)	(92,639)	(111,908)	(131,176)
230,000		(25,567)	(44,835)	(64,103)	(83,371)	(102,639)	(121,908)	(141,176)
240,000		(35,567)	(54,835)	(74,103)	(93,371)	(112,639)	(131,908)	(151,176)
250,000		(45,567)	(64,835)	(84,103)	(103,371)	(122,639)	(141,908)	(161,176)

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
	15	22,660	11,099	(462)	(12,023)	(23,584)	(35,145)	(46,706)
	18	43,103	29,616	16,128	2,640	(10,848)	(24,335)	(37,823)
Density (dph)	20	63,547	48,132	32,718	17,303	1,888	(13,526)	(28,941)
25.0	23	83,990	66,649	49,307	31,966	14,624	(2,717)	(20,058)
	25	104,433	85,165	65,897	46,629	27,361	8,092	(11,176)
	28	124,877	103,682	82,487	61,292	40,097	18,901	(2,294)
	30	145,320	122,198	99,076	75,954	52,833	29,711	6,589
	33	165,763	140,715	115,666	90,617	65,569	40,520	15,471
	35	186,207	159,231	132,256	105,280	78,305	51,329	24,354
	38	206,650	177,748	148,845	119,943	91,041	62,138	33,236
	40	227,094	196,264	165,435	134,606	103,777	72,948	42,118
	43	247,537	214,781	182,025	149,269	116,513	83,757	51,001
	45	267,980	233,297	198,615	163,932	129,249	94,566	59,883
	48	288,424	251,814	215,204	178,595	141,985	105,375	68,766
	50	308,867	270,330	231,794	193,257	154,721	116,185	77,648
	53	329,310	288,847	248,384	207,920	167,457	126,994	86,530

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
	90%	253,676	233,217	212,758	192,299	171,840	151,381	130,922
	92%	223,828	203,607	183,386	163,165	142,944	122,723	102,502
Build Cost	94%	193,979	173,996	154,014	134,031	114,048	94,065	74,083
100%	96%	164,131	144,386	124,641	104,897	85,152	65,408	45,663
(105% = 5% increase)	98%	134,282	114,776	95,269	75,763	56,256	36,750	17,244
	100%	104,433	85,165	65,897	46,629	27,361	8,092	(11,176)
	102%	74,585	55,555	36,525	17,495	(1,545)	(20,612)	(39,680)
	104%	44,701	25,873	7,044	(11,784)	(30,612)	(49,440)	(68,268)
	106%	14,675	(3,913)	(22,502)	(41,091)	(59,679)	(78,268)	(96,856)
	108%	(15,350)	(33,699)	(52,048)	(70,397)	(88,746)	(107,095)	(125,444)
	110%	(45,376)	(63,485)	(81,595)	(99,704)	(117,814)	(135,923)	(154,032)
	112%	(75,402)	(93,271)	(111,141)	(129,011)	(146,881)	(164,751)	(182,620)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
	80%	(240,735)	(240,870)	(241,005)	(241,141)	(241,276)	(241,411)	(241,546)
	82%	(206,106)	(208,143)	(210,180)	(212,218)	(214,255)	(216,305)	(218,371)
Market Values	84%	(171,566)	(175,522)	(179,478)	(183,435)	(187,391)	(191,348)	(195,304)
100%	86%	(137,026)	(142,901)	(148,777)	(154,652)	(160,527)	(166,402)	(172,277)
(105% = 5% increase)	88%	(102,486)	(110,280)	(118,075)	(125,869)	(133,663)	(141,457)	(149,251)
	90%	(67,947)	(77,660)	(87,373)	(97,086)	(106,799)	(116,512)	(126,224)
	92%	(33,407)	(45,039)	(56,671)	(68,302)	(79,934)	(91,566)	(103,198)
	94%	1,133	(12,418)	(25,969)	(39,519)	(53,070)	(66,621)	(80,172)
	96%	35,672	20,203	4,733	(10,736)	(26,206)	(41,675)	(57,145)
	98%	70,079	52,719	35,360	18,000	640	(16,730)	(34,119)
	100%	104,433	85,165	65,897	46,629	27,361	8,092	(11,176)
	102%	138,788	117,611	96,434	75,257	54,081	32,904	11,727
	104%	173,142	150,057	126,971	103,886	80,801	57,715	34,630
	106%	207,496	182,502	157,508	132,515	107,521	82,527	57,533
	108%	241,851	214,948	188,046	161,143	134,241	107,338	80,436
	110%	276,205	247,394	218,583	189,772	160,961	132,150	103,338
	112%	310,559	279,840	249,120	218,400	187,681	156,961	126,241
	114%	344,914	312,285	279,657	247,029	214,401	181,772	149,144
	116%	379,268	344,731	310,194	275,658	241,121	206,584	172,047
	118%	413,622	377,177	340,731	304,286	267,841	231,395	194,950
	120%	447,977	409,623	371,269	332,915	294,561	256,207	217,853

Scheme Ref: **C**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
1,000	134,453	115,185	95,916	76,648	57,380	38,112	18,843	
2,000	124,446	105,178	85,910	66,642	47,373	28,105	8,837	
Carbon/Energy Reduction/FHS	3,000	114,440	95,172	75,903	56,635	37,367	18,099	(1,169)
4,000	104,433	85,165	65,897	46,629	27,361	8,092	(11,176)	
£ per dwelling	5,000	94,427	75,159	55,890	36,622	17,354	(1,914)	(21,182)
6,000	84,420	65,152	45,884	26,616	7,348	(11,921)	(31,224)	
7,000	74,414	55,146	35,878	16,609	(2,675)	(21,982)	(41,290)	
8,000	64,407	45,139	25,871	6,567	(12,741)	(32,048)	(51,355)	
9,000	54,401	35,115	15,808	(3,499)	(22,807)	(42,114)	(61,421)	
10,000	44,357	25,050	5,742	(13,565)	(32,872)	(52,180)	(71,487)	
11,000	34,291	14,984	(4,324)	(23,631)	(42,938)	(62,245)	(81,553)	
12,000	24,225	4,918	(14,389)	(33,697)	(53,004)	(72,311)	(91,619)	
13,000	14,160	(5,148)	(24,455)	(43,762)	(63,070)	(82,377)	(101,684)	
14,000	4,094	(15,214)	(34,521)	(53,828)	(73,136)	(92,443)	(111,750)	
15,000	(5,972)	(25,279)	(44,587)	(63,894)	(83,201)	(102,509)	(121,816)	

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	8,092	10%	15%	20%	25%	30%	35%	40%
40%	102,547	82,336	62,124	41,913	21,701	1,490	(18,721)	
45%	102,861	82,807	62,753	42,699	22,645	2,590	(17,464)	
First Homes £	50%	103,176	83,279	63,382	43,485	3,691	(16,206)	
70%	55%	103,490	83,750	64,011	44,271	4,791	(14,949)	
of Market Value	60%	103,805	84,222	64,639	45,057	5,892	(13,691)	
65%	104,119	84,694	65,268	45,843	26,417	6,992	(12,434)	
70%	104,433	85,165	65,897	46,629	27,361	8,092	(11,176)	

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

30% 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	40.0%	1.5	20.0%	0.7	14%	2.8	
2 Bed House	30.0%	3.9	30.0%	1.1	40.0%	1.3	32%	6.3	
3 Bed House	40.0%	5.2	25.0%	0.9	30.0%	1.0	36%	7.1	
4 Bed House	25.0%	3.3	5.0%	0.2	10.0%	0.3	19%	3.8	
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%	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	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)	Net to Gross %	Gross (GIA) per unit (sqm)					
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)	AH units GIA (sqm)	Total GIA (all units) (sqm)					
1 Bed House	36	385	117	1,264	153	1,649			
2 Bed House	281	3,023	175	1,885	456	4,908			
3 Bed House	452	4,870	167	1,794	619	6,664			
4 Bed House	374	4,023	59	639	433	4,662			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	1,143	12,300	519	5,583	1,661	17,883			
AH % by floor area:				31.22% 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	2,727	253	417,750					
2 Bed House	225,000	3,125	290	1,424,813					
3 Bed House	280,000	3,218	299	1,992,550					
4 Bed House	380,000	3,304	307	1,431,175					
1 Bed Flat	150,000	2,727	253	0					
2 Bed Flat	180,000	2,571	239	0					
				5,266,288					
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	105,000	70%	0	0%	105,000	70%	105,000	70%	
2 Bed House	157,500	70%	0	0%	157,500	70%	157,500	70%	
3 Bed House	182,000	65%	0	0%	182,000	70%	182,000	65%	
4 Bed House	228,000	60%	0	0%	228,000	70%	228,000	60%	
1 Bed Flat	105,000	70%	0	0%	105,000	70%	105,000	70%	
2 Bed Flat	126,000	70%	0	0%	126,000	70%	126,000	70%	

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.7	@	150,000	97,500
2 Bed House	3.9	@	225,000	877,500
3 Bed House	5.2	@	280,000	1,456,000
4 Bed House	3.3	@	380,000	1,235,000
1 Bed Flat	0.0	@	150,000	-
2 Bed Flat	0.0	@	180,000	-
	13.0			3,666,000
Affordable Rent GDV -				
1 Bed House	1.5	@	105,000	154,350
2 Bed House	1.1	@	157,500	173,644
3 Bed House	0.9	@	182,000	167,213
4 Bed House	0.2	@	228,000	41,895
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	3.7			537,101
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	@	105,000	36,750
2 Bed House	0.7	@	157,500	110,250
3 Bed House	0.5	@	196,000	102,900
4 Bed House	0.2	@	266,000	46,550
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	1.8			296,450
Intermediate GDV -				
1 Bed House	0.3	@	105,000	33,075
2 Bed House	0.6	@	157,500	99,225
3 Bed House	0.5	@	182,000	85,995
4 Bed House	0.2	@	228,000	35,910
1 Bed Flat	0.0	@	105,000	-
2 Bed Flat	0.0	@	126,000	-
	1.6	7.0		254,205
Sub-total GDV Residential				4,753,756
AH on-site cost analysis:				512,531
			309 £ psm (total GIA sqm)	EMV (no AH) less £GDV (inc. AH)
				25,627 £ per unit (total units)
Grant				
	7	AH units @	per unit	-
Total GDV				4,753,756

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(9,240)
Planning Application Professional Fees, Surveys and reports				(30,000)
CIL	1,143 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:	240,000 £ per ha	2.52% % of GDV	6,000 £ per unit (total u) (120,000)
AH Commuted Sum	1,861 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: **30% 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		153 sqm @		1,499	psm	(229,609)
2 Bed House		456 sqm @		1,499	psm	(683,454)
3 Bed House		619 sqm @		1,499	psm	(928,052)
4 Bed House		433 sqm @		1,499	psm	(649,245)
5 Bed House		- sqm @		1,499	psm	-
1 Bed Flat		- sqm @		1,737	psm	-
2 Bed Flat	1,661	- sqm @		1,737	psm	-
External works						
		2,490,360 @		15.0%		(373,554)
	Ext. Works analysis:			18,678	£ per unit	
M4(2) Category 2 Housing	Aff units	7.00 units @	70% @	521	£ per unit	(2,553)
M4(3) Category 3 Housing	Aff units	7 units @	30% @	10,111	£ per unit	(21,233)
M4(2) Category 2 Housing	Mkrt units	13 units @	20% @	521	£ per unit	(1,355)
M4(3) Category 3 Housing	Mkrt units	13 units @	10% @	10,111	£ per unit	(13,144)
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	(939)
	2 Bed	6 units @		487	£ per unit	(3,084)
Solent SPA	3 Bed	7 units @		637	£ per unit	(4,533)
	4 Bed	4 units @		749	£ per unit	(2,821)
Contingency (on construction)		3,074,495 @		5.0%		(153,725)
Professional Fees		3,074,495 @		8.0%		(245,960)
Disposal Costs -						
OMS Marketing and Promotion		3,666,000 OMS @		1.50%	2,750 £ per unit	(54,990)
Residential Sales Agent Costs		3,666,000 OMS @		1.50%	2,750 £ per unit	(54,990)
Residential Sales Legal Costs		3,666,000 OMS @		0.50%	917 £ per unit	(18,330)
Affordable Sale Legal Costs					lump sum	(10,000)
	Disposal Cost analysis:				6,916 £ per unit	
Interest (on Development Costs) -		7.00% APR		0.565% pcm		(60,568)
Developers Profit -						
Profit on OMS		3,666,000		20.00%		(733,200)
Margin on AH		1,087,756		6.00% on AH values		(65,265)
	Profit analysis:	4,753,756		16.80% blended GDV	(798,465)	
		3,832,298		20.84% on costs	(798,465)	
TOTAL COSTS						(4,630,763)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					122,993
SDLT		122,993 @		HMRC formula	4,350
Acquisition Agent fees		122,993 @		1.0%	(1,230)
Acquisition Legal fees		122,993 @		0.5%	(615)
Interest on Land		122,993 @		7.00%	(8,610)
Residual Land Value					116,889
	RLV analysis:	5,844 £ per plot	233,778 £ per ha	94,609 £ 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	123,550
	BLV analysis:	Density	3,323 sqm/ha	14,474 sqft/ac	

BALANCE				
Surplus/(Deficit)		(13,322) £ per ha	(5,391) £ per acre	(6,661)

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
	-	233,754	203,237	172,720	142,203	111,685	81,168	50,651
1,000	219,370	188,853	158,336	127,818	97,301	66,784	36,267	
Site Specific S106	2,000	204,986	174,469	143,952	113,434	82,917	52,400	21,882
6,000	3,000	190,602	160,085	129,568	99,050	68,533	38,016	7,441
	4,000	176,218	145,701	115,183	84,666	54,127	23,549	(7,029)
	5,000	161,834	131,317	100,799	70,235	39,657	9,079	(21,499)
	6,000	147,450	116,921	86,343	55,765	25,187	(5,391)	(35,969)
	7,000	133,029	102,451	71,873	41,295	10,717	(19,861)	(50,439)
	8,000	118,559	87,981	57,403	26,825	(3,753)	(34,331)	(64,909)
	9,000	104,089	73,511	42,933	12,355	(18,223)	(48,801)	(79,379)
	10,000	89,618	59,040	28,462	(2,116)	(32,694)	(63,272)	(93,850)
	12,500	53,443	22,865	(7,713)	(38,291)	(68,869)	(99,447)	(130,025)
	15,000	17,268	(13,310)	(43,888)	(74,466)	(105,044)	(135,622)	(166,200)
	17,500	(18,907)	(49,485)	(80,063)	(110,641)	(141,219)	(171,797)	(202,375)
	20,000	(55,083)	(85,661)	(116,239)	(146,817)	(177,395)	(207,973)	(238,551)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
15.0%	325,141	284,740	244,290	203,841	163,391	122,941	82,491	
16.0%	289,602	251,176	212,701	174,225	135,750	97,275	58,799	
Profit	17.0%	254,064	217,612	181,111	144,610	108,109	71,608	35,107
20.0%	18.0%	218,526	184,048	149,522	114,995	80,468	45,942	11,415
	19.0%	182,988	150,485	117,932	85,380	52,828	20,275	(12,277)
	20.0%	147,450	116,921	86,343	55,765	25,187	(5,391)	(35,969)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
100,000	147,450	116,921	86,343	55,765	25,187	(5,391)	(35,969)	
110,000	137,450	106,921	76,343	45,765	15,187	(15,391)	(45,969)	
BLV (£ per acre)	120,000	127,450	96,921	66,343	35,765	5,187	(25,391)	(55,969)
100,000	130,000	117,450	86,921	56,343	25,765	(4,813)	(35,391)	(65,969)
	140,000	107,450	76,921	46,343	15,765	(14,813)	(45,391)	(75,969)
	150,000	97,450	66,921	36,343	5,765	(24,813)	(55,391)	(85,969)
	160,000	87,450	56,921	26,343	(4,235)	(34,813)	(65,391)	(95,969)
	170,000	77,450	46,921	16,343	(14,235)	(44,813)	(75,391)	(105,969)
	180,000	67,450	36,921	6,343	(24,235)	(54,813)	(85,391)	(115,969)
	190,000	57,450	26,921	(3,657)	(34,235)	(64,813)	(95,391)	(125,969)
	200,000	47,450	16,921	(13,657)	(44,235)	(74,813)	(105,391)	(135,969)
	210,000	37,450	6,921	(23,657)	(54,235)	(84,813)	(115,391)	(145,969)
	220,000	27,450	(3,079)	(33,657)	(64,235)	(94,813)	(125,391)	(155,969)
	230,000	17,450	(13,079)	(43,657)	(74,235)	(104,813)	(135,391)	(165,969)
	240,000	7,450	(23,079)	(53,657)	(84,235)	(114,813)	(145,391)	(175,969)
	250,000	(2,550)	(33,079)	(63,657)	(94,235)	(124,813)	(155,391)	(185,969)

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
15	(36,037)	(47,503)	(58,970)	(70,437)	(81,904)	(93,370)	(104,837)	
18	(17,683)	(31,061)	(44,439)	(57,817)	(71,195)	(84,573)	(97,950)	
Density (dph)	20	670	(14,619)	(29,908)	(45,197)	(60,486)	(75,775)	(91,064)
40.0	23	19,024	1,824	(15,376)	(32,576)	(49,777)	(66,977)	(84,177)
	25	37,378	18,266	(845)	(19,956)	(39,067)	(58,179)	(77,290)
	28	55,731	34,709	13,686	(7,336)	(28,358)	(49,381)	(70,403)
	30	74,085	51,151	28,218	5,284	(17,649)	(40,583)	(63,516)
	33	92,438	67,594	42,749	17,904	(6,940)	(31,785)	(56,630)
	35	110,781	84,036	57,280	30,524	3,769	(22,987)	(49,743)
	38	129,116	100,478	71,812	43,145	14,478	(14,189)	(42,856)
	40	147,450	116,921	86,343	55,765	25,187	(5,391)	(35,969)
	43	165,784	133,359	100,874	68,385	35,896	3,407	(29,082)
	45	184,118	149,786	115,405	81,005	46,605	12,205	(22,196)
	48	202,452	166,213	129,937	93,625	57,314	21,003	(15,309)
	50	220,787	182,640	144,468	106,246	68,023	29,801	(8,422)
	53	239,121	199,067	158,999	118,866	78,732	38,598	(1,535)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
90%	390,541	358,084	325,627	293,170	260,713	228,256	195,799	
92%	341,923	309,854	277,785	245,716	213,647	181,577	149,508	
Build Cost	94%	293,305	261,623	229,942	198,261	166,580	134,899	103,218
100%	96%	244,686	213,393	182,100	150,807	119,514	88,220	56,927
(105% = 5% increase)	98%	196,068	165,163	134,258	103,352	72,447	41,542	10,596
	100%	147,450	116,921	86,343	55,765	25,187	(5,391)	(35,969)
	102%	98,592	68,405	38,217	8,029	(22,159)	(52,346)	(82,534)
	104%	49,686	19,888	(9,909)	(39,707)	(69,504)	(99,302)	(129,099)
	106%	779	(28,628)	(58,035)	(87,442)	(116,850)	(146,257)	(175,664)
	108%	(48,127)	(77,144)	(106,161)	(135,178)	(164,195)	(193,212)	(222,229)
	110%	(97,034)	(125,660)	(154,287)	(182,914)	(211,541)	(240,167)	(268,794)
	112%	(145,940)	(174,177)	(202,413)	(230,650)	(258,886)	(287,123)	(315,393)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
80%	(405,743)	(405,644)	(405,545)	(405,445)	(405,346)	(405,246)	(405,147)	
82%	(350,123)	(353,114)	(356,105)	(359,095)	(362,086)	(365,076)	(368,067)	
Market Values	84%	(294,609)	(300,626)	(306,665)	(312,745)	(318,826)	(324,906)	(330,987)
100%	86%	(239,346)	(248,433)	(257,519)	(266,606)	(275,692)	(284,779)	(293,907)
(105% = 5% increase)	88%	(184,082)	(196,239)	(208,396)	(220,553)	(232,710)	(244,866)	(257,023)
	90%	(128,819)	(144,046)	(159,273)	(174,500)	(189,727)	(204,954)	(220,181)
	92%	(73,555)	(91,853)	(110,150)	(128,447)	(146,744)	(165,041)	(183,339)
	94%	(18,292)	(39,659)	(61,027)	(82,394)	(103,761)	(125,129)	(146,496)
	96%	36,972	12,534	(11,903)	(36,341)	(60,779)	(85,216)	(109,654)
	98%	92,235	64,727	37,220	9,712	(17,796)	(45,304)	(72,812)
	100%	147,450	116,921	86,343	55,765	25,187	(5,391)	(35,969)
	102%	202,417	168,846	135,275	101,704	68,133	34,521	873
	104%	257,384	220,759	184,134	147,509	110,885	74,260	37,635
	106%	312,351	272,672	232,994	193,315	153,637	113,958	74,280
	108%	367,317	324,585	281,853	239,121	196,389	153,657	110,924
	110%	422,284	376,498	330,713	284,927	239,141	193,355	147,569
	112%	477,251	428,412	379,572	330,732	281,893	233,053	184,214
	114%	532,218	480,325	428,431	376,538	324,645	272,752	220,858
	116%	587,185	532,238	477,291	422,344	367,397	312,450	257,503
	118%	642,152	584,151	526,150	468,150	410,149	352,148	294,147
	120%	697,119	636,064	575,010	513,955	452,901	391,847	330,792

Scheme Ref: **D**
 No Units: **20** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
1,000		196,346	165,829	135,312	104,794	74,277	43,760	13,217
2,000		180,048	149,530	119,013	88,496	57,978	27,400	(3,178)
Carbon/Energy Reduction/FHS		3,000	163,749	133,231	102,714	72,160	41,582	(19,574)
4,000		4,000	147,450	116,921	86,343	55,765	25,187	(5,391)
£ per dwelling		5,000	131,103	100,525	69,947	39,369	8,791	(21,787)
6,000		6,000	114,708	84,130	53,552	22,974	(7,604)	(38,182)
7,000		7,000	98,312	67,734	37,156	6,578	(24,000)	(54,578)
8,000		8,000	81,917	51,339	20,761	(9,817)	(40,395)	(70,973)
9,000		9,000	65,521	34,943	4,365	(26,213)	(56,791)	(87,369)
10,000		10,000	49,126	18,548	(12,030)	(42,608)	(73,186)	(103,764)
11,000		11,000	32,730	2,152	(28,426)	(59,004)	(89,582)	(120,160)
12,000		12,000	16,335	(14,243)	(44,821)	(75,399)	(105,977)	(136,555)
13,000		13,000	(61)	(30,639)	(61,217)	(91,795)	(122,373)	(152,951)
14,000		14,000	(16,456)	(47,034)	(77,612)	(108,190)	(138,768)	(169,346)
15,000		15,000	(32,852)	(63,430)	(94,008)	(124,586)	(155,164)	(185,742)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(5,391)	10%	15%	20%	25%	30%	35%	40%
40%		144,432	112,365	80,268	48,172	16,075	(16,021)	(48,118)
45%		144,935	113,124	81,281	49,437	17,594	(14,250)	(46,093)
First Homes £		50%	145,438	113,884	82,293	50,703	19,112	(12,478)
70%		55%	145,941	114,643	83,306	51,968	20,631	(10,706)
of Market Value		60%	146,444	115,402	84,318	53,234	22,150	(8,935)
65%		65%	146,947	116,162	85,330	54,499	23,668	(7,163)
70%		70%	147,450	116,921	86,343	55,765	25,187	(5,391)

220707 Isle of Wight Residential Appraisals_A-D_v0.1 - (updated mix) - 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:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£2,376,878	£2,376,878	£4,753,756	£4,753,756
GDV (£ per unit)	£237,688	£237,688	£237,688	£237,688
Total Cost (Excluding Land + Profit)	£1,867,301	£1,922,608	£3,720,404	£3,832,298
Cost (£ per unit)	£186,730	£192,261	£186,020	£191,615
Profit KPI's				
Developers Profit Total (£)	£399,233	£399,233	£798,465	£798,465
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)	16.80%	16.80%	16.80%	16.80%
Developers Profit (% on costs)	21.38%	20.77%	21.46%	20.84%
Land Value KPI's				
RLV (£/acre)	£107,192	£94,062	£108,092	£94,609
RLV (£/ha)	£264,871	£232,428	£267,096	£233,778
RLV Total (£)	£105,948	£58,107	£213,677	£116,889
BLV (£/acre)	£100,000	£100,000	£100,000	£100,000
BLV (£/ha)	£247,100	£247,100	£247,100	£247,100
BLV Total (£)	£98,840	£61,775	£197,680	£123,550
Surplus/Deficit (£/acre) [RLV-BLV]	£7,192	-£5,938	£8,092	-£5,391
Surplus/Deficit (£/ha)	£17,771	-£14,672	£19,996	-£13,322
Surplus/Deficit Total (£)	£7,108	-£3,668	£15,997	-£6,661
Plan Viability comments	Viabile	Marginal	Viabile	Marginal

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220707 Isle of Wight Residential Appraisals_E-H_v0.1 - (updated mix) - Version Notes

Date	Version	Comments
220708	1	issued as final version to client

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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% 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%	1.6	40.0%	3.7	20.0%	1.7	14%	7.0	
2 Bed House	30.0%	9.8	30.0%	2.8	40.0%	3.3	32%	15.8	
3 Bed House	40.0%	13.0	25.0%	2.3	30.0%	2.5	36%	17.8	
4 Bed House	25.0%	8.1	5.0%	0.5	10.0%	0.8	19%	9.4	
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 (sqm)	(sqft)	Total GIA (all units) (sqm)	(sqft)			
1 Bed House	73	787	240	2,585	313	3,372			
2 Bed House	683	7,346	426	4,582	1,108	11,928			
3 Bed House	1,092	11,754	402	4,332	1,494	16,086			
4 Bed House	894	9,620	142	1,528	1,036	11,148			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	2,741	29,508	1,210	13,027	3,952	42,535			
AH % by floor area:		30.63% 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	3,111	289			974,750			
2 Bed House	210,000	3,000	279			3,324,563			
3 Bed House	265,000	3,155	293			4,714,516			
4 Bed House	375,000	3,409	317			3,530,859			
1 Bed Flat	140,000	3,111	289			0			
2 Bed Flat	170,000	2,833	263			0			
						12,544,688			
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	98,000	70%	0		98,000	70%	98,000	70%	
2 Bed House	147,000	70%	0		147,000	70%	147,000	70%	
3 Bed House	172,250	65%	0		185,500	70%	172,250	65%	
4 Bed House	225,000	60%	0		262,500	70%	225,000	60%	
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%	
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%	

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	1.6	@	140,000	227,500
2 Bed House	9.8	@	210,000	2,047,500
3 Bed House	13.0	@	265,000	3,445,000
4 Bed House	8.1	@	375,000	3,046,875
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	32.5			8,766,875
Affordable Rent GDV -				
1 Bed House	3.7	@	98,000	360,150
2 Bed House	2.8	@	147,000	405,169
3 Bed House	2.3	@	172,250	395,637
4 Bed House	0.5	@	225,000	103,359
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	9.2			1,264,315
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	@	98,000	85,750
2 Bed House	1.8	@	147,000	257,250
3 Bed House	1.3	@	185,500	243,469
4 Bed House	0.4	@	262,500	114,844
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	4.4			701,313
Intermediate GDV -				
1 Bed House	0.8	@	98,000	77,175
2 Bed House	1.6	@	147,000	231,525
3 Bed House	1.2	@	172,250	203,470
4 Bed House	0.4	@	225,000	88,594
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	3.9	17.5		600,764
Sub-total GDV Residential				
	50			11,333,266
AH on-site cost analysis:				
			EMV (no AH) less £GDV (inc. AH)	1,211,421
		307 £ psm (total GIA sqm)	24,228 £ per unit (total units)	
Grant				
	18	AH units @	per unit	-
Total GDV				
				11,333,266

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(23,100)
Planning Application Professional Fees, Surveys and reports				(70,000)
CIL	2,741 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	2.65% % of GDV	6,000 £ per unit (total u) (300,000)
AH Commuted Sum	3,952 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
<i>cont./</i>				

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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
Site Infrastructure costs -						
	total		50	units @		per unit
	Infra. Costs analysis:	-	£ per ha	0.00%	% of GDV	0 £ per unit (total)
1 Bed House		313	sqm @		1,499	psm
2 Bed House		1,108	sqm @		1,499	psm
3 Bed House		1,494	sqm @		1,499	psm
4 Bed House		1,036	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat		3,952	sqm @		1,737	psm
External works		5,923,495	@		15.0%	
	Ext. Works analysis:				17,770	£ per unit
M4(2) Category 2 Housing	Aff units	18	units @	70%	@	521 £ per unit
M4(3) Category 3 Housing	Aff units	18	units @	30%	@	10,111 £ per unit
M4(2) Category 2 Housing	Mkrt units	33	units @	20%	@	521 £ per unit
M4(3) Category 3 Housing	Mkrt units	33	units @	10%	@	10,111 £ per unit
Carbon/Energy Reduction/FHS		50	units @			4,000 £ per unit
EV Charging Points - Houses		50	units @			1,000 £ per unit
EV Charging Points - Flats		-	units @			10,000 £ per unit
Water Efficiency		50	units @			9 £ per unit
SANGs		50	units @			0 £ per unit
	1 Bed	7	units @			337 £ per unit
	2 Bed	16	units @			487 £ per unit
Solent SPA	3 Bed	18	units @			637 £ per unit
	4 Bed	9	units @			749 £ per unit
Contingency (on construction)		7,237,173	@		3.0%	
Professional Fees		7,237,173	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		8,766,875	OMS @		1.50%	2,630 £ per unit
Residential Sales Agent Costs		8,766,875	OMS @		1.50%	2,630 £ per unit
Residential Sales Legal Costs		8,766,875	OMS @		0.50%	877 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:					6,337 £ per unit
Interest (on Development Costs) -			7.00%	APR		0.565% pcm
Developers Profit -						
Profit on OMS		8,766,875			20.00%	
Margin on AH		2,566,391			6.00%	on AH values
	Profit analysis:	11,333,266			16.83%	blended GDV
		8,895,388			21.44%	on costs
TOTAL COSTS						(10,802,746)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					530,520
SDLT		530,520	@	HMRC formula	(16,026)
Acquisition Agent fees		530,520	@	1.0%	(5,305)
Acquisition Legal fees		530,520	@	0.5%	(2,653)
Interest on Land		530,520	@	7.00%	(37,136)
Residual Land Value					469,400
	RLV analysis:	9,388	£ per plot	281,640	£ per ha
				113,978	£ 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
	BLV analysis:	Density	2,371	sqm/ha	10,328 sqft/ac

BALANCE					
Surplus/(Deficit)		(51,945)	£ per ha	(21,022)	£ per acre
					(86,575)

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
	-	149,967	129,033	108,098	87,163	66,228	45,294	24,359
1,000		138,935	118,001	97,066	76,131	55,196	34,261	13,327
2,000		127,903	106,968	86,034	65,099	44,164	23,229	2,294
3,000		116,871	95,936	75,001	54,067	33,132	12,197	(8,738)
4,000		105,839	84,904	63,969	43,035	22,100	1,165	(19,806)
5,000		94,807	73,872	52,937	32,002	11,050	(9,922)	(30,902)
6,000		83,775	62,840	41,905	20,930	(46)	(21,022)	(41,998)
7,000		72,742	51,785	30,809	9,834	(11,142)	(32,118)	(53,093)
8,000		61,665	40,689	19,714	(1,262)	(22,238)	(43,213)	(64,189)
9,000		50,569	29,594	8,618	(12,358)	(33,334)	(54,309)	(75,285)
10,000		39,473	18,498	(2,478)	(23,454)	(44,429)	(65,405)	(86,381)
12,500		11,734	(9,242)	(30,217)	(51,193)	(72,169)	(93,144)	(114,120)
15,000		(16,005)	(36,981)	(57,957)	(78,933)	(99,908)	(120,888)	(141,938)
17,500		(43,745)	(64,721)	(85,696)	(106,687)	(127,737)	(148,787)	(169,837)
20,000		(71,484)	(92,487)	(113,537)	(134,587)	(155,637)	(176,687)	(197,737)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
15.0%		211,254	183,237	155,220	127,162	99,104	71,046	42,988
16.0%		185,758	159,157	132,557	105,915	79,274	52,633	25,991
17.0%		160,262	135,078	109,894	84,669	59,444	34,219	8,994
18.0%		134,766	110,999	87,231	63,423	39,614	15,805	(8,003)
19.0%		109,270	86,919	64,568	42,176	19,784	(2,608)	(25,000)
20.0%		83,775	62,840	41,905	20,930	(46)	(21,022)	(41,998)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
100,000		118,775	97,840	76,905	55,930	34,954	13,978	(6,998)
110,000		108,775	87,840	66,905	45,930	24,954	3,978	(16,998)
120,000		98,775	77,840	56,905	35,930	14,954	(6,022)	(26,998)
130,000		88,775	67,840	46,905	25,930	4,954	(16,022)	(36,998)
140,000		78,775	57,840	36,905	15,930	(5,046)	(26,022)	(46,998)
150,000		68,775	47,840	26,905	5,930	(15,046)	(36,022)	(56,998)
160,000		58,775	37,840	16,905	(4,070)	(25,046)	(46,022)	(66,998)
170,000		48,775	27,840	6,905	(14,070)	(35,046)	(56,022)	(76,998)
180,000		38,775	17,840	(3,095)	(24,070)	(45,046)	(66,022)	(86,998)
190,000		28,775	7,840	(13,095)	(34,070)	(55,046)	(76,022)	(96,998)
200,000		18,775	(2,160)	(23,095)	(44,070)	(65,046)	(86,022)	(106,998)
210,000		8,775	(12,160)	(33,095)	(54,070)	(75,046)	(96,022)	(116,998)
220,000		(1,225)	(22,160)	(43,095)	(64,070)	(85,046)	(106,022)	(126,998)
230,000		(11,225)	(32,160)	(53,095)	(74,070)	(95,046)	(116,022)	(136,998)
240,000		(21,225)	(42,160)	(63,095)	(84,070)	(105,046)	(126,022)	(146,998)
250,000		(31,225)	(52,160)	(73,095)	(94,070)	(115,046)	(136,022)	(156,998)

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
15	(25,613)	(36,080)	(46,547)	(57,035)	(67,523)	(78,011)	(88,499)	(88,499)
18	(7,381)	(19,593)	(31,805)	(44,041)	(56,277)	(68,513)	(80,749)	(80,749)
Density (dph)								
20	10,850	(3,107)	(17,063)	(31,047)	(45,031)	(59,015)	(72,998)	(72,998)
23	29,081	13,380	(2,321)	(18,053)	(33,785)	(49,516)	(65,248)	(65,248)
25	47,312	29,867	12,421	(5,059)	(22,538)	(40,018)	(57,498)	(57,498)
28	65,543	46,353	27,163	7,935	(11,292)	(30,520)	(49,748)	(49,748)
30	83,775	62,840	41,905	20,930	(46)	(21,022)	(41,998)	(41,998)
33	102,006	79,326	56,647	33,924	11,200	(11,524)	(34,247)	(34,247)
35	120,237	95,813	71,389	46,918	22,446	(2,026)	(26,497)	(26,497)
38	138,468	112,300	86,131	59,912	33,692	7,473	(18,747)	(18,747)
40	156,700	128,786	100,873	72,906	44,938	16,971	(10,997)	(10,997)
43	174,931	145,273	115,615	85,900	56,185	26,469	(3,247)	(3,247)
45	193,162	161,760	130,358	98,894	67,431	35,967	4,504	4,504
48	211,393	178,246	145,100	111,888	78,677	45,465	12,254	12,254
50	229,624	194,733	159,842	124,883	89,923	54,964	20,004	20,004
53	247,856	211,220	174,584	137,877	101,169	64,462	27,754	27,754

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
90%	258,924	236,411	213,898	191,385	168,871	146,358	123,845	123,845
92%	224,054	201,836	179,615	157,394	135,172	112,951	90,730	90,730
Build Cost								
94%	188,987	167,087	145,187	123,288	101,388	79,488	57,589	57,589
100%	153,916	132,338	110,760	89,182	67,604	46,026	24,448	24,448
98%	118,845	97,589	76,333	55,076	33,820	12,563	(8,693)	(8,693)
(105% = 5% increase)								
100%	83,775	62,840	41,905	20,930	(46)	(21,022)	(41,998)	(41,998)
102%	48,584	27,932	7,279	(13,373)	(34,025)	(54,677)	(75,329)	(75,329)
104%	13,311	(7,018)	(27,346)	(47,675)	(68,004)	(88,333)	(108,661)	(108,661)
106%	(21,962)	(41,967)	(61,972)	(81,978)	(101,983)	(121,997)	(142,071)	(142,071)
108%	(57,235)	(76,916)	(96,601)	(116,350)	(136,098)	(155,847)	(175,595)	(175,595)
110%	(92,580)	(112,003)	(131,426)	(150,849)	(170,273)	(189,696)	(209,119)	(209,119)
112%	(128,056)	(147,154)	(166,252)	(185,349)	(204,447)	(223,545)	(242,744)	(242,744)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
80%	(321,564)	(320,067)	(318,586)	(317,105)	(315,625)	(314,144)	(312,663)	(312,663)
82%	(280,749)	(281,512)	(282,276)	(283,040)	(283,803)	(284,567)	(285,331)	(285,331)
Market Values								
84%	(239,934)	(242,965)	(245,996)	(249,027)	(252,059)	(255,090)	(258,121)	(258,121)
100%	(199,200)	(204,472)	(209,745)	(215,017)	(220,314)	(225,612)	(230,911)	(230,911)
(105% = 5% increase)								
88%	(158,629)	(166,155)	(173,681)	(181,207)	(188,733)	(196,259)	(203,786)	(203,786)
90%	(118,057)	(127,837)	(137,617)	(147,398)	(157,178)	(166,958)	(176,738)	(176,738)
92%	(77,528)	(89,538)	(101,554)	(113,588)	(125,622)	(137,656)	(149,690)	(149,690)
94%	(37,182)	(51,433)	(65,685)	(79,936)	(94,187)	(108,439)	(122,690)	(122,690)
96%	3,164	(13,329)	(29,821)	(46,314)	(62,807)	(79,300)	(95,793)	(95,793)
98%	43,510	24,776	6,042	(12,692)	(31,427)	(50,161)	(68,895)	(68,895)
100%	83,775	62,840	41,905	20,930	(46)	(21,022)	(41,998)	(41,998)
102%	123,913	100,749	77,584	54,419	31,255	8,090	(15,100)	(15,100)
104%	164,052	138,658	113,263	87,868	62,474	37,079	11,684	11,684
106%	204,191	176,567	148,942	121,317	93,693	66,068	38,444	38,444
108%	244,330	214,475	184,621	154,766	124,912	95,057	65,203	65,203
110%	284,321	252,310	220,299	188,215	156,131	124,046	91,982	91,982
112%	324,270	290,040	255,809	221,578	187,348	153,036	118,721	118,721
114%	364,078	327,700	291,319	254,869	218,419	181,969	145,480	145,480
116%	403,855	365,267	326,679	288,091	249,491	210,821	172,152	172,152
118%	443,565	402,834	362,037	321,239	280,441	239,643	198,785	198,785
120%	483,188	440,256	397,323	354,386	311,379	268,371	225,363	225,363

Scheme Ref: **E**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
1,000		120,617	99,682	78,747	57,812	36,878	15,943	(4,992)
2,000		108,336	87,401	66,466	45,532	24,597	3,662	(17,295)
Carbon/Energy Reduction/FHS		96,055	75,121	54,186	33,251	12,305	(8,670)	(29,646)
4,000		83,775	62,840	41,905	20,930	(46)	(21,022)	(41,998)
£ per dwelling		71,494	50,529	29,554	8,578	(12,398)	(33,373)	(54,349)
6,000		59,154	38,178	17,202	(3,773)	(24,749)	(45,725)	(66,701)
7,000		46,802	25,826	4,851	(16,125)	(37,101)	(58,076)	(79,052)
8,000		34,451	13,475	(7,501)	(28,476)	(49,452)	(70,428)	(91,403)
9,000		22,099	1,124	(19,852)	(40,828)	(61,804)	(82,779)	(103,755)
10,000		9,748	(11,228)	(32,204)	(53,179)	(74,155)	(95,131)	(116,106)
11,000		(2,604)	(23,579)	(44,555)	(65,531)	(86,507)	(107,482)	(128,458)
12,000		(14,955)	(35,931)	(56,907)	(77,882)	(98,858)	(119,834)	(140,881)
13,000		(27,307)	(48,282)	(69,258)	(90,234)	(111,209)	(132,253)	(153,303)
14,000		(39,658)	(60,634)	(81,610)	(102,585)	(123,626)	(144,676)	(165,726)
15,000		(52,010)	(72,985)	(93,961)	(114,999)	(136,049)	(157,098)	(178,148)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(21,022)	10%	15%	20%	25%	30%	35%	40%
40%		66,046	36,165	6,284	(23,598)	(53,479)	(83,360)	(113,241)
45%		69,014	40,617	12,220	(16,176)	(44,573)	(72,970)	(101,367)
First Homes £		71,969	45,070	18,157	(8,755)	(35,668)	(62,581)	(89,493)
70%		74,920	49,523	24,094	(1,334)	(26,762)	(52,191)	(77,619)
of Market Value		77,872	53,975	30,031	6,087	(17,857)	(41,801)	(65,745)
65%		80,823	58,413	35,968	13,508	(8,952)	(31,412)	(53,871)
70%		83,775	62,840	41,905	20,930	(46)	(21,022)	(41,998)

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% 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%						
		Social Rent:	0.0%						
		First Homes:	25.0%						
		Other Intermediate (LCHO/Sub-Market etc.):	22.5%						
Open Market Sale (OMS) housing		65%	16.6% % of total (>10% for NPPF para 64.)						
		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	40.0%	3.7	20.0%	1.7	14%	7.0	
2 Bed House	30.0%	9.8	30.0%	2.8	40.0%	3.3	32%	15.8	
3 Bed House	40.0%	13.0	25.0%	2.3	30.0%	2.5	36%	17.8	
4 Bed House	25.0%	8.1	5.0%	0.5	10.0%	0.8	19%	9.4	
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)	
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)	
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)	
1 Bed House	73	787	240	2,585	313	3,372			
2 Bed House	683	7,346	426	4,582	1,108	11,928			
3 Bed House	1,092	11,754	402	4,332	1,494	16,086			
4 Bed House	894	9,620	142	1,528	1,036	11,148			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	2,741	29,508	1,210	13,027	3,952	42,535			
AH % by floor area:				30.63% 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	3,111	289			974,750			
2 Bed House	210,000	3,000	279			3,324,563			
3 Bed House	265,000	3,155	293			4,714,516			
4 Bed House	375,000	3,409	317			3,530,859			
1 Bed Flat	140,000	3,111	289			0			
2 Bed Flat	170,000	2,833	263			0			
						12,544,688			
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	98,000	70%	0		98,000	70%	98,000	70%	
2 Bed House	147,000	70%	0		147,000	70%	147,000	70%	
3 Bed House	172,250	65%	0		185,500	70%	172,250	65%	
4 Bed House	225,000	60%	0		262,500	70%	225,000	60%	
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%	
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%	

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	1.6	@	140,000	227,500
2 Bed House	9.8	@	210,000	2,047,500
3 Bed House	13.0	@	265,000	3,445,000
4 Bed House	8.1	@	375,000	3,046,875
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	32.5			8,766,875
Affordable Rent GDV -				
1 Bed House	3.7	@	98,000	360,150
2 Bed House	2.8	@	147,000	405,169
3 Bed House	2.3	@	172,250	395,637
4 Bed House	0.5	@	225,000	103,359
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	9.2			1,264,315
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	@	98,000	85,750
2 Bed House	1.8	@	147,000	257,250
3 Bed House	1.3	@	185,500	243,469
4 Bed House	0.4	@	262,500	114,844
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	4.4			701,313
Intermediate GDV -				
1 Bed House	0.8	@	98,000	77,175
2 Bed House	1.6	@	147,000	231,525
3 Bed House	1.2	@	172,250	203,470
4 Bed House	0.4	@	225,000	88,594
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	3.9	17.5		600,764
Sub-total GDV Residential				
	50			11,333,266
AH on-site cost analysis:				
			EMV (no AH) less £GDV (inc. AH)	1,211,421
		307 £ psm (total GIA sqm)	24,228 £ per unit (total units)	
Grant				
	18	AH units @	per unit	-
Total GDV				
				11,333,266

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(23,100)
Planning Application Professional Fees, Surveys and reports				(70,000)
CIL	2,741 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:	2.65% % of GDV	6,000 £ per unit (total u	(300,000)
AH Commuted Sum	3,952 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
cont./				

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

Construction Costs -						
Site Clearance, Demolition & Remediation		1.25	ha @		110,000	£ per ha (if brownfield)
Net Biodiversity costs		50	units @		287	£ per unit
Site Infrastructure costs -						
	total		50	units @		per unit
	Infra. Costs analysis:	-	£ per ha	0.00%	% of GDV	0 £ per unit (total)
1 Bed House		313	sqm @		1,499	psm
2 Bed House		1,108	sqm @		1,499	psm
3 Bed House		1,494	sqm @		1,499	psm
4 Bed House		1,036	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat		3,952	sqm @		1,737	psm
External works		5,923,495	@		15.0%	
	Ext. Works analysis:				17,770	£ per unit
M4(2) Category 2 Housing	Aff units	18	units @	70%	@	521 £ per unit
M4(3) Category 3 Housing	Aff units	18	units @	30%	@	10,111 £ per unit
M4(2) Category 2 Housing	Mkrt units	33	units @	20%	@	521 £ per unit
M4(3) Category 3 Housing	Mkrt units	33	units @	10%	@	10,111 £ per unit
Carbon/Energy Reduction/FHS		50	units @		4,000	£ per unit
EV Charging Points - Houses		50	units @		1,000	£ per unit
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		50	units @		9	£ per unit
SANGs		50	units @		0	£ per unit
	1 Bed	7	units @		337	£ per unit
	2 Bed	16	units @		487	£ per unit
Solent SPA	3 Bed	18	units @		637	£ per unit
	4 Bed	9	units @		749	£ per unit
Contingency (on construction)		7,338,473	@		5.0%	
Professional Fees		7,338,473	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		8,766,875	OMS @		1.50%	2,630 £ per unit
Residential Sales Agent Costs		8,766,875	OMS @		1.50%	2,630 £ per unit
Residential Sales Legal Costs		8,766,875	OMS @		0.50%	877 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:					6,337 £ per unit
Interest (on Development Costs) -			7.00%	APR		0.565% pcm
Developers Profit -						
Profit on OMS		8,766,875			20.00%	
Margin on AH		2,566,391			6.00%	on AH values
	Profit analysis:	11,333,266			16.83%	blended GDV
		9,177,084			20.78%	on costs
TOTAL COSTS						(11,084,443)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					248,824
SDLT		248,824	@	HMRC formula	(1,941)
Acquisition Agent fees		248,824	@	1.0%	(2,488)
Acquisition Legal fees		248,824	@	0.5%	(1,244)
Interest on Land		248,824	@	7.00%	(17,418)
Residual Land Value					225,732
	RLV analysis:	4,515	£ per plot	180,586	£ per ha
				73,082	£ 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
	BLV analysis:	Density	3,161	sqm/ha	13,771 sqft/ac

BALANCE					
Surplus/(Deficit)		(152,999)	£ per ha	(61,918)	£ per acre
					(191,249)

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
	-	164,744	137,185	109,627	82,068	54,460	26,848	(763)
1,000	150,035	122,476	94,888	67,277	39,665	12,054	(15,557)	
2,000	135,316	107,705	80,094	52,482	24,871	(2,740)	(30,352)	
3,000	120,522	92,911	65,299	37,688	10,077	(17,535)	(45,146)	
4,000	105,728	78,116	50,505	22,894	(4,718)	(32,329)	(59,940)	
5,000	90,933	63,322	35,711	8,099	(19,512)	(47,123)	(74,735)	
6,000	76,139	48,528	20,916	(6,695)	(34,307)	(61,918)	(89,529)	
7,000	61,345	33,733	6,122	(21,490)	(49,101)	(76,712)	(104,324)	
8,000	46,550	18,939	(8,673)	(36,284)	(63,895)	(91,507)	(119,118)	
9,000	31,756	4,144	(23,467)	(51,078)	(78,690)	(106,301)	(133,952)	
10,000	16,961	(10,650)	(38,261)	(65,873)	(93,484)	(121,123)	(148,832)	
12,500	(20,025)	(47,636)	(75,247)	(102,906)	(130,614)	(158,323)	(186,031)	
15,000	(57,010)	(84,689)	(112,397)	(140,105)	(167,814)	(195,522)	(223,230)	
17,500	(94,180)	(121,888)	(149,596)	(177,305)	(205,013)	(232,721)	(260,457)	
20,000	(131,379)	(159,087)	(186,796)	(214,504)	(242,212)	(270,003)	(297,871)	

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
15.0%	246,111	209,057	172,002	134,948	97,894	60,840	23,785	
16.0%	212,117	176,951	141,785	106,620	71,454	36,288	1,122	
17.0%	178,122	144,845	111,568	78,291	45,014	11,737	(21,540)	
18.0%	144,128	112,739	81,351	49,962	18,574	(12,815)	(44,203)	
19.0%	110,133	80,633	51,133	21,634	(7,866)	(37,366)	(66,866)	
20.0%	76,139	48,528	20,916	(6,695)	(34,307)	(61,918)	(89,529)	

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
100,000	111,139	83,528	55,916	28,305	693	(26,918)	(54,529)	
110,000	101,139	73,528	45,916	18,305	(9,307)	(36,918)	(64,529)	
120,000	91,139	63,528	35,916	8,305	(19,307)	(46,918)	(74,529)	
130,000	81,139	53,528	25,916	(1,695)	(29,307)	(56,918)	(84,529)	
140,000	71,139	43,528	15,916	(11,695)	(39,307)	(66,918)	(94,529)	
150,000	61,139	33,528	5,916	(21,695)	(49,307)	(76,918)	(104,529)	
160,000	51,139	23,528	(4,084)	(31,695)	(59,307)	(86,918)	(114,529)	
170,000	41,139	13,528	(14,084)	(41,695)	(69,307)	(96,918)	(124,529)	
180,000	31,139	3,528	(24,084)	(51,695)	(79,307)	(106,918)	(134,529)	
190,000	21,139	(6,472)	(34,084)	(61,695)	(89,307)	(116,918)	(144,529)	
200,000	11,139	(16,472)	(44,084)	(71,695)	(99,307)	(126,918)	(154,529)	
210,000	1,139	(26,472)	(54,084)	(81,695)	(109,307)	(136,918)	(164,529)	
220,000	(8,861)	(36,472)	(64,084)	(91,695)	(119,307)	(146,918)	(174,529)	
230,000	(18,861)	(46,472)	(74,084)	(101,695)	(129,307)	(156,918)	(184,529)	
240,000	(28,861)	(56,472)	(84,084)	(111,695)	(139,307)	(166,918)	(194,529)	
250,000	(38,861)	(66,472)	(94,084)	(121,695)	(149,307)	(176,918)	(204,529)	

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
30		11,343	(9,366)	(30,074)	(50,783)	(71,491)	(92,200)	(112,908)
33		27,542	5,107	(17,327)	(39,761)	(62,195)	(84,629)	(107,064)
Density (dph)		43,741	19,581	(4,579)	(28,739)	(52,899)	(77,059)	(101,219)
40.0		59,940	34,054	8,169	(17,717)	(43,603)	(69,488)	(95,374)
40		76,139	48,528	20,916	(6,695)	(34,307)	(61,918)	(89,529)
43		92,338	63,001	33,664	4,327	(25,010)	(54,347)	(83,684)
45		108,537	77,474	46,412	15,349	(15,714)	(46,777)	(77,840)
48		124,736	91,948	59,159	26,371	(6,418)	(39,206)	(71,995)
50		140,935	106,421	71,907	37,393	2,878	(31,636)	(66,150)
53		157,134	120,894	84,654	48,415	12,175	(24,065)	(60,305)
55		173,333	135,368	97,402	59,437	21,471	(16,495)	(54,460)
58		189,532	149,841	110,150	70,458	30,767	(8,924)	(48,616)
60		205,732	164,314	122,897	81,480	40,063	(1,354)	(42,771)
63		221,931	178,788	135,645	92,502	49,360	6,217	(36,926)
65		238,130	193,261	148,393	103,524	58,656	13,787	(31,081)
68		254,329	207,735	161,140	114,546	67,952	21,358	(25,236)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
90%		314,505	284,763	255,021	225,280	195,538	165,796	136,055
92%		266,901	237,596	208,291	178,986	149,681	120,376	91,071
Build Cost		219,298	190,429	161,561	132,692	103,824	74,955	46,086
100%		171,694	143,262	114,830	86,398	57,936	29,447	957
(105% = 5% increase)		124,017	95,966	67,916	39,865	11,815	(16,235)	(44,286)
100%		76,139	48,528	20,916	(6,695)	(34,307)	(61,918)	(89,529)
102%		28,261	1,089	(26,083)	(53,256)	(80,428)	(107,600)	(134,817)
104%		(19,617)	(46,350)	(73,083)	(99,846)	(126,671)	(153,496)	(180,321)
106%		(67,524)	(93,907)	(120,291)	(146,674)	(173,058)	(199,441)	(225,825)
108%		(115,677)	(141,619)	(167,561)	(193,503)	(219,445)	(245,387)	(271,418)
110%		(163,831)	(189,331)	(214,832)	(240,332)	(265,890)	(291,537)	(317,184)
112%		(211,985)	(237,043)	(262,139)	(287,342)	(312,544)	(337,747)	(362,950)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
80%		(465,789)	(463,452)	(461,115)	(458,778)	(456,441)	(454,104)	(451,793)
82%		(411,021)	(411,727)	(412,432)	(413,138)	(413,844)	(414,549)	(415,255)
Market Values		(356,505)	(360,186)	(363,867)	(367,548)	(371,246)	(374,995)	(378,743)
100%		(302,085)	(308,790)	(315,494)	(322,198)	(328,903)	(335,607)	(342,312)
(105% = 5% increase)		(247,665)	(257,393)	(267,121)	(276,849)	(286,577)	(296,304)	(306,032)
90%		(193,540)	(206,222)	(218,903)	(231,585)	(244,267)	(257,001)	(269,752)
92%		(139,444)	(155,131)	(170,819)	(186,506)	(202,193)	(217,880)	(233,567)
94%		(85,349)	(104,041)	(122,734)	(141,426)	(160,119)	(178,811)	(197,504)
96%		(31,451)	(53,085)	(74,719)	(96,353)	(118,045)	(139,742)	(161,440)
98%		22,344	(2,279)	(26,902)	(51,524)	(76,147)	(100,770)	(125,393)
100%		76,139	48,528	20,916	(6,695)	(34,307)	(61,918)	(89,529)
102%		129,934	99,334	68,734	38,134	7,534	(23,066)	(53,666)
104%		183,524	150,019	116,513	82,963	49,375	15,786	(17,803)
106%		237,042	200,564	164,085	127,607	91,128	54,638	18,061
108%		290,561	251,109	211,657	172,205	132,754	93,302	53,850
110%		344,079	301,654	259,229	216,804	174,379	131,954	89,529
112%		397,598	352,199	306,801	261,403	216,004	170,606	125,208
114%		450,868	402,621	354,373	306,001	257,630	209,258	160,887
116%		504,134	452,927	401,720	350,513	299,255	247,910	196,566
118%		557,193	503,146	449,067	394,901	340,734	286,563	232,245
120%		610,229	553,236	496,242	439,249	382,163	325,038	267,912

Scheme Ref: **F**
 No Units: **50** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
1,000		126,435	98,624	71,212	43,601	15,990	(11,622)	(39,233)
2,000		109,670	82,058	54,447	26,836	(776)	(28,387)	(55,999)
Carbon/Energy Reduction/FHS		92,904	65,293	37,682	10,070	(17,541)	(45,153)	(72,764)
4,000		76,139	48,528	20,916	(6,695)	(34,307)	(61,918)	(89,529)
£ per dwelling		59,374	31,762	4,151	(23,461)	(51,072)	(78,683)	(106,295)
5,000		42,608	14,997	(12,615)	(40,226)	(67,837)	(95,449)	(123,060)
6,000		25,843	(1,769)	(29,380)	(56,991)	(84,603)	(112,214)	(139,899)
7,000		9,077	(18,534)	(46,145)	(73,757)	(101,368)	(129,052)	(156,761)
8,000		(7,688)	(35,299)	(62,911)	(90,522)	(118,206)	(145,914)	(173,623)
9,000		(24,453)	(52,065)	(79,676)	(107,360)	(135,068)	(162,776)	(190,485)
10,000		(41,219)	(68,830)	(96,513)	(124,222)	(151,930)	(179,638)	(207,347)
11,000		(57,984)	(85,667)	(113,375)	(141,084)	(168,792)	(196,500)	(224,208)
12,000		(74,821)	(102,529)	(130,237)	(157,945)	(185,654)	(213,362)	(241,070)
13,000		(91,682)	(119,391)	(147,099)	(174,807)	(202,516)	(230,224)	(257,944)
14,000		(108,544)	(136,253)	(163,961)	(191,669)	(219,378)	(247,086)	(274,903)
15,000								

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(61,918)	10%	15%	20%	25%	30%	35%	40%
40%		52,391	12,906	(26,579)	(66,065)	(105,575)	(145,230)	(184,885)
45%		56,349	18,843	(18,663)	(56,170)	(93,676)	(131,292)	(168,956)
First Homes £		60,307	24,780	(10,748)	(46,275)	(81,802)	(117,355)	(153,027)
70%		64,265	30,717	(2,832)	(36,380)	(69,928)	(103,477)	(137,099)
of Market Value		68,223	36,654	5,084	(26,485)	(58,054)	(89,624)	(121,193)
65%		72,181	42,591	13,000	(16,590)	(46,180)	(75,771)	(105,361)
70%		76,139	48,528	20,916	(6,695)	(34,307)	(61,918)	(89,529)

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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%						
		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%	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	40.0%	7.4	20.0%	3.3	14%	13.9	
2 Bed House	35.0%	22.8	30.0%	5.5	40.0%	6.7	35%	34.9	
3 Bed House	40.0%	26.0	25.0%	4.6	30.0%	5.0	36%	35.6	
4 Bed House	20.0%	13.0	5.0%	0.9	10.0%	1.7	16%	15.6	
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		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		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		AH units GIA		Total GIA (all units)			
		(sqm)	(sqft)	(sqm)	(sqft)	(sqm)	(sqft)		
1 Bed House	146	1,574	480	5,171	627	6,745			
2 Bed House	1,593	17,142	851	9,164	2,444	26,306			
3 Bed House	2,184	23,508	805	8,663	2,989	32,171			
4 Bed House	1,430	15,392	284	3,056	1,714	18,449			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	5,353	57,617	2,421	26,054	7,773	83,671			
AH % by floor area:				31.14% 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	3,111	289			1,949,500			
2 Bed House	210,000	3,000	279			7,331,625			
3 Bed House	265,000	3,155	293			9,429,031			
4 Bed House	375,000	3,409	317			5,842,969			
1 Bed Flat	140,000	3,111	289			0			
2 Bed Flat	170,000	2,833	263			0			
						24,553,125			
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	98,000	70%	0		84,000	60%	98,000	70%	
2 Bed House	147,000	70%	0		126,000	60%	147,000	70%	
3 Bed House	172,250	65%	0		159,000	60%	172,250	65%	
4 Bed House	225,000	60%	0		225,000	60%	225,000	60%	
1 Bed Flat	98,000	70%	0		84,000	60%	98,000	70%	
2 Bed Flat	119,000	70%	0		102,000	60%	119,000	70%	

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE

OMS GDV - (part houses due to % mix)				
1 Bed House	3.3	@	140,000	455,000
2 Bed House	22.8	@	210,000	4,777,500
3 Bed House	26.0	@	265,000	6,890,000
4 Bed House	13.0	@	375,000	4,875,000
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	65.0			16,997,500
Affordable Rent GDV -				
1 Bed House	7.4	@	98,000	720,300
2 Bed House	5.5	@	147,000	810,338
3 Bed House	4.6	@	172,250	791,273
4 Bed House	0.9	@	225,000	206,719
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	18.4			2,528,630
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	1.8	@	84,000	147,000
2 Bed House	3.5	@	126,000	441,000
3 Bed House	2.6	@	159,000	417,375
4 Bed House	0.9	@	225,000	196,875
1 Bed Flat	0.0	@	84,000	-
2 Bed Flat	0.0	@	102,000	-
	8.8			1,202,250
Intermediate GDV -				
1 Bed House	1.6	@	98,000	154,350
2 Bed House	3.2	@	147,000	463,050
3 Bed House	2.4	@	172,250	406,941
4 Bed House	0.8	@	225,000	177,188
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	7.9	35.0		1,201,528
Sub-total GDV Residential				
	100			21,929,908
AH on-site cost analysis:			EMV (no AH) less £GDV (inc. AH)	2,623,217
		337 £ psm (total GIA sqm)	26,232 £ per unit (total units)	
Grant				
	35	AH units @	per unit	-
Total GDV				
				21,929,908

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	2.74% % of GDV	6,000 £ per unit (total u (600,000))
AH Commuted Sum	7,773 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
cont./				

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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		627	sqm @		1,499	psm
2 Bed House		2,444	sqm @		1,499	psm
3 Bed House		2,989	sqm @		1,499	psm
4 Bed House		1,714	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat	7,773	-	sqm @		1,737	psm
External works		11,652,120	@		10.0%	
	Ext. Works analysis:				11,652	£ per unit
M4(2) Category 2 Housing	Aff units	18	units @	70% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	18	units @	30% @	10,111	£ per unit
M4(2) Category 2 Housing	Mkrt units	65	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mkrt units	65	units @	10% @	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	14	units @		337	£ per unit
	2 Bed	35	units @		487	£ per unit
Solent SPA		36	units @		637	£ per unit
	3 Bed	36	units @		637	£ per unit
	4 Bed	16	units @		749	£ per unit
Contingency (on construction)		14,031,796	@		3.0%	
Professional Fees		14,031,796	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		16,997,500	OMS @	1.50%	2,550	£ per unit
Residential Sales Agent Costs		16,997,500	OMS @	1.50%	2,550	£ per unit
Residential Sales Legal Costs		16,997,500	OMS @	0.50%	850	£ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				6,049	£ per unit
Interest (on Development Costs) -			7.00% APR		0.565%	pcm
Developers Profit -						
Profit on OMS		16,997,500		20.00%		
Margin on AH		4,932,408		6.00% on AH values		
	Profit analysis:	21,929,908		16.85% blended GDV	(3,695,444)	
		17,061,741		21.66% on costs	(3,695,444)	
TOTAL COSTS						(20,757,186)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					1,172,722
SDLT		1,172,722	@	HMRC formula	(48,136)
Acquisition Agent fees		1,172,722	@	1.0%	(11,727)
Acquisition Legal fees		1,172,722	@	0.5%	(5,864)
Interest on Land		1,172,722	@	7.00%	(82,091)
Residual Land Value					1,024,905
	RLV analysis:	10,249	£ per plot	358,717	£ per ha
				145,171	£ per acre

BENCHMARK LAND VALUE (BLV)					
Residential Density			35.0	dph	
Site Area (Net)			2.86	ha	7.06
Benchmark Land Value (Net)	9,531	£ per plot	333,585	£ per ha	135,000
	BLV analysis:	Density	2,721	sqm/ha	11,851
				sqft/ac	

BALANCE					
Surplus/(Deficit)		25,132	£ per ha	10,171	£ per acre
					71,805

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10,171	10%	15%	20%	25%	30%	35%	40%
	-	218,864	192,377	165,890	139,381	112,858	86,335	59,791
1,000	206,274	179,787	153,274	126,751	100,228	73,686	47,117	
Site Specific S106	2,000	193,684	167,166	140,643	114,120	87,581	61,013	34,443
6,000	3,000	181,059	154,536	128,013	101,476	74,908	48,339	21,724
	4,000	168,428	141,905	115,372	88,803	62,235	35,629	9,006
	5,000	155,798	129,267	102,698	76,130	49,534	22,910	(3,751)
	6,000	143,162	116,594	90,025	63,439	36,815	10,171	(16,517)
	7,000	130,489	103,920	77,344	50,720	24,092	(2,596)	(29,322)
	8,000	117,815	91,247	64,625	38,002	11,326	(15,377)	(42,138)
	9,000	105,142	78,530	51,907	25,248	(1,440)	(28,193)	(55,003)
	10,000	92,435	65,812	39,169	12,482	(14,247)	(41,026)	(67,884)
	12,500	60,630	33,942	7,236	(19,526)	(46,353)	(73,255)	(100,259)
	15,000	28,714	1,957	(24,834)	(51,687)	(78,630)	(105,691)	(132,900)
	17,500	(3,322)	(30,161)	(57,058)	(84,041)	(111,140)	(138,389)	(165,864)
	20,000	(35,490)	(62,429)	(89,453)	(116,589)	(143,901)	(171,419)	(199,258)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10,171	10%	15%	20%	25%	30%	35%	40%
15.0%	287,339	252,761	218,182	183,586	148,953	114,298	79,601	
16.0%	258,504	225,527	192,551	159,557	126,525	93,473	60,377	
Profit	17.0%	229,668	198,294	166,919	135,527	104,098	72,647	41,153
20.0%	18.0%	200,833	171,060	141,288	111,498	81,670	51,822	21,930
	19.0%	171,997	143,827	115,656	87,468	59,243	30,996	2,706
	20.0%	143,162	116,594	90,025	63,439	36,815	10,171	(16,517)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10,171	10%	15%	20%	25%	30%	35%	40%
100,000	178,162	151,594	125,025	98,439	71,815	45,171	18,483	
110,000	168,162	141,594	115,025	88,439	61,815	35,171	8,483	
BLV (£ per acre)	120,000	158,162	131,594	105,025	78,439	51,815	25,171	(1,517)
135,000	130,000	148,162	121,594	95,025	68,439	41,815	15,171	(11,517)
	140,000	138,162	111,594	85,025	58,439	31,815	5,171	(21,517)
	150,000	128,162	101,594	75,025	48,439	21,815	(4,829)	(31,517)
	160,000	118,162	91,594	65,025	38,439	11,815	(14,829)	(41,517)
	170,000	108,162	81,594	55,025	28,439	1,815	(24,829)	(51,517)
	180,000	98,162	71,594	45,025	18,439	(8,185)	(34,829)	(61,517)
	190,000	88,162	61,594	35,025	8,439	(18,185)	(44,829)	(71,517)
	200,000	78,162	51,594	25,025	(1,561)	(28,185)	(54,829)	(81,517)
	210,000	68,162	41,594	15,025	(11,561)	(38,185)	(64,829)	(91,517)
	220,000	58,162	31,594	5,025	(21,561)	(48,185)	(74,829)	(101,517)
	230,000	48,162	21,594	(4,975)	(31,561)	(58,185)	(84,829)	(111,517)
	240,000	38,162	11,594	(14,975)	(41,561)	(68,185)	(94,829)	(121,517)
	250,000	28,162	1,594	(24,975)	(51,561)	(78,185)	(104,829)	(131,517)

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10,171	10%	15%	20%	25%	30%	35%	40%
	15	(15,788)	(27,174)	(38,561)	(49,955)	(61,365)	(72,784)	(84,222)
	18	4,081	(9,203)	(22,488)	(35,781)	(49,092)	(62,415)	(75,759)
Density (dph)	20	23,950	8,768	(6,414)	(21,606)	(36,820)	(52,045)	(67,296)
35.0	23	43,818	26,739	9,659	(7,432)	(24,547)	(41,676)	(58,833)
	25	63,687	44,710	25,732	6,742	(12,275)	(31,307)	(50,369)
	28	83,556	62,681	41,805	20,916	(2)	(20,937)	(41,906)
	30	103,425	80,652	57,879	35,091	12,270	(10,568)	(33,443)
	33	123,293	98,623	73,952	49,265	24,543	(199)	(24,980)
	35	143,162	116,594	90,025	63,439	36,815	10,171	(16,517)
	38	163,031	134,565	106,098	77,613	49,088	20,540	(8,054)
	40	182,900	152,535	122,171	91,787	61,360	30,909	409
	43	202,768	170,506	138,245	105,962	73,633	41,279	8,872
	45	222,637	188,477	154,318	120,136	85,906	51,648	17,335
	48	242,506	206,448	170,391	134,310	98,178	62,017	25,798
	50	262,374	224,419	186,464	148,484	110,451	72,387	34,261
	53	282,243	242,390	202,537	162,658	122,723	82,756	42,724

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10,171	10%	15%	20%	25%	30%	35%	40%
	90%	330,111	302,154	274,198	246,241	218,285	190,309	162,330
	92%	292,888	265,213	237,538	209,863	182,188	154,513	126,813
Build Cost	94%	255,574	228,203	200,814	173,413	146,012	118,611	91,188
100%	96%	218,185	191,089	163,993	136,872	109,737	82,603	55,438
(105% = 5% increase)	98%	180,721	153,892	127,064	100,220	73,345	46,470	19,542
	100%	143,162	116,594	90,025	63,439	36,815	10,171	(16,517)
	102%	105,478	79,173	52,857	26,508	130	(26,309)	(52,801)
	104%	67,667	41,610	15,540	(10,591)	(36,762)	(63,000)	(89,334)
	106%	29,715	3,886	(21,968)	(47,879)	(73,875)	(99,961)	(126,191)
	108%	(8,421)	(34,020)	(59,689)	(85,433)	(111,280)	(137,263)	(163,453)
	110%	(46,755)	(72,162)	(97,658)	(123,270)	(149,026)	(174,992)	(201,243)
	112%	(85,304)	(110,558)	(135,932)	(161,470)	(187,209)	(213,253)	(239,505)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10,171	10%	15%	20%	25%	30%	35%	40%
	80%	(322,399)	(323,888)	(325,377)	(326,865)	(328,385)	(329,917)	(331,449)
	82%	(273,987)	(278,122)	(282,299)	(286,480)	(290,661)	(294,842)	(299,023)
Market Values	84%	(225,822)	(232,633)	(239,444)	(246,254)	(253,065)	(259,876)	(266,715)
100%	86%	(178,019)	(187,336)	(196,696)	(206,117)	(215,604)	(225,090)	(234,577)
(105% = 5% increase)	88%	(130,993)	(142,778)	(154,589)	(166,444)	(178,366)	(190,364)	(202,467)
	90%	(84,544)	(98,782)	(113,049)	(127,364)	(141,722)	(156,144)	(170,649)
	92%	(38,495)	(55,206)	(71,926)	(88,698)	(105,500)	(122,355)	(139,284)
	94%	7,224	(11,936)	(31,129)	(50,342)	(69,603)	(88,902)	(108,261)
	96%	52,720	31,081	9,443	(12,243)	(33,939)	(55,696)	(77,498)
	98%	98,022	73,915	49,807	25,675	1,512	(22,687)	(46,925)
	100%	143,162	116,594	90,025	63,439	36,815	10,171	(16,517)
	102%	188,169	159,146	130,123	101,073	71,996	42,899	13,760
	104%	233,073	201,600	170,125	138,601	107,078	75,521	43,937
	106%	277,903	243,982	210,016	176,050	142,080	108,056	74,030
	108%	322,660	286,254	249,848	213,442	176,986	140,527	104,034
	110%	367,339	328,494	289,633	250,740	211,848	172,937	133,985
	112%	411,989	370,663	329,338	288,012	246,659	205,280	163,901
	114%	456,564	412,804	369,026	325,220	281,414	237,605	193,739
	116%	501,117	454,882	408,647	362,412	316,142	269,855	223,569
	118%	545,638	496,960	448,250	399,539	350,829	302,103	253,335
	120%	590,104	538,966	487,829	436,667	385,482	334,296	283,102

Scheme Ref: **G**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10.171	10%	15%	20%	25%	30%	35%	40%
1,000	185,327	158,804	132,281	105,758	79,194	52,626	26,029	
2,000	171,274	144,751	118,228	91,661	65,092	38,499	11,875	
Carbon/Energy Reduction/FHS	3,000	157,221	130,696	104,127	77,559	50,969	24,345	(2,310)
4,000	143,162	116,594	90,025	63,439	36,815	10,171	(16,517)	
£ per dwelling	5,000	129,060	102,491	75,909	49,286	22,651	(4,037)	(30,770)
6,000	114,958	88,379	61,756	35,132	8,444	(18,272)	(45,042)	
7,000	100,849	74,226	47,602	20,925	(5,773)	(32,535)	(59,365)	
8,000	86,696	60,072	33,405	6,717	(20,037)	(46,843)	(73,728)	
9,000	72,543	45,886	19,198	(7,539)	(34,320)	(61,174)	(88,128)	
10,000	58,367	31,679	4,959	(21,803)	(48,643)	(75,559)	(102,577)	
11,000	44,159	17,457	(9,305)	(36,121)	(63,005)	(89,985)	(117,090)	
12,000	29,952	3,193	(23,599)	(50,451)	(77,393)	(104,453)	(131,659)	
13,000	15,691	(11,076)	(37,921)	(64,836)	(91,842)	(118,969)	(146,291)	
14,000	1,427	(25,399)	(52,282)	(79,250)	(106,332)	(133,555)	(160,994)	
15,000	(12,877)	(39,729)	(66,667)	(93,699)	(120,865)	(148,200)	(175,776)	

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	10.171	10%	15%	20%	25%	30%	35%	40%
40%	129,555	96,183	62,753	29,284	(4,257)	(37,899)	(71,676)	
45%	132,957	101,285	69,580	37,836	6,022	(25,859)	(57,837)	
First Homes £	50%	136,358	106,388	76,408	46,370	16,301	(13,820)	(44,024)
60%	55%	139,760	111,491	83,221	54,905	26,574	(1,821)	(30,264)
of Market Value	60%	143,162	116,594	90,025	63,439	36,815	10,171	(16,517)
65%	146,558	121,696	96,829	71,961	47,057	22,140	(2,812)	
70%	149,948	126,799	103,632	80,465	57,298	34,088	10,878	

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% 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% 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%	3.3	40.0%	7.4	20.0%	3.3	14%	13.9
2 Bed House	30.0%	19.5	30.0%	5.5	40.0%	6.7	32%	31.7
3 Bed House	40.0%	26.0	25.0%	4.6	30.0%	5.0	36%	35.6
4 Bed House	25.0%	16.3	5.0%	0.9	10.0%	1.7	19%	18.8
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 (sqm)	(sqft)	Total GIA (all units) (sqm)	(sqft)		
1 Bed House	146	1,574	480	5,171	627	6,745		
2 Bed House	1,365	14,693	851	9,164	2,216	23,857		
3 Bed House	2,184	23,508	805	8,663	2,989	32,171		
4 Bed House	1,788	19,240	284	3,056	2,071	22,297		
1 Bed Flat	0	0	0	0	0	0		
2 Bed Flat	0	0	0	0	0	0		
	5,483	59,016	2,421	26,054	7,903	85,070		
AH % by floor area:		30.63% 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	3,111	289			1,949,500		
2 Bed House	210,000	3,000	279			6,649,125		
3 Bed House	265,000	3,155	293			9,429,031		
4 Bed House	375,000	3,409	317			7,061,719		
1 Bed Flat	140,000	3,111	289			0		
2 Bed Flat	170,000	2,833	263			0		
						25,089,375		
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	98,000	70%	0		98,000	70%	98,000	70%
2 Bed House	147,000	70%	0		147,000	70%	147,000	70%
3 Bed House	172,250	65%	0		185,500	70%	172,250	65%
4 Bed House	225,000	60%	0		262,500	70%	225,000	60%
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	3.3	@	140,000	455,000
2 Bed House	19.5	@	210,000	4,095,000
3 Bed House	26.0	@	265,000	6,890,000
4 Bed House	16.3	@	375,000	6,093,750
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	65.0			17,533,750
Affordable Rent GDV -				
1 Bed House	7.4	@	98,000	720,300
2 Bed House	5.5	@	147,000	810,338
3 Bed House	4.6	@	172,250	791,273
4 Bed House	0.9	@	225,000	206,719
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	18.4			2,528,630
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	1.8	@	98,000	171,500
2 Bed House	3.5	@	147,000	514,500
3 Bed House	2.6	@	185,500	486,938
4 Bed House	0.9	@	262,500	229,688
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	8.8			1,402,625
Intermediate GDV -				
1 Bed House	1.6	@	98,000	154,350
2 Bed House	3.2	@	147,000	463,050
3 Bed House	2.4	@	172,250	406,941
4 Bed House	0.8	@	225,000	177,188
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	7.9	35.0		1,201,528
Sub-total GDV Residential				
	100			22,666,533
<i>AH on-site cost analysis:</i>				
			EMV (no AH) less £GDV (inc. AH)	2,422,842
		307 £ psm (total GIA sqm)	24,228 £ per unit (total units)	
Grant				
	35	AH units @	per unit	-
Total GDV				
				22,666,533

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(29,759)
Planning Application Professional Fees, Surveys and reports				(90,000)
CIL	5.483 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	2.65% % of GDV	6,000 £ per unit (total u (600,000))
AH Commuted Sum	7.903 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
<i>cont./</i>				

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% 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		627	sqm @		1,499	psm (939,311)
2 Bed House		2,216	sqm @		1,499	psm (3,322,346)
3 Bed House		2,989	sqm @		1,499	psm (4,480,249)
4 Bed House		2,071	sqm @		1,499	psm (3,105,085)
5 Bed House		-	sqm @		1,499	psm -
1 Bed Flat		-	sqm @		1,737	psm -
2 Bed Flat	7,903	-	sqm @		1,737	psm -
External works			11,846,990 @		15.0%	(1,777,049)
	Ext. Works analysis:				17,770	£ per unit
M4(2) Category 2 Housing	Aff units	18	units @	70% @	521	£ per unit (6,701)
M4(3) Category 3 Housing	Aff units	18	units @	30% @	10,111	£ per unit (55,737)
M4(2) Category 2 Housing	Mkrt units	65	units @	20% @	521	£ per unit (6,773)
M4(3) Category 3 Housing	Mkrt units	65	units @	10% @	10,111	£ per unit (65,722)
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	14	units @		337	£ per unit (4,693)
	2 Bed	32	units @		487	£ per unit (15,420)
Solent SPA	3 Bed	36	units @		637	£ per unit (22,665)
	4 Bed	19	units @		749	£ per unit (14,105)
Contingency (on construction)			15,011,398 @		5.0%	(750,570)
Professional Fees			15,011,398 @		8.0%	(1,200,912)
Disposal Costs -						
OMS Marketing and Promotion		17,533,750	OMS @	1.50%	2,630	£ per unit (263,006)
Residential Sales Agent Costs		17,533,750	OMS @	1.50%	2,630	£ per unit (263,006)
Residential Sales Legal Costs		17,533,750	OMS @	0.50%	877	£ per unit (87,669)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				6,237	£ per unit
Interest (on Development Costs) -			7.00% APR		0.565%	pcm (235,031)
Developers Profit -						
Profit on OMS		17,533,750		20.00%		(3,506,750)
Margin on AH		5,132,783		6.00% on AH values		(307,967)
	Profit analysis:	22,666,533		16.83% blended GDV		(3,814,717)
		18,541,352		20.57% on costs		(3,814,717)
TOTAL COSTS						(22,356,069)

RESIDUAL LAND VALUE (RLV)						
Residual Land Value (gross)						310,464
SDLT		310,464	@	HMRC formula		(5,023)
Acquisition Agent fees		310,464	@	1.0%		(3,105)
Acquisition Legal fees		310,464	@	0.5%		(1,552)
Interest on Land		310,464	@	7.00%		(21,732)
Residual Land Value						279,051
	RLV analysis:	2,791	£ per plot	125,573	£ per ha	50,819
						£ 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
	BLV analysis:	Density	3,556	sqm/ha	15,492	sqft/ac

BALANCE						
Surplus/(Deficit)			(208,012)	£ per ha	(84,181)	£ per acre
						(462,249)

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
	-	168,319	137,838	107,295	76,752	46,154	15,532	(15,174)
1,000	151,966	121,424	90,881	60,298	29,676	(1,006)	(31,743)	(48,359)
2,000	135,553	105,010	74,442	43,820	13,161	(17,552)	(34,159)	(65,018)
3,000	119,139	88,585	57,964	27,328	(3,385)	(34,159)	(67,467)	(81,707)
4,000	102,725	72,107	41,485	10,783	(19,960)	(50,777)	(84,181)	(98,471)
5,000	86,251	55,629	24,950	(5,763)	(36,576)	(67,467)	(84,181)	(115,275)
6,000	69,773	39,117	8,405	(22,377)	(53,227)	(69,917)	(100,948)	(132,128)
7,000	53,285	22,572	(8,177)	(38,993)	(55,676)	(86,658)	(117,773)	(149,058)
8,000	36,739	6,022	(24,793)	(55,676)	(86,658)	(117,773)	(149,058)	(166,055)
9,000	20,194	(10,594)	(41,436)	(72,368)	(103,425)	(134,642)	(166,055)	(183,123)
10,000	3,606	(27,210)	(58,126)	(89,135)	(120,272)	(151,572)	(183,123)	(226,154)
12,500	(37,990)	(68,938)	(99,998)	(131,205)	(162,596)	(194,205)	(237,347)	(269,630)
15,000	(79,798)	(110,920)	(142,185)	(173,629)	(205,325)	(237,347)	(280,836)	(313,119)
17,500	(121,842)	(153,164)	(184,685)	(216,452)	(248,552)	(280,836)	(313,119)	(356,773)
20,000	(164,185)	(195,767)	(227,587)	(259,757)	(292,041)	(324,324)	(356,773)	

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
15.0%	260,992	219,713	178,377	136,972	95,499	53,921	12,204	(13,292)
16.0%	222,748	183,594	144,382	105,102	65,754	26,301	(1,320)	(38,788)
17.0%	184,504	147,474	110,388	73,233	36,008	(1,320)	(64,283)	(89,779)
18.0%	146,261	111,355	76,393	41,363	6,263	(28,940)	(56,561)	(115,275)
19.0%	108,017	75,236	42,399	9,493	(23,482)	(53,227)	(84,181)	
20.0%	69,773	39,117	8,405	(22,377)	(53,227)			

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
100,000	104,773	74,117	43,405	12,623	(18,227)	(49,181)	(80,275)	(90,275)
110,000	94,773	64,117	33,405	2,623	(28,227)	(69,181)	(100,275)	(110,275)
120,000	84,773	54,117	23,405	(7,377)	(38,227)	(89,181)	(120,275)	(130,275)
130,000	74,773	44,117	13,405	(17,377)	(48,227)	(109,181)	(140,275)	(150,275)
140,000	64,773	34,117	3,405	(27,377)	(58,227)	(129,181)	(160,275)	(170,275)
150,000	54,773	24,117	(6,595)	(37,377)	(68,227)	(149,181)	(180,275)	(190,275)
160,000	44,773	14,117	(16,595)	(47,377)	(78,227)	(169,181)	(200,275)	(210,275)
170,000	34,773	4,117	(26,595)	(57,377)	(88,227)	(189,181)	(220,275)	(230,275)
180,000	24,773	(5,883)	(36,595)	(67,377)	(98,227)	(209,181)	(240,275)	(250,275)
190,000	14,773	(15,883)	(46,595)	(77,377)	(108,227)	(229,181)	(260,275)	(270,275)
200,000	4,773	(25,883)	(56,595)	(87,377)	(118,227)	(249,181)	(280,275)	(290,275)
210,000	(5,227)	(35,883)	(66,595)	(97,377)	(128,227)	(269,181)	(300,275)	(310,275)
220,000	(15,227)	(45,883)	(76,595)	(107,377)	(138,227)	(289,181)	(320,275)	(330,275)
230,000	(25,227)	(55,883)	(86,595)	(117,377)	(148,227)	(309,181)	(340,275)	(350,275)
240,000	(35,227)	(65,883)	(96,595)	(127,377)	(158,227)	(329,181)	(360,275)	(370,275)
250,000	(45,227)	(75,883)	(106,595)	(137,377)	(168,227)	(349,181)	(380,275)	(390,275)

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
	30	(14,941)	(35,417)	(55,960)	(76,542)	(97,186)	(117,916)	(138,756)
	33	(813)	(22,994)	(45,227)	(67,501)	(89,843)	(112,277)	(134,829)
Density (dph)	35	13,316	(10,572)	(34,494)	(58,461)	(82,517)	(106,654)	(130,903)
45.0	38	27,442	1,850	(23,760)	(49,440)	(75,194)	(101,036)	(126,994)
	40	41,552	14,273	(13,028)	(40,419)	(67,872)	(95,418)	(123,088)
	43	55,663	26,695	(2,312)	(31,398)	(60,549)	(89,800)	(119,181)
	45	69,773	39,117	8,405	(22,377)	(53,227)	(84,181)	(115,275)
	48	83,884	51,540	19,121	(13,355)	(45,904)	(78,563)	(111,369)
	50	97,994	63,962	29,837	(4,334)	(38,582)	(72,949)	(107,462)
	53	112,104	76,379	40,553	4,687	(31,265)	(67,344)	(103,559)
	55	126,215	88,788	51,269	13,708	(23,955)	(61,740)	(99,666)
	58	140,325	101,197	61,985	22,729	(16,646)	(56,136)	(95,774)
	60	154,436	113,607	72,701	31,750	(9,337)	(50,532)	(91,881)
	63	168,546	126,016	83,417	40,760	(2,028)	(44,928)	(87,988)
	65	182,657	138,425	94,133	49,770	5,281	(39,323)	(84,095)
	68	196,767	150,834	104,849	58,780	12,591	(33,719)	(80,202)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
	90%	333,981	301,217	268,433	235,649	202,865	170,064	137,227
	92%	281,471	249,169	216,829	184,476	152,122	119,736	87,320
Build Cost	94%	228,824	196,954	165,051	133,121	101,190	69,193	37,188
100%	96%	176,010	144,564	113,074	81,557	50,005	18,406	(13,265)
(105% = 5% increase)	98%	123,003	91,973	60,867	29,755	(1,448)	(32,706)	(64,051)
	100%	69,773	39,117	8,405	(22,377)	(53,227)	(84,181)	(115,275)
	102%	16,294	(14,020)	(44,384)	(74,834)	(105,404)	(136,130)	(167,046)
	104%	(37,523)	(67,477)	(97,539)	(127,729)	(158,090)	(188,661)	(219,523)
	106%	(91,674)	(121,358)	(151,170)	(181,164)	(211,397)	(241,938)	(272,673)
	108%	(146,284)	(175,727)	(205,360)	(235,261)	(265,437)	(295,656)	(325,874)
	110%	(201,407)	(230,688)	(260,266)	(289,968)	(319,671)	(349,453)	(379,369)
	112%	(257,161)	(286,346)	(315,532)	(344,718)	(374,082)	(403,479)	(432,982)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
	80%	(560,635)	(557,523)	(554,411)	(551,373)	(548,345)	(545,316)	(542,288)
	82%	(495,631)	(496,057)	(496,539)	(497,044)	(497,549)	(498,054)	(498,592)
Market Values	84%	(430,949)	(434,968)	(438,988)	(443,007)	(447,026)	(451,046)	(455,156)
100%	86%	(366,676)	(374,193)	(381,710)	(389,227)	(396,744)	(404,331)	(411,943)
(105% = 5% increase)	88%	(302,647)	(313,638)	(324,628)	(335,665)	(346,753)	(357,841)	(368,928)
	90%	(238,804)	(253,307)	(267,846)	(282,385)	(296,925)	(311,464)	(326,079)
	92%	(175,750)	(193,466)	(211,269)	(229,184)	(247,240)	(265,329)	(283,417)
	94%	(113,566)	(134,497)	(155,502)	(176,608)	(197,846)	(219,243)	(240,830)
	96%	(52,005)	(76,174)	(100,398)	(124,724)	(149,150)	(173,703)	(198,453)
	98%	9,086	(18,342)	(45,810)	(73,341)	(100,980)	(128,728)	(156,638)
	100%	69,773	39,117	8,405	(22,377)	(53,227)	(84,181)	(115,275)
	102%	130,171	96,280	62,304	28,303	(5,784)	(39,963)	(74,254)
	104%	190,331	153,182	115,965	78,725	41,391	3,992	(33,511)
	106%	250,292	209,894	169,422	128,936	88,364	47,739	7,020
	108%	310,094	266,436	222,712	178,989	135,167	91,306	47,365
	110%	369,776	322,824	275,870	228,879	181,829	134,723	87,552
	112%	429,292	379,111	328,923	278,653	228,383	178,018	127,606
	114%	488,739	435,321	381,833	328,345	274,805	221,218	167,554
	116%	548,099	491,395	434,692	377,942	321,148	264,324	207,422
	118%	607,374	547,454	487,457	427,455	367,438	307,338	247,212
	120%	666,593	603,382	540,172	476,922	413,623	350,322	286,915

Scheme Ref: **H**
 No Units: **100** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
1,000		125,685	95,142	64,538	33,916	3,220	(27,524)	(58,351)
2,000		107,089	76,490	45,868	15,186	(15,537)	(46,352)	(77,263)
Carbon/Energy Reduction/FHS		88,443	57,821	27,151	(3,561)	(34,364)	(65,245)	(96,238)
4,000		69,773	39,117	8,405	(22,377)	(53,227)	(84,181)	(115,275)
£ per dwelling		51,083	20,370	(10,389)	(41,209)	(72,139)	(103,181)	(134,384)
6,000		32,336	1,599	(29,217)	(60,121)	(91,124)	(122,262)	(153,574)
7,000		13,587	(17,229)	(48,103)	(79,067)	(110,158)	(141,410)	(172,858)
8,000		(5,241)	(36,085)	(67,015)	(98,067)	(129,250)	(160,634)	(192,243)
9,000		(24,069)	(54,997)	(86,010)	(117,145)	(148,436)	(179,945)	(211,736)
10,000		(42,979)	(73,953)	(105,041)	(136,276)	(167,694)	(199,353)	(231,355)
11,000		(61,897)	(92,953)	(124,132)	(155,469)	(187,034)	(218,868)	(251,069)
12,000		(80,896)	(112,028)	(143,302)	(174,754)	(206,465)	(238,500)	(270,783)
13,000		(99,924)	(131,142)	(162,529)	(194,122)	(225,999)	(258,214)	(290,498)
14,000		(119,015)	(150,328)	(181,825)	(213,578)	(245,644)	(277,928)	(310,212)
15,000		(138,168)	(169,589)	(201,211)	(233,130)	(265,358)	(297,642)	(329,937)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(84,181)	10%	15%	20%	25%	30%	35%	40%
40%		43,190	(875)	(45,107)	(89,551)	(134,270)	(179,395)	(225,100)
45%		47,630	5,814	(36,150)	(78,304)	(120,688)	(163,394)	(206,563)
First Homes £		52,070	12,477	(27,231)	(67,081)	(107,127)	(147,446)	(188,131)
70%		56,507	19,137	(18,314)	(55,885)	(93,614)	(131,547)	(169,792)
of Market Value		60,929	25,797	(9,396)	(44,689)	(80,118)	(115,721)	(151,537)
65%		65,351	32,457	(479)	(33,524)	(66,662)	(99,927)	(133,367)
70%		69,773	39,117	8,405	(22,377)	(53,227)	(84,181)	(115,275)

220707 Isle of Wight Residential Appraisals_E-H_v0.1 - (updated mix) - 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:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£11,333,266	£11,333,266	£21,929,908	£22,666,533
GDV (£ per unit)	£226,665	£226,665	£219,299	£226,665
Total Cost (Excluding Land + Profit)	£8,895,388	£9,177,084	£17,061,741	£18,541,352
Cost (£ per unit)	£177,908	£183,542	£170,617	£185,414
Profit KPI's				
Developers Profit Total (£)	£1,907,358	£1,907,358	£3,695,444	£3,814,717
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)	16.83%	16.83%	16.85%	16.83%
Developers Profit (% on costs)	21.44%	20.78%	21.66%	20.57%
Land Value KPI's				
RLV (£/acre)	£113,978	£73,082	£145,171	£50,819
RLV (£/ha)	£281,640	£180,586	£358,717	£125,573
RLV Total (£)	£469,400	£225,732	£1,024,905	£279,051
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]	-£21,022	-£61,918	£10,171	-£84,181
Surplus/Deficit (£/ha)	-£51,945	-£152,999	£25,132	-£208,012
Surplus/Deficit Total (£)	-£86,575	-£191,249	£71,805	-£462,249
Plan Viability comments	Marginal	Marginal	Viabile	Marginal

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220707 Isle of Wight Residential Appraisals_I-L_v0.1 - (updated mix) - Version Notes

Date	Version	Comments
220708	1	Issued as final version to client

Scheme Ref: **I**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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%						
	Social Rent:	0.0%		52.5% Rented				
	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%		100.0%				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	20.0%	7.4	10.0%	3.3	5%	10.7
2 Bed House	30.0%	39.0	20.0%	7.4	20.0%	6.7	27%	53.0
3 Bed House	40.0%	52.0	25.0%	9.2	30.0%	10.0	36%	71.2
4 Bed House	25.0%	32.5	5.0%	1.8	10.0%	3.3	19%	37.7
1 Bed Flat	5.0%	6.5	20.0%	7.4	10.0%	3.3	9%	17.2
2 Bed Flat	0.0%	0.0	10.0%	3.7	20.0%	6.7	5%	10.3
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	480	5,171	480	5,171		
2 Bed House	2,730	29,385	980	10,549	3,710	39,934		
3 Bed House	4,368	47,017	1,610	17,326	5,978	64,343		
4 Bed House	3,575	38,481	568	6,113	4,143	44,594		
1 Bed Flat	344	3,704	565	6,083	909	9,787		
2 Bed Flat	0	0	729	7,845	729	7,845		
	11,017	118,587	4,932	53,086	15,949	171,673		
	AH % by floor area:		30.92% 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	3,111	289	1,494,500				
2 Bed House	210,000	3,000	279	11,130,000				
3 Bed House	260,000	3,095	288	18,502,250				
4 Bed House	370,000	3,364	312	13,935,125				
1 Bed Flat	140,000	3,111	289	2,404,500				
2 Bed Flat	170,000	2,833	263	1,755,250				
				49,221,625				
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	98,000	70%	0		98,000	70%	98,000	70%
2 Bed House	147,000	70%	0		147,000	70%	147,000	70%
3 Bed House	169,000	65%	0		169,000	70%	169,000	65%
4 Bed House	222,000	60%	0		222,000	70%	222,000	60%
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%

Scheme Ref: **I**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.0	@	140,000	-
2 Bed House	39.0	@	210,000	8,190,000
3 Bed House	52.0	@	260,000	13,520,000
4 Bed House	32.5	@	370,000	12,025,000
1 Bed Flat	6.5	@	140,000	910,000
2 Bed Flat	0.0	@	170,000	-
	130.0			34,645,000
Affordable Rent GDV -				
1 Bed House	7.4	@	98,000	720,300
2 Bed House	7.4	@	147,000	1,080,450
3 Bed House	9.2	@	169,000	1,552,688
4 Bed House	1.8	@	222,000	407,925
1 Bed Flat	7.4	@	98,000	720,300
2 Bed Flat	3.7	@	119,000	437,325
	36.8			4,918,988
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	1.8	@	98,000	171,500
2 Bed House	3.5	@	147,000	514,500
3 Bed House	5.3	@	182,000	955,500
4 Bed House	1.8	@	259,000	453,250
1 Bed Flat	1.8	@	98,000	171,500
2 Bed Flat	3.5	@	119,000	416,500
	17.5			2,682,750
Intermediate GDV -				
1 Bed House	1.6	@	98,000	154,350
2 Bed House	3.2	@	147,000	463,050
3 Bed House	4.7	@	169,000	798,525
4 Bed House	1.6	@	222,000	349,650
1 Bed Flat	1.6	@	98,000	154,350
2 Bed Flat	3.2	@	119,000	374,850
	15.8	70.0		2,294,775
Sub-total GDV Residential				
	200			44,541,513
AH on-site cost analysis:				
			EMV (no AH) less £GDV (inc. AH)	4,680,113
		293 £ psm (total GIA sqm)	23,401 £ per unit (total units)	
Grant				
	70	AH units @	per unit	-
Total GDV				
				44,541,513

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(43,559)
Planning Application Professional Fees, Surveys and reports				(130,000)
CIL	11,017 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:	2.69% % of GDV	6,000 £ per unit (total u	(1,200,000)
AH Commuted Sum	15,949 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	30% First Homes Discount			
Notes:					
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		480 sqm @		1,499 psm	(720,082)
2 Bed House		3,710 sqm @		1,499 psm	(5,561,290)
3 Bed House		5,978 sqm @		1,499 psm	(8,960,497)
4 Bed House		4,143 sqm @		1,499 psm	(6,210,170)
5 Bed House		- sqm @		1,499 psm	-
1 Bed Flat		909 sqm @		1,737 psm	(1,579,393)
2 Bed Flat	15,949	729 sqm @		1,737 psm	(1,265,966)
External works					
		24,297,398 @		15.0%	(3,644,610)
	Ext. Works analysis:			18,223 £ per unit	
M4(2) Category 2 Housing	Aff units	70 units @	70% @	521 £ per unit	(25,529)
M4(3) Category 3 Housing	Aff units	70 units @	30% @	10,111 £ per unit	(212,331)
M4(2) Category 2 Housing	Mkrt units	130 units @	20% @	521 £ per unit	(13,546)
M4(3) Category 3 Housing	Mkrt units	130 units @	10% @	10,111 £ per unit	(131,443)
Carbon/Energy Reduction/FHS		200 units @		4,000 £ per unit	(800,000)
EV Charging Points - Houses		173 units @		1,000 £ per unit	(172,500)
EV Charging Points - Flats		7 units @		10,000 £ per unit	(68,750)
Water Efficiency		200 units @		9 £ per unit	(1,800)
SANGs		200 units @		0 £ per unit	-
	1 Bed	28 units @		337 £ per unit	(9,385)
	2 Bed	63 units @		487 £ per unit	(30,839)
Solent SPA	3 Bed	71 units @		637 £ per unit	(45,331)
	4 Bed	38 units @		749 £ per unit	(28,209)
Contingency (on construction)					
		29,683,872 @		3.0%	(890,516)
Professional Fees					
		29,683,872 @		8.0%	(2,374,710)
Disposal Costs -					
OMS Marketing and Promotion		34,645,000 OMS @		1.50%	2,598 £ per unit (519,675)
Residential Sales Agent Costs		34,645,000 OMS @		1.50%	2,598 £ per unit (519,675)
Residential Sales Legal Costs		34,645,000 OMS @		0.50%	866 £ per unit (173,225)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			6,113 £ per unit	
Interest (on Development Costs) -					
		7.00% APR		0.565% pcm	(208,903)
Developers Profit -					
Profit on OMS		34,645,000		20.00%	(6,929,000)
Margin on AH		9,896,513		6.00% on AH values	(593,791)
	Profit analysis:	44,541,513		16.89% blended GDV	(7,522,791)
		35,754,134		21.04% on costs	(7,522,791)
TOTAL COSTS					(43,276,925)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					1,264,587
SDLT		1,264,587 @		HMRC formula	(52,729)
Acquisition Agent fees		1,264,587 @		1.0%	(12,646)
Acquisition Legal fees		1,264,587 @		0.5%	(6,323)
Interest on Land		1,264,587 @		7.00%	(88,521)
Residual Land Value					1,104,368
	RLV analysis:	5,522 £ per plot	193,264 £ per ha	78,213 £ 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 2,791 sqm/ha		12,158 sqft/ac	
BALANCE					
Surplus/(Deficit)		(140,321) £ per ha		(56,787) £ per acre	(801,832)

Scheme Ref: **I**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
	-	175,021	143,756	112,491	81,193	49,883	18,542	(12,842)
1,000	162,562	131,297	100,012	68,711	37,378	6,015		(25,392)
2,000	150,102	118,830	87,530	56,213	24,872	(6,515)		(37,947)
3,000	137,642	106,349	75,048	43,708	12,342	(19,065)		(50,529)
4,000	125,167	93,867	62,544	31,199	(188)	(31,621)		(63,121)
5,000	112,685	81,380	50,039	18,669	(12,739)	(44,201)		(75,732)
6,000	100,204	68,874	37,526	6,139	(25,294)	(56,787)		(88,366)
7,000	87,710	56,369	24,996	(6,412)	(37,872)	(69,398)		(101,018)
8,000	75,205	43,853	12,466	(18,968)	(50,454)	(82,024)		(113,691)
9,000	62,700	31,323	(86)	(31,543)	(63,064)	(94,665)		(126,394)
10,000	50,180	18,794	(12,641)	(44,126)	(75,682)	(107,336)		(139,125)
12,500	18,845	(12,594)	(44,090)	(75,660)	(107,318)	(139,108)		(171,085)
15,000	(12,556)	(44,062)	(75,638)	(107,301)	(139,092)	(171,056)		(203,288)
17,500	(44,033)	(75,616)	(107,283)	(139,076)	(171,032)	(203,235)		(235,811)
20,000	(75,594)	(107,265)	(139,060)	(171,009)	(203,181)	(235,696)		(268,753)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
15.0%	247,137	207,645	168,134	128,584	88,987	49,332	9,590	
16.0%	217,750	179,891	142,012	104,095	66,131	28,108	(10,002)	
17.0%	188,364	152,137	115,891	79,606	43,275	6,884	(29,593)	
18.0%	158,977	124,383	89,769	55,117	20,418	(14,339)	(49,184)	
19.0%	129,590	96,629	63,648	30,628	(2,438)	(35,563)	(68,775)	
20.0%	100,204	68,874	37,526	6,139	(25,294)	(56,787)	(88,366)	

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
100,000	135,204	103,874	72,526	41,139	9,706	(21,787)	(53,366)	
110,000	125,204	93,874	62,526	31,139	(294)	(31,787)	(63,366)	
120,000	115,204	83,874	52,526	21,139	(10,294)	(41,787)	(73,366)	
130,000	105,204	73,874	42,526	11,139	(20,294)	(51,787)	(83,366)	
140,000	95,204	63,874	32,526	1,139	(30,294)	(61,787)	(93,366)	
150,000	85,204	53,874	22,526	(8,861)	(40,294)	(71,787)	(103,366)	
160,000	75,204	43,874	12,526	(18,861)	(50,294)	(81,787)	(113,366)	
170,000	65,204	33,874	2,526	(28,861)	(60,294)	(91,787)	(123,366)	
180,000	55,204	23,874	(7,474)	(38,861)	(70,294)	(101,787)	(133,366)	
190,000	45,204	13,874	(17,474)	(48,861)	(80,294)	(111,787)	(143,366)	
200,000	35,204	3,874	(27,474)	(58,861)	(90,294)	(121,787)	(153,366)	
210,000	25,204	(6,126)	(37,474)	(68,861)	(100,294)	(131,787)	(163,366)	
220,000	15,204	(16,126)	(47,474)	(78,861)	(110,294)	(141,787)	(173,366)	
230,000	5,204	(26,126)	(57,474)	(88,861)	(120,294)	(151,787)	(183,366)	
240,000	(4,796)	(36,126)	(67,474)	(98,861)	(130,294)	(161,787)	(193,366)	
250,000	(14,796)	(46,126)	(77,474)	(108,861)	(140,294)	(171,787)	(203,366)	

Scheme Ref: **I**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
	15	(34,198)	(47,625)	(61,060)	(74,512)	(87,983)	(101,480)	(115,014)
	18	(17,398)	(33,063)	(48,737)	(64,430)	(80,147)	(95,893)	(111,683)
Density (dph)	20	(598)	(18,500)	(36,414)	(54,349)	(72,311)	(90,307)	(108,352)
35.0	23	16,202	(3,938)	(24,090)	(44,268)	(64,475)	(84,720)	(105,021)
	25	33,003	10,625	(11,767)	(34,186)	(56,639)	(79,134)	(101,690)
	28	49,803	25,187	556	(24,105)	(48,803)	(73,547)	(98,359)
	30	66,603	39,750	12,880	(14,023)	(40,967)	(67,960)	(95,028)
	33	83,403	54,312	25,203	(3,942)	(33,131)	(62,374)	(91,697)
	35	100,204	68,874	37,526	6,139	(25,294)	(56,787)	(88,366)
	38	117,004	83,437	49,850	16,221	(17,458)	(51,200)	(85,035)
	40	133,804	97,999	62,173	26,302	(9,622)	(45,614)	(81,704)
	43	150,604	112,562	74,496	36,383	(1,786)	(40,027)	(78,373)
	45	167,405	127,124	86,819	46,465	6,050	(34,440)	(75,042)
	48	184,205	141,687	99,143	56,546	13,886	(28,854)	(71,711)
	50	201,005	156,249	111,466	66,628	21,722	(23,267)	(68,380)
	53	217,805	170,812	123,789	76,709	29,558	(17,680)	(65,049)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
	90%	300,414	267,825	235,233	202,623	170,012	137,394	104,756
	92%	260,484	228,153	195,823	163,475	131,117	98,749	66,359
Build Cost	94%	220,510	188,433	156,356	124,263	92,155	60,024	27,870
100%	96%	180,472	148,653	116,826	84,977	53,113	21,209	(10,730)
(105% = 5% increase)	98%	140,372	108,804	77,222	45,606	13,964	(17,722)	(49,465)
	100%	100,204	68,874	37,526	6,139	(25,294)	(56,787)	(88,366)
	102%	59,955	28,853	(2,280)	(33,460)	(64,703)	(96,030)	(127,477)
	104%	19,601	(11,273)	(42,201)	(73,200)	(104,285)	(135,492)	(166,874)
	106%	(20,864)	(51,541)	(82,285)	(113,125)	(144,087)	(175,234)	(206,644)
	108%	(61,459)	(91,960)	(122,552)	(153,277)	(184,178)	(215,346)	(246,921)
	110%	(102,218)	(132,572)	(163,051)	(193,718)	(224,643)	(255,965)	(287,936)
	112%	(143,176)	(173,421)	(203,844)	(234,533)	(265,609)	(297,301)	(330,053)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
	80%	(370,514)	(378,116)	(386,164)	(394,553)	(402,976)	(411,483)	(420,101)
	82%	(319,775)	(329,345)	(339,176)	(349,364)	(360,093)	(371,470)	(382,956)
Market Values	84%	(270,908)	(282,702)	(294,662)	(306,849)	(319,361)	(332,360)	(346,143)
100%	86%	(223,127)	(237,262)	(251,510)	(265,913)	(280,534)	(295,473)	(310,897)
(105% = 5% increase)	88%	(176,037)	(192,570)	(209,184)	(225,915)	(242,806)	(259,915)	(277,354)
	90%	(129,412)	(148,376)	(167,406)	(186,524)	(205,760)	(225,160)	(244,798)
	92%	(83,108)	(104,526)	(125,995)	(147,540)	(169,169)	(190,930)	(212,875)
	94%	(37,046)	(60,933)	(84,861)	(108,842)	(132,907)	(157,066)	(181,373)
	96%	8,828	(17,527)	(43,920)	(70,364)	(96,873)	(123,463)	(150,169)
	98%	54,576	25,730	(3,143)	(32,054)	(61,019)	(90,052)	(119,185)
	100%	100,204	68,874	37,526	6,139	(25,294)	(56,787)	(88,366)
	102%	145,746	111,930	78,098	44,224	10,315	(23,644)	(57,670)
	104%	191,220	154,910	118,591	82,231	45,844	9,411	(27,084)
	106%	236,632	197,829	159,020	120,174	81,303	42,393	3,426
	108%	281,988	240,701	199,392	158,065	116,704	75,312	33,870
	110%	327,311	283,529	239,723	195,909	152,060	108,180	64,259
	112%	372,598	326,313	280,027	233,706	187,380	141,008	94,603
	114%	417,848	369,083	320,283	271,482	222,651	173,806	124,911
	116%	463,081	411,803	360,525	309,221	257,904	206,557	155,185
	118%	508,283	454,523	400,732	346,941	293,127	239,294	185,425
	120%	553,466	497,200	440,933	384,635	328,331	272,002	215,653

Scheme Ref: **I**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
1,000		141,817	110,533	79,233	47,903	16,548	(14,848)	(46,301)
2,000		127,957	96,656	65,341	33,999	2,616	(28,810)	(60,294)
Carbon/Energy Reduction/FHS		3,000	114,080	82,778	51,437	20,071	(11,333)	(42,791)
4,000		100,204	68,874	37,526	6,139	(25,294)	(56,787)	(88,366)
£ per dwelling		5,000	86,312	54,971	23,594	(7,818)	(39,281)	(70,811)
6,000		72,408	41,050	9,659	(21,779)	(53,280)	(84,859)	(116,543)
7,000		58,505	27,118	(4,303)	(35,771)	(67,304)	(98,930)	(130,680)
8,000		44,573	13,174	(18,269)	(49,773)	(81,352)	(113,028)	(144,854)
9,000		30,641	(787)	(32,261)	(63,797)	(95,420)	(127,157)	(159,070)
10,000		16,689	(14,759)	(46,265)	(77,845)	(109,513)	(141,323)	(173,331)
11,000		2,728	(28,752)	(60,290)	(91,910)	(123,642)	(155,526)	(187,641)
12,000		(11,249)	(42,758)	(74,338)	(106,003)	(137,800)	(169,769)	(202,005)
13,000		(25,242)	(56,783)	(88,401)	(120,127)	(151,992)	(184,058)	(216,439)
14,000		(39,251)	(70,831)	(102,494)	(134,277)	(166,221)	(198,400)	(230,937)
15,000		(53,276)	(84,891)	(116,612)	(148,458)	(180,491)	(212,796)	(245,524)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(56,787)	10%	15%	20%	25%	30%	35%	40%
40%		80,927	39,924	(1,151)	(42,314)	(83,612)	(125,092)	(166,862)
45%		84,142	44,755	5,305	(34,228)	(73,863)	(113,662)	(153,698)
50%		87,357	49,586	11,758	(26,141)	(64,134)	(102,256)	(140,570)
55%		90,571	54,408	18,200	(18,064)	(54,408)	(90,863)	(127,474)
60%		93,786	59,230	24,642	(9,995)	(44,697)	(79,490)	(114,411)
65%		96,995	64,052	31,084	(1,926)	(34,993)	(68,134)	(101,377)
70%		100,204	68,874	37,526	6,139	(25,294)	(56,787)	(88,366)

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% 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% 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	0.0%	0.0	20.0%	7.4	10.0%	3.3	5%	10.7	
2 Bed House	30.0%	39.0	20.0%	7.4	20.0%	6.7	27%	53.0	
3 Bed House	40.0%	52.0	25.0%	9.2	30.0%	10.0	36%	71.2	
4 Bed House	25.0%	32.5	5.0%	1.8	10.0%	3.3	19%	37.7	
1 Bed Flat	5.0%	6.5	20.0%	7.4	10.0%	3.3	9%	17.2	
2 Bed Flat	0.0%	0.0	10.0%	3.7	20.0%	6.7	5%	10.3	
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)		Net to Gross %		Gross (GIA) per unit (sqm)		(sqft)	
1 Bed House		45.0				45.0		484	
2 Bed House		70.0				70.0		753	
3 Bed House		84.0				84.0		904	
4 Bed House		110.0				110.0		1,184	
1 Bed Flat		45.0		85.0%		52.9		570	
2 Bed Flat		60.0		85.0%		70.6		760	
AH Unit Floor areas -		Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit (sqm)		(sqft)	
1 Bed House		45.0				45.0		484	
2 Bed House		70.0				70.0		753	
3 Bed House		84.0				84.0		904	
4 Bed House		110.0				110.0		1,184	
1 Bed Flat		45.0		85.0%		52.9		570	
2 Bed Flat		60.0		85.0%		70.6		760	
Total Gross Floor areas -		Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units) (sqm)		(sqft)	
1 Bed House		0		480	5,171	480		5,171	
2 Bed House		2,730	29,385	980	10,549	3,710		39,934	
3 Bed House		4,368	47,017	1,610	17,326	5,978		64,343	
4 Bed House		3,575	38,481	568	6,113	4,143		44,594	
1 Bed Flat		344	3,704	565	6,083	909		9,787	
2 Bed Flat		0	0	729	7,845	729		7,845	
		11,017	118,587	4,932	53,086	15,949		171,673	
AH % by floor area:				30.92% 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	3,111	289	1,494,500				
2 Bed House		210,000	3,000	279	11,130,000				
3 Bed House		260,000	3,095	288	18,502,250				
4 Bed House		370,000	3,364	312	13,935,125				
1 Bed Flat		140,000	3,111	289	2,404,500				
2 Bed Flat		170,000	2,833	263	1,755,250				
					49,221,625				
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		98,000	70%	0		98,000	70%	98,000	70%
2 Bed House		147,000	70%	0		147,000	70%	147,000	70%
3 Bed House		169,000	65%	0		169,000	70%	169,000	65%
4 Bed House		222,000	60%	0		222,000	70%	222,000	60%
1 Bed Flat		98,000	70%	0		98,000	70%	98,000	70%
2 Bed Flat		119,000	70%	0		119,000	70%	119,000	70%

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.0	@	140,000	-
2 Bed House	39.0	@	210,000	8,190,000
3 Bed House	52.0	@	260,000	13,520,000
4 Bed House	32.5	@	370,000	12,025,000
1 Bed Flat	6.5	@	140,000	910,000
2 Bed Flat	0.0	@	170,000	-
	130.0			34,645,000
Affordable Rent GDV -				
1 Bed House	7.4	@	98,000	720,300
2 Bed House	7.4	@	147,000	1,080,450
3 Bed House	9.2	@	169,000	1,552,688
4 Bed House	1.8	@	222,000	407,925
1 Bed Flat	7.4	@	98,000	720,300
2 Bed Flat	3.7	@	119,000	437,325
	36.8			4,918,988
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	1.8	@	98,000	171,500
2 Bed House	3.5	@	147,000	514,500
3 Bed House	5.3	@	182,000	955,500
4 Bed House	1.8	@	259,000	453,250
1 Bed Flat	1.8	@	98,000	171,500
2 Bed Flat	3.5	@	119,000	416,500
	17.5			2,682,750
Intermediate GDV -				
1 Bed House	1.6	@	98,000	154,350
2 Bed House	3.2	@	147,000	463,050
3 Bed House	4.7	@	169,000	798,525
4 Bed House	1.6	@	222,000	349,650
1 Bed Flat	1.6	@	98,000	154,350
2 Bed Flat	3.2	@	119,000	374,850
	15.8	70.0		2,294,775
Sub-total GDV Residential				
	200			44,541,513
<i>AH on-site cost analysis:</i>				
			EMV (no AH) less £GDV (inc. AH)	4,680,113
		293 £ psm (total GIA sqm)	23,401 £ per unit (total units)	
Grant				
	70	AH units @	per unit	-
Total GDV				
				44,541,513

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(43,559)
Planning Application Professional Fees, Surveys and reports				(130,000)
CIL	11,017 sqm (Market only)	0.00 £ psm		-
	<i>CIL analysis:</i>	0.00% % of GDV	0 £ per unit (total units)	
Site Specific S106 Contributions				-
total	200 units @	6,000 per unit		(1,200,000)
	<i>S106 analysis:</i>	2.69% % of GDV	6,000 £ per unit (total u	(1,200,000)
AH Commuted Sum	15,949 sqm (total)	0 £ psm		-
	<i>Comm. Sum analysis:</i>	0.00% % of GDV		
<i>cont./</i>				

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% 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 @		per unit -
	Infra. Costs analysis:	-	£ per ha	0.00%	% of GDV	0 £ per unit (total) -
1 Bed House		480	sqm @		1,499	psm (720,082)
2 Bed House		3,710	sqm @		1,499	psm (5,561,290)
3 Bed House		5,978	sqm @		1,499	psm (8,960,497)
4 Bed House		4,143	sqm @		1,499	psm (6,210,170)
5 Bed House		-	sqm @		1,499	psm -
1 Bed Flat		909	sqm @		1,737	psm (1,579,393)
2 Bed Flat	15,949	729	sqm @		1,737	psm (1,265,966)
External works						
		24,297,398	@		15.0%	(3,644,610)
	Ext. Works analysis:				18,223	£ per unit
M4(2) Category 2 Housing	Aff units	70	units @	100%	@	521 £ per unit (36,470)
M4(3) Category 3 Housing	Aff units	70	units @	30%	@	10,111 £ per unit (212,331)
M4(2) Category 2 Housing	Mkrt units	130	units @	20%	@	521 £ per unit (13,546)
M4(3) Category 3 Housing	Mkrt units	130	units @	10%	@	10,111 £ per unit (131,443)
Carbon/Energy Reduction/FHS		200	units @		4,000	£ per unit (800,000)
EV Charging Points - Houses		173	units @		1,000	£ per unit (172,500)
EV Charging Points - Flats		7	units @		10,000	£ per unit (68,750)
Water Efficiency		200	units @		9	£ per unit (1,800)
SANGs		200	units @		0	£ per unit -
	1 Bed	28	units @		337	£ per unit (9,385)
	2 Bed	63	units @		487	£ per unit (30,839)
Solent SPA	3 Bed	71	units @		637	£ per unit (45,331)
	4 Bed	38	units @		749	£ per unit (28,209)
Contingency (on construction)		30,038,901	@		5.0%	(1,501,945)
Professional Fees						
		30,038,901	@		8.0%	(2,403,112)
Disposal Costs -						
OMS Marketing and Promotion		34,645,000	OMS @		1.50%	2,598 £ per unit (519,675)
Residential Sales Agent Costs		34,645,000	OMS @		1.50%	2,598 £ per unit (519,675)
Residential Sales Legal Costs		34,645,000	OMS @		0.50%	866 £ per unit (173,225)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:					6,113 £ per unit
Interest (on Development Costs) -						
			7.00%	APR		0.565% pcm (315,515)
Developers Profit -						
Profit on OMS		34,645,000			20.00%	(6,929,000)
Margin on AH		9,896,513			6.00%	on AH values (593,791)
	Profit analysis:	44,541,513			16.89%	blended GDV (7,522,791)
		36,855,608			20.41%	on costs (7,522,791)
TOTAL COSTS						(44,378,399)

RESIDUAL LAND VALUE (RLV)							
Residual Land Value (gross)						163,114	
SDLT		163,114	@		HMRC formula	2,344	
Acquisition Agent fees		163,114	@		1.0%	(1,631)	
Acquisition Legal fees		163,114	@		0.5%	(816)	
Interest on Land		163,114	@		7.00%	(11,418)	
Residual Land Value						151,593	
	RLV analysis:	758	£ per plot	34,108	£ per ha	13,804	£ 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
	BLV analysis:	Density	3,589	sqm/ha	15,632	sqft/ac

BALANCE						
Surplus/(Deficit)		(299,477)	£ per ha		(121,196)	£ per acre
						(1,331,007)

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
	-	178,659	138,448	98,172	57,842	17,439	(23,059)	(63,701)
1,000	162,550	122,305	82,012	41,652	1,205	(39,350)	(80,053)	
Site Specific S106	2,000	146,438	106,162	65,834	25,438	(15,047)	(55,660)	(96,434)
6,000	3,000	130,295	90,005	49,651	9,214	(31,327)	(71,993)	(112,853)
	4,000	114,151	73,827	33,437	(7,038)	(47,620)	(88,366)	(129,313)
	5,000	97,997	57,649	17,223	(23,304)	(63,952)	(104,766)	(145,812)
	6,000	81,819	41,436	971	(39,596)	(80,304)	(121,196)	(162,355)
	7,000	65,642	25,222	(15,281)	(55,912)	(96,679)	(137,663)	(178,947)
	8,000	49,435	8,980	(31,573)	(72,244)	(113,098)	(154,175)	(195,591)
	9,000	33,221	(7,272)	(47,871)	(88,617)	(129,545)	(170,731)	(212,294)
	10,000	16,989	(23,550)	(64,204)	(105,011)	(146,026)	(187,332)	(229,060)
	12,500	(23,673)	(64,329)	(105,133)	(146,133)	(187,412)	(229,074)	(271,319)
	15,000	(64,455)	(105,256)	(146,243)	(187,491)	(229,091)	(271,223)	(314,165)
	17,500	(105,378)	(146,360)	(187,577)	(229,131)	(271,152)	(313,897)	(357,806)
	20,000	(146,476)	(187,672)	(229,170)	(271,108)	(313,685)	(357,266)	(402,553)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
15.0%	270,734	219,855	168,895	117,833	66,630	15,242	(36,412)	
16.0%	232,951	184,172	135,310	86,347	37,243	(12,046)	(61,600)	
17.0%	195,168	148,488	101,725	54,861	7,856	(39,333)	(86,789)	
20.0%	18,0%	157,385	112,804	68,141	23,376	(21,531)	(66,621)	(111,978)
	19.0%	119,602	77,120	34,556	(8,110)	(50,917)	(93,909)	(137,166)
	20.0%	81,819	41,436	971	(39,596)	(80,304)	(121,196)	(162,355)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
100,000	116,819	76,436	35,971	(4,596)	(45,304)	(86,196)	(127,355)	
110,000	106,819	66,436	25,971	(14,596)	(55,304)	(96,196)	(137,355)	
120,000	96,819	56,436	15,971	(24,596)	(65,304)	(106,196)	(147,355)	
130,000	86,819	46,436	5,971	(34,596)	(75,304)	(116,196)	(157,355)	
140,000	76,819	36,436	(4,029)	(44,596)	(85,304)	(126,196)	(167,355)	
150,000	66,819	26,436	(14,029)	(54,596)	(95,304)	(136,196)	(177,355)	
160,000	56,819	16,436	(24,029)	(64,596)	(105,304)	(146,196)	(187,355)	
170,000	46,819	6,436	(34,029)	(74,596)	(115,304)	(156,196)	(197,355)	
180,000	36,819	(3,564)	(44,029)	(84,596)	(125,304)	(166,196)	(207,355)	
190,000	26,819	(13,564)	(54,029)	(94,596)	(135,304)	(176,196)	(217,355)	
200,000	16,819	(23,564)	(64,029)	(104,596)	(145,304)	(186,196)	(227,355)	
210,000	6,819	(33,564)	(74,029)	(114,596)	(155,304)	(196,196)	(237,355)	
220,000	(3,181)	(43,564)	(84,029)	(124,596)	(165,304)	(206,196)	(247,355)	
230,000	(13,181)	(53,564)	(94,029)	(134,596)	(175,304)	(216,196)	(257,355)	
240,000	(23,181)	(63,564)	(104,029)	(144,596)	(185,304)	(226,196)	(267,355)	
250,000	(33,181)	(73,564)	(114,029)	(154,596)	(195,304)	(236,196)	(277,355)	

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
30	(7,050)	(34,059)	(61,142)	(88,311)	(115,599)	(143,048)	(170,726)	(170,726)
33	7,769	(21,467)	(50,773)	(80,174)	(109,693)	(139,381)	(169,305)	(169,305)
Density (dph)	35	22,588	(8,877)	(40,416)	(72,046)	(103,806)	(135,733)	(167,896)
45.0	38	37,407	3,713	(30,060)	(63,929)	(97,920)	(132,087)	(166,501)
40	52,216	16,290	(19,708)	(55,812)	(92,042)	(128,452)	(165,112)	(165,112)
43	67,018	28,863	(9,369)	(47,697)	(86,173)	(124,824)	(163,727)	(163,727)
45	81,819	41,436	971	(39,596)	(80,304)	(121,196)	(162,355)	(162,355)
48	96,621	54,009	11,311	(31,495)	(74,435)	(117,572)	(160,983)	(160,983)
50	111,423	66,582	21,650	(23,394)	(68,574)	(113,959)	(159,611)	(159,611)
53	126,225	79,152	31,990	(15,294)	(62,719)	(110,346)	(158,250)	(158,250)
55	141,025	91,712	42,317	(7,193)	(56,864)	(106,733)	(156,891)	(156,891)
58	155,814	104,272	52,644	902	(51,009)	(103,119)	(155,533)	(155,533)
60	170,604	116,833	62,970	8,991	(45,154)	(99,506)	(154,175)	(154,175)
63	185,394	129,393	73,297	17,080	(39,299)	(95,904)	(152,817)	(152,817)
65	200,184	141,953	83,624	25,169	(33,443)	(92,302)	(151,464)	(151,464)
68	214,974	154,513	93,951	33,258	(27,598)	(88,700)	(150,116)	(150,116)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
90%	345,420	303,525	261,619	219,675	177,708	135,709	93,647	93,647
92%	292,912	251,337	209,750	168,120	126,448	84,727	42,937	42,937
Build Cost	94%	240,313	199,053	157,768	116,445	75,056	33,599	(7,960)
100%	96%	187,607	146,656	105,660	64,609	23,482	(17,740)	(59,099)
(105% = 5% increase)	98%	134,781	94,132	53,412	12,618	(28,286)	(69,316)	(110,534)
100%	100%	81,819	41,436	971	(39,596)	(80,304)	(121,196)	(162,355)
102%	102%	28,709	(11,424)	(51,674)	(92,056)	(132,630)	(173,458)	(214,670)
104%	104%	(24,606)	(64,520)	(104,581)	(144,829)	(185,345)	(226,228)	(267,666)
106%	106%	(78,137)	(117,874)	(157,807)	(197,996)	(238,558)	(279,658)	(321,596)
108%	108%	(131,941)	(171,549)	(211,428)	(251,663)	(292,433)	(333,999)	(376,873)
110%	110%	(186,079)	(225,636)	(265,557)	(305,990)	(347,201)	(389,638)	(434,217)
112%	112%	(240,622)	(280,226)	(320,340)	(361,202)	(403,227)	(447,219)	(494,132)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
80%	(542,241)	(553,005)	(563,872)	(574,854)	(585,994)	(597,334)	(608,950)	(620,827)
82%	(471,611)	(485,794)	(500,351)	(515,016)	(529,808)	(544,788)	(560,003)	(575,493)
Market Values	84%	(404,718)	(421,064)	(437,995)	(455,783)	(474,272)	(492,899)	(511,718)
100%	86%	(340,641)	(359,616)	(378,975)	(398,888)	(419,601)	(441,521)	(463,986)
(105% = 5% increase)	88%	(278,248)	(300,071)	(322,180)	(344,667)	(367,698)	(391,547)	(416,680)
90%	90%	(216,936)	(241,741)	(266,754)	(292,053)	(317,747)	(344,013)	(371,163)
92%	92%	(156,365)	(184,214)	(212,235)	(240,474)	(269,017)	(297,990)	(327,598)
94%	94%	(96,313)	(127,270)	(158,352)	(189,614)	(221,109)	(252,944)	(285,270)
96%	96%	(36,663)	(70,734)	(104,929)	(139,256)	(173,784)	(208,585)	(243,768)
98%	98%	22,700	(14,524)	(51,846)	(89,286)	(126,888)	(164,711)	(202,848)
100%	100%	81,819	41,436	971	(39,596)	(80,304)	(121,196)	(162,355)
102%	102%	140,770	97,221	53,593	9,872	(33,969)	(77,962)	(122,182)
104%	104%	199,576	152,833	106,033	59,156	12,180	(34,947)	(82,258)
106%	106%	258,256	208,324	158,346	108,299	58,160	7,906	(42,529)
108%	108%	316,831	263,714	210,550	157,327	104,020	50,606	(2,955)
110%	110%	375,320	319,021	262,663	206,257	149,776	93,197	36,492
112%	112%	433,742	374,249	314,702	255,104	195,443	135,693	75,828
114%	114%	492,118	429,407	366,682	303,886	241,037	178,110	115,079
116%	116%	550,421	484,524	418,584	352,617	286,572	220,461	154,258
118%	118%	608,692	539,589	470,453	401,274	332,054	262,761	193,376
120%	120%	666,919	594,612	522,278	449,904	377,477	304,995	232,427

Scheme Ref: **J**
 No Units: **200** Location / Value Zone: **Lower** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
1,000		136,687	96,410	56,065	15,651	(24,864)	(65,510)	(106,330)
2,000		118,413	78,100	37,721	(2,742)	(43,310)	(84,031)	(124,950)
Carbon/Energy Reduction/FHS		100,134	59,785	19,365	(21,150)	(61,791)	(102,592)	(143,624)
4,000		81,819	41,436	971	(39,596)	(80,304)	(121,196)	(162,355)
£ per dwelling		63,505	23,080	(17,436)	(58,073)	(98,853)	(139,851)	(181,150)
5,000		45,151	4,684	(35,882)	(76,577)	(117,446)	(158,560)	(200,013)
6,000		26,794	(13,722)	(54,354)	(95,120)	(136,089)	(177,330)	(218,966)
7,000		8,396	(32,168)	(72,850)	(113,708)	(154,780)	(196,164)	(238,002)
8,000		(10,008)	(50,635)	(91,392)	(132,335)	(173,523)	(215,069)	(257,138)
9,000		(28,454)	(69,128)	(109,969)	(151,007)	(192,325)	(234,049)	(276,383)
10,000		(46,916)	(87,665)	(128,581)	(169,729)	(211,191)	(253,124)	(295,761)
11,000		(65,409)	(106,230)	(147,235)	(188,505)	(230,131)	(272,294)	(315,281)
12,000		(83,938)	(124,827)	(165,936)	(207,341)	(249,153)	(291,576)	(334,965)
13,000		(102,491)	(143,474)	(184,692)	(226,243)	(268,257)	(310,979)	(354,842)
14,000		(121,085)	(162,163)	(203,501)	(245,214)	(287,459)	(330,523)	(374,939)
15,000								

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(121,196)	10%	15%	20%	25%	30%	35%	40%
40%		56,854	3,882	(49,260)	(102,654)	(156,398)	(210,670)	(265,772)
45%		61,022	10,149	(40,872)	(92,116)	(143,661)	(195,655)	(248,342)
First Homes £		65,184	16,416	(32,496)	(81,591)	(130,950)	(180,687)	(230,998)
70%		69,343	22,679	(24,119)	(71,071)	(118,252)	(165,760)	(213,732)
of Market Value		73,502	28,931	(15,743)	(60,573)	(105,588)	(150,870)	(196,545)
65%		77,661	35,184	(7,385)	(50,076)	(92,934)	(136,013)	(179,421)
70%		81,819	41,436	971	(39,596)	(80,304)	(121,196)	(162,355)

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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%	52.5% Rented
	Social Rent:	0.0%	
	First Homes:	25.0%	
	Other Intermediate (LCHO/Sub-Market etc.):	22.5%	
Open Market Sale (OMS) housing	65%		16.6% % of total (>10% for NPPF para 64.)
	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	20.0%	18.4	10.0%	8.3	9%	42.9
2 Bed House	30.0%	97.5	20.0%	18.4	20.0%	16.6	27%	132.5
3 Bed House	40.0%	130.0	25.0%	23.0	30.0%	24.9	36%	177.9
4 Bed House	25.0%	81.3	5.0%	4.6	10.0%	8.3	19%	94.2
1 Bed Flat	0.0%	0.0	20.0%	18.4	10.0%	8.3	5%	26.7
2 Bed Flat	0.0%	0.0	10.0%	9.2	20.0%	16.6	5%	25.8
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 (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	731	7,871	1,201	12,927	1,932	20,798
2 Bed House	6,825	73,464	2,450	26,372	9,275	99,835
3 Bed House	10,920	117,542	4,024	43,315	14,944	160,857
4 Bed House	8,938	96,202	1,420	15,281	10,357	111,484
1 Bed Flat	0	0	1,413	15,208	1,413	15,208
2 Bed Flat	0	0	1,822	19,612	1,822	19,612
	27,414	295,079	12,330	132,716	39,743	427,795

AH % by floor area: **31.02% 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	3,111	289	6,011,250
2 Bed House	210,000	3,000	279	27,825,000
3 Bed House	260,000	3,095	288	46,255,625
4 Bed House	370,000	3,364	312	34,837,813
1 Bed Flat	140,000	3,111	289	3,736,250
2 Bed Flat	170,000	2,833	263	4,388,125
				123,054,063

Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	98,000	70%	0		98,000	70%	98,000	70%
2 Bed House	147,000	70%	0		147,000	70%	147,000	70%
3 Bed House	169,000	65%	0		182,000	70%	169,000	65%
4 Bed House	222,000	60%	0		259,000	70%	222,000	60%
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	16.3	@	140,000	2,275,000
2 Bed House	97.5	@	210,000	20,475,000
3 Bed House	130.0	@	260,000	33,800,000
4 Bed House	81.3	@	370,000	30,062,500
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	325.0			86,612,500
Affordable Rent GDV -				
1 Bed House	18.4	@	98,000	1,800,750
2 Bed House	18.4	@	147,000	2,701,125
3 Bed House	23.0	@	169,000	3,881,719
4 Bed House	4.6	@	222,000	1,019,813
1 Bed Flat	18.4	@	98,000	1,800,750
2 Bed Flat	9.2	@	119,000	1,093,313
	91.9			12,297,469
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	4.4	@	98,000	428,750
2 Bed House	8.8	@	147,000	1,286,250
3 Bed House	13.1	@	182,000	2,388,750
4 Bed House	4.4	@	259,000	1,133,125
1 Bed Flat	4.4	@	98,000	428,750
2 Bed Flat	8.8	@	119,000	1,041,250
	43.8			6,706,875
Intermediate GDV -				
1 Bed House	3.9	@	98,000	385,875
2 Bed House	7.9	@	147,000	1,157,625
3 Bed House	11.8	@	169,000	1,996,313
4 Bed House	3.9	@	222,000	874,125
1 Bed Flat	3.9	@	98,000	385,875
2 Bed Flat	7.9	@	119,000	937,125
	39.4	175.0		5,736,938
Sub-total GDV Residential				
	500			111,353,781
AH on-site cost analysis:				
	294	£ psm (total GIA sqm)	EMV (no AH) less £GDV (inc. AH)	11,700,281
			23,401	£ per unit (total units)
Grant				
	175	AH units @	per unit	-
Total GDV				
				111,353,781

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(84,959)
Planning Application Professional Fees, Surveys and reports				(250,000)
CIL	27,414 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:	2.69% % of GDV	6,000 £ per unit (total u	(3,000,000)
AH Commuted Sum	39,743 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
cont./				

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% 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
Site Infrastructure costs -						
	total		500 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		1,932	sqm @		1,499	psm
2 Bed House		9,275	sqm @		1,499	psm
3 Bed House		14,944	sqm @		1,499	psm
4 Bed House		10,357	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		1,413	sqm @		1,763	psm
2 Bed Flat	39,743	1,822	sqm @		1,763	psm
External works		60,429,417	@		15.0%	
	Ext. Works analysis:				18,129	£ per unit
M4(2) Category 2 Housing	Aff units	175	units @	70% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	175	units @	30% @	10,111	£ per unit
M4(2) Category 2 Housing	Mkrt units	325	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mkrt units	325	units @	10% @	10,111	£ per unit
Carbon/Energy Reduction/FHS		500	units @		4,000	£ per unit
EV Charging Points - Houses		448	units @		1,000	£ per unit
EV Charging Points - Flats		13	units @		10,000	£ per unit
Water Efficiency		500	units @		9	£ per unit
SANGs		500	units @		4,215	£ per unit
	1 Bed	70	units @		337	£ per unit
	2 Bed	158	units @		487	£ per unit
Solent SPA	3 Bed	178	units @		637	£ per unit
	4 Bed	94	units @		749	£ per unit
Contingency (on construction)		75,931,613	@		3.0%	
Professional Fees		75,931,613	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		86,612,500	OMS @		1.50%	2,598 £ per unit
Residential Sales Agent Costs		86,612,500	OMS @		1.50%	2,598 £ per unit
Residential Sales Legal Costs		86,612,500	OMS @		0.50%	866 £ per unit
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:				6,083	£ per unit
Interest (on Development Costs) -			7.00% APR		0.565%	pcm
Developers Profit -						
Profit on OMS		86,612,500			20.00%	
Margin on AH		24,741,281			6.00%	on AH values
	Profit analysis:	111,353,781			16.89%	blended GDV
		90,933,155			20.68%	on costs
TOTAL COSTS						(109,740,132)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					1,613,649
SDLT		1,613,649	@	HMRC formula	(70,182)
Acquisition Agent fees		1,613,649	@	1.0%	(16,136)
Acquisition Legal fees		1,613,649	@	0.5%	(8,068)
Interest on Land		1,613,649	@	7.00%	(112,955)
Residual Land Value					1,406,306
	RLV analysis:	2,813	£ per plot	98,441	£ per ha
				39,839	£ 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
	BLV analysis:	Density	2,782	sqm/ha	12,119
				sqft/ac	
					4,765,500

BALANCE					
Surplus/(Deficit)		(235,144)	£ per ha	(95,161)	£ per acre
					(3,359,194)

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
	-	143,364	110,586	77,799	44,997	12,173	(20,678)	(53,563)
1,000	131,014	98,233	65,437	32,624	(210)	(33,072)	(65,977)	
Site Specific S106	2,000	118,662	85,875	53,074	20,252	(12,594)	(45,475)	(78,398)
6,000	3,000	106,309	73,513	40,702	7,870	(24,989)	(57,882)	(90,829)
	4,000	93,951	61,151	28,329	(4,513)	(37,387)	(70,301)	(103,271)
	5,000	81,589	48,779	15,950	(16,905)	(49,793)	(82,727)	(115,725)
	6,000	69,227	36,407	3,567	(29,300)	(62,206)	(95,161)	(128,190)
	7,000	56,866	24,029	(8,822)	(41,705)	(74,626)	(107,605)	(140,669)
	8,000	44,484	11,646	(21,216)	(54,112)	(87,056)	(120,062)	(153,162)
	9,000	32,109	(739)	(33,616)	(66,530)	(99,495)	(132,531)	(165,672)
	10,000	19,726	(13,133)	(46,023)	(78,955)	(111,943)	(145,012)	(178,199)
	12,500	(11,247)	(44,137)	(77,069)	(110,052)	(143,112)	(176,278)	(209,610)
	15,000	(42,252)	(75,183)	(108,163)	(141,212)	(174,363)	(207,657)	(241,186)
	17,500	(73,297)	(106,275)	(139,317)	(172,449)	(205,715)	(239,182)	(272,987)
	20,000	(104,387)	(137,422)	(170,541)	(203,779)	(237,196)	(270,897)	(305,100)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
15.0%	216,160	175,177	134,174	93,145	52,075	10,957	(30,234)	
16.0%	186,774	147,423	108,053	68,656	29,219	(10,266)	(49,826)	
Profit	17.0%	157,387	119,669	81,931	44,167	6,363	(31,490)	(69,417)
20.0%	18.0%	128,000	91,915	55,810	19,678	(16,494)	(52,714)	(89,008)
	19.0%	98,613	64,161	29,688	(4,811)	(39,350)	(73,938)	(108,599)
	20.0%	69,227	36,407	3,567	(29,300)	(62,206)	(95,161)	(128,190)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
100,000	104,227	71,407	38,567	5,700	(27,206)	(60,161)	(93,190)	
110,000	94,227	61,407	28,567	(4,300)	(37,206)	(70,161)	(103,190)	
BLV (£ per acre)	120,000	84,227	51,407	18,567	(14,300)	(47,206)	(80,161)	(113,190)
135,000	130,000	74,227	41,407	8,567	(24,300)	(57,206)	(90,161)	(123,190)
	140,000	64,227	31,407	(1,433)	(34,300)	(67,206)	(100,161)	(133,190)
	150,000	54,227	21,407	(11,433)	(44,300)	(77,206)	(110,161)	(143,190)
	160,000	44,227	11,407	(21,433)	(54,300)	(87,206)	(120,161)	(153,190)
	170,000	34,227	1,407	(31,433)	(64,300)	(97,206)	(130,161)	(163,190)
	180,000	24,227	(8,593)	(41,433)	(74,300)	(107,206)	(140,161)	(173,190)
	190,000	14,227	(18,593)	(51,433)	(84,300)	(117,206)	(150,161)	(183,190)
	200,000	4,227	(28,593)	(61,433)	(94,300)	(127,206)	(160,161)	(193,190)
	210,000	(5,773)	(38,593)	(71,433)	(104,300)	(137,206)	(170,161)	(203,190)
	220,000	(15,773)	(48,593)	(81,433)	(114,300)	(147,206)	(180,161)	(213,190)
	230,000	(25,773)	(58,593)	(91,433)	(124,300)	(157,206)	(190,161)	(223,190)
	240,000	(35,773)	(68,593)	(101,433)	(134,300)	(167,206)	(200,161)	(233,190)
	250,000	(45,773)	(78,593)	(111,433)	(144,300)	(177,206)	(210,161)	(243,190)

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
15	(47,474)	(61,540)	(75,614)	(89,700)	(103,803)	(117,926)	(132,081)	(146,264)
18	(32,887)	(49,297)	(65,717)	(82,150)	(98,603)	(115,081)	(131,595)	(148,144)
Density (dph)								
20	(18,299)	(37,053)	(55,819)	(74,600)	(93,404)	(112,235)	(131,109)	(150,026)
23	(3,711)	(24,810)	(45,922)	(67,050)	(88,204)	(109,389)	(130,622)	(151,913)
25	10,876	(12,567)	(36,024)	(59,500)	(83,005)	(106,544)	(130,136)	(153,772)
28	25,464	(323)	(26,126)	(51,950)	(77,805)	(103,698)	(129,649)	(155,606)
30	40,051	11,920	(16,229)	(44,400)	(72,606)	(100,853)	(129,163)	(157,119)
33	54,639	24,163	(6,331)	(36,850)	(67,406)	(98,007)	(128,677)	(158,190)
35	69,227	36,407	3,567	(29,300)	(62,206)	(95,161)	(128,190)	(158,703)
38	83,814	48,650	13,464	(21,750)	(57,007)	(92,316)	(127,704)	(159,216)
40	98,402	60,893	23,362	(14,200)	(51,807)	(89,470)	(127,217)	(159,729)
43	112,990	73,137	33,259	(6,650)	(46,608)	(86,624)	(126,731)	(160,242)
45	127,577	85,380	43,157	900	(41,408)	(83,779)	(126,244)	(160,755)
48	142,165	97,623	53,055	8,450	(36,209)	(80,933)	(125,758)	(161,268)
50	156,752	109,867	62,952	16,000	(31,009)	(78,088)	(125,272)	(161,781)
53	171,340	122,110	72,850	23,550	(25,810)	(75,242)	(124,785)	(162,294)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
90%	266,051	232,060	198,069	164,069	130,064	96,046	62,017	28,017
92%	226,739	192,990	159,237	125,473	91,702	57,914	24,109	10,109
Build Cost								
94%	187,404	153,894	120,376	86,844	53,300	19,736	(13,853)	(27,962)
96%	148,043	114,768	81,483	48,179	14,856	(18,491)	(51,878)	(85,865)
98%	108,652	75,607	42,547	9,466	(23,643)	(56,785)	(89,982)	(123,089)
100%	69,227	36,407	3,567	(29,300)	(62,206)	(95,161)	(128,190)	(161,179)
(105% = 5% increase)								
102%	29,757	(2,842)	(35,470)	(68,134)	(100,853)	(133,638)	(166,532)	(200,026)
104%	(9,762)	(42,148)	(74,573)	(107,049)	(139,597)	(172,248)	(205,056)	(238,064)
106%	(49,337)	(81,523)	(113,760)	(146,068)	(178,476)	(211,035)	(243,832)	(276,639)
108%	(88,981)	(120,980)	(153,048)	(185,216)	(217,527)	(250,064)	(282,972)	(312,119)
110%	(128,711)	(160,540)	(192,467)	(224,533)	(256,813)	(289,436)	(322,676)	(342,381)
112%	(168,545)	(200,230)	(232,053)	(264,079)	(296,423)	(329,322)	(363,303)	(383,016)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
80%	(392,946)	(402,198)	(412,076)	(423,041)	(436,168)	(454,487)	(476,218)	(499,971)
82%	(344,166)	(355,273)	(366,679)	(378,556)	(391,238)	(405,474)	(423,405)	(443,144)
Market Values								
84%	(296,801)	(310,100)	(323,573)	(337,304)	(351,441)	(366,276)	(382,468)	(399,971)
86%	(250,185)	(265,815)	(281,558)	(297,462)	(313,609)	(330,144)	(347,362)	(365,361)
88%	(204,014)	(222,041)	(240,149)	(258,364)	(276,741)	(295,365)	(314,393)	(333,872)
90%	(158,132)	(178,590)	(199,109)	(219,709)	(240,420)	(261,303)	(282,452)	(303,971)
92%	(112,445)	(135,357)	(158,316)	(181,335)	(204,440)	(227,669)	(251,088)	(274,871)
94%	(66,894)	(92,275)	(117,691)	(143,155)	(168,685)	(194,310)	(220,077)	(246,149)
96%	(21,448)	(49,303)	(77,188)	(105,110)	(133,087)	(161,138)	(189,300)	(217,629)
98%	23,917	(6,417)	(36,776)	(67,168)	(97,604)	(128,101)	(158,685)	(189,481)
100%	69,227	36,407	3,567	(29,300)	(62,206)	(95,161)	(128,190)	(161,309)
102%	114,484	79,178	43,854	8,505	(26,875)	(62,298)	(97,782)	(133,521)
104%	159,705	121,910	84,099	46,267	8,406	(29,492)	(67,441)	(103,944)
106%	204,894	164,608	124,309	83,989	43,646	3,268	(37,152)	(73,911)
108%	250,059	207,278	164,488	121,680	78,850	35,993	(6,907)	(37,152)
110%	295,201	249,926	204,643	159,347	114,027	68,685	23,305	(10,109)
112%	340,321	292,558	244,777	196,988	149,183	101,352	53,489	(10,109)
114%	385,431	335,168	284,898	234,613	184,315	133,997	83,649	(10,109)
116%	430,523	377,766	325,001	272,225	219,433	166,623	113,789	(10,109)
118%	475,605	420,353	365,091	309,822	254,539	199,236	143,913	(10,109)
120%	520,675	462,928	405,173	347,406	289,629	231,839	174,025	(10,109)

Scheme Ref: **K**
 No Units: **500** Location / Value Zone: **Lower** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
1,000	110,416	77,624	44,818	11,991	(20,863)	(53,750)	(86,686)	
2,000	96,692	63,891	31,073	(1,766)	(34,633)	(67,543)	(100,506)	
Carbon/Energy Reduction/FHS	3,000	82,959	50,151	17,323	(15,530)	(48,416)	(81,346)	(114,340)
4,000	69,227	36,407	3,567	(29,300)	(62,206)	(95,161)	(128,190)	
£ per dwelling	5,000	55,484	22,656	(10,197)	(43,082)	(76,006)	(108,989)	(142,057)
6,000	41,740	8,899	(23,967)	(56,870)	(89,818)	(122,832)	(155,944)	
7,000	27,988	(4,865)	(37,748)	(70,667)	(103,643)	(136,691)	(169,851)	
8,000	14,231	(18,634)	(51,533)	(84,478)	(117,481)	(150,568)	(183,786)	
9,000	468	(32,414)	(65,331)	(98,298)	(131,333)	(164,465)	(197,744)	
10,000	(13,302)	(46,197)	(79,138)	(112,130)	(145,200)	(178,382)	(211,736)	
11,000	(27,080)	(59,994)	(92,953)	(125,975)	(159,085)	(192,322)	(225,761)	
12,000	(40,863)	(73,797)	(106,780)	(139,834)	(172,989)	(206,290)	(239,825)	
13,000	(54,657)	(87,609)	(120,621)	(153,710)	(186,913)	(220,287)	(253,936)	
14,000	(68,457)	(101,435)	(134,475)	(167,603)	(200,862)	(234,318)	(268,099)	
15,000	(82,269)	(115,271)	(148,343)	(181,515)	(214,837)	(248,386)	(282,322)	

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(95,161)	10%	15%	20%	25%	30%	35%	40%
40%	50,132	7,743	(34,696)	(77,201)	(119,802)	(162,548)	(205,532)	
45%	53,315	12,521	(28,313)	(69,209)	(110,187)	(151,288)	(192,586)	
First Homes £	50%	56,498	17,299	(21,935)	(61,222)	(100,580)	(140,042)	(179,665)
70%	55%	59,681	22,078	(15,558)	(53,236)	(90,976)	(128,807)	(166,768)
of Market Value	60%	62,863	26,856	(9,181)	(45,256)	(81,382)	(117,582)	(153,891)
65%	66,046	31,632	(2,805)	(37,277)	(71,790)	(106,366)	(141,033)	
70%	69,227	36,407	3,567	(29,300)	(62,206)	(95,161)	(128,190)	

Scheme Ref: **L**
 No Units: **750** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **30% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES

Total number of units in scheme		1,000 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%						
Open Market Sale (OMS) housing		65%	16.6% % of total (>10% for NPPF para 64.)						
		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%	32.5	20.0%	36.8	10.0%	16.6	9%	85.9	
2 Bed House	30.0%	195.0	20.0%	36.8	20.0%	33.3	27%	265.0	
3 Bed House	40.0%	260.0	25.0%	45.9	30.0%	49.9	36%	355.8	
4 Bed House	25.0%	162.5	5.0%	9.2	10.0%	16.6	19%	188.3	
1 Bed Flat	0.0%	0.0	20.0%	36.8	10.0%	16.6	5%	53.4	
2 Bed Flat	0.0%	0.0	10.0%	18.4	20.0%	33.3	5%	51.6	
Total number of units	100.0%	650.0	100.0%	163.8	100.0%	166.3	100%	1,000.0	
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	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)					
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)					
1 Bed House	1,463	15,742	2,402	25,854	3,864	41,596			
2 Bed House	13,650	146,927	4,900	52,743	18,550	199,671			
3 Bed House	21,840	235,084	8,048	86,631	29,888	321,714			
4 Bed House	17,875	192,405	2,839	30,563	20,714	222,968			
1 Bed Flat	0	0	2,826	30,416	2,826	30,416			
2 Bed Flat	0	0	3,644	39,225	3,644	39,225			
	54,828	590,158	24,659	265,431	79,487	855,589			
AH % by floor area:				31.02% 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	3,111	289			12,022,500			
2 Bed House	210,000	3,000	279			55,650,000			
3 Bed House	260,000	3,095	288			92,511,250			
4 Bed House	370,000	3,364	312			69,675,625			
1 Bed Flat	140,000	3,111	289			7,472,500			
2 Bed Flat	170,000	2,833	263			8,776,250			
						246,108,125			
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	98,000	70%	0		98,000	70%	98,000	70%	
2 Bed House	147,000	70%	0		147,000	70%	147,000	70%	
3 Bed House	169,000	65%	0		169,000	70%	169,000	65%	
4 Bed House	222,000	60%	0		222,000	70%	222,000	60%	
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%	
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%	

Scheme Ref: **L**
 No Units: **750** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	32.5	@	140,000	4,550,000
2 Bed House	195.0	@	210,000	40,950,000
3 Bed House	260.0	@	260,000	67,600,000
4 Bed House	162.5	@	370,000	60,125,000
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	650.0			173,225,000
Affordable Rent GDV -				
1 Bed House	36.8	@	98,000	3,601,500
2 Bed House	36.8	@	147,000	5,402,250
3 Bed House	45.9	@	169,000	7,763,438
4 Bed House	9.2	@	222,000	2,039,625
1 Bed Flat	36.8	@	98,000	3,601,500
2 Bed Flat	18.4	@	119,000	2,186,625
	183.8			24,594,938
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	8.8	@	98,000	857,500
2 Bed House	17.5	@	147,000	2,572,500
3 Bed House	26.3	@	182,000	4,777,500
4 Bed House	8.8	@	259,000	2,266,250
1 Bed Flat	8.8	@	98,000	857,500
2 Bed Flat	17.5	@	119,000	2,082,500
	87.5			13,413,750
Intermediate GDV -				
1 Bed House	7.9	@	98,000	771,750
2 Bed House	15.8	@	147,000	2,315,250
3 Bed House	23.6	@	169,000	3,992,625
4 Bed House	7.9	@	222,000	1,748,250
1 Bed Flat	7.9	@	98,000	771,750
2 Bed Flat	15.8	@	119,000	1,874,250
	78.8	350.0		11,473,875
Sub-total GDV Residential				222,707,563
AH on-site cost analysis:				
			294 £ psm (total GIA sqm)	EMV (no AH) less £GDV (inc. AH) 23,400,563
				23,401 £ per unit (total units)
Grant				
	350	AH units @		per unit
Total GDV				222,707,563

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(153,959)
Planning Application Professional Fees, Surveys and reports				(460,000)
CIL	54,828 sqm (Market only)	0.00 £ psm		-
	CIL analysis:	0.00% % of GDV	0 £ per unit (total units)	
Site Specific S106 Contributions				-
total	1,000 units @	6,000 per unit		(6,000,000)
	S106 analysis:	2.69% % of GDV	6,000 £ per unit (total u	(6,000,000)
AH Commuted Sum	79,487 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
cont./				

Scheme Ref: **L**
 No Units: **750** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **30% First Homes Discount**

Construction Costs -						
Site Clearance, Demolition & Remediation	Mixed (50%)	11.11	ha @	110,000	£ per ha (if brownfield)	(1,222,222)
Net Biodiversity costs	Mixed (50:50)	1,000	units @	649	£ per unit	(649,000)
Site Infrastructure costs -						
	total	1,000	units @		per unit	-
Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)	-
1 Bed House		3,864	sqm @	1,499	psm	(5,792,698)
2 Bed House		18,550	sqm @	1,499	psm	(27,806,450)
3 Bed House		29,888	sqm @	1,499	psm	(44,802,487)
4 Bed House		20,714	sqm @	1,499	psm	(31,050,848)
5 Bed House		-	sqm @	1,499	psm	-
1 Bed Flat		2,826	sqm @	1,737	psm	(4,908,302)
2 Bed Flat	79,487	3,644	sqm @	1,737	psm	(6,329,832)
External works						
		120,690,618	@	15.0%		(18,103,593)
Ext. Works analysis:				18,104	£ per unit	
M4(2) Category 2 Housing	Aff units	350	units @	70%	521	£ per unit (127,645)
M4(3) Category 3 Housing	Aff units	350	units @	30%	10,111	£ per unit (1,061,655)
M4(2) Category 2 Housing	Mixt units	650	units @	20%	521	£ per unit (67,730)
M4(3) Category 3 Housing	Mixt units	650	units @	10%	10,111	£ per unit (657,215)
Carbon/Energy Reduction/FHS		1,000	units @		4,000	£ per unit (4,000,000)
EV Charging Points - Houses		895	units @		1,000	£ per unit (895,000)
EV Charging Points - Flats		26	units @		10,000	£ per unit (262,500)
Water Efficiency		1,000	units @		9	£ per unit (9,000)
SANGs		1,000	units @		4,215	£ per unit (4,215,000)
	1 Bed	139	units @		337	£ per unit (46,927)
	2 Bed	317	units @		487	£ per unit (154,196)
Solent SPA	3 Bed	356	units @		637	£ per unit (226,653)
	4 Bed	188	units @		749	£ per unit (141,046)
Contingency (on construction)		152,530,000	@	4.0%	(Mixed 50% @ 3% + 50% @ 5%)	(6,101,200)
Professional Fees						
		152,530,000	@	8.0%		(12,202,400)
Disposal Costs -						
OMS Marketing and Promotion		173,225,000	OMS @	1.50%	2,598	£ per unit (2,598,375)
Residential Sales Agent Costs		173,225,000	OMS @	1.50%	2,598	£ per unit (2,598,375)
Residential Sales Legal Costs		173,225,000	OMS @	0.50%	866	£ per unit (866,125)
Affordable Sale Legal Costs						lump sum (10,000)
Disposal Cost analysis:					6,073	£ per unit
Interest (on Development Costs) -						
		7.00%	APR	0.565%	pcm	(2,966,543)
Developers Profit -						
Profit on OMS		173,225,000		20.00%		(34,645,000)
Margin on AH		49,482,563		6.00%	on AH values	(2,968,954)
Profit analysis:		222,707,563		16.89%	blended GDV	(37,613,954)
		186,486,976		20.17%	on costs	(37,613,954)
TOTAL COSTS						(224,100,930)

RESIDUAL LAND VALUE (RLV)						
Residual Land Value (gross)						(1,393,368)
SDLT	-	1,393,368	@	HMRC formula		80,168
Acquisition Agent fees	-	1,393,368	@	1.0%		13,934
Acquisition Legal fees	-	1,393,368	@	0.5%		6,967
Interest on Land	-	1,393,368	@	7.00%		97,536
Residual Land Value						(1,194,763)
RLV analysis:	(1,195)	£ per plot	(53,764)	£ per ha	(21,758)	£ per acre

BENCHMARK LAND VALUE (BLV)						
Residential Density		45.0	dph			
Site Area (Net)		22.22	ha	54.91	acres	
Benchmark Land Value (Net)	10,982	£ per plot	494,200	£ per ha	200,000	£ per acre
BLV analysis:	Density	3,577	sqm/ha	15,581	sqft/ac	10,982,222

BALANCE						
Surplus/(Deficit)		(547,964)	£ per ha	(221,758)	£ per acre	(12,176,985)

Scheme Ref: **L**
 No Units: **750** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
-	(221,758)	87,141	46,029	4,826	(36,474)	(77,915)	(119,545)	(161,426)
1,000		70,648	29,487	(11,766)	(53,135)	(94,665)	(136,401)	(178,434)
2,000		54,133	12,918	(28,393)	(69,839)	(111,464)	(153,325)	(195,520)
3,000		37,589	(3,681)	(45,058)	(86,588)	(128,316)	(170,314)	(212,700)
4,000		21,011	(20,313)	(61,763)	(103,384)	(145,224)	(187,380)	(229,977)
5,000		4,405	(36,981)	(78,511)	(120,231)	(162,201)	(204,523)	(247,362)
6,000		(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)
7,000		(28,903)	(70,434)	(112,146)	(154,089)	(196,362)	(239,092)	(282,511)
8,000		(45,611)	(87,224)	(129,038)	(171,116)	(213,559)	(256,533)	(300,302)
9,000		(62,356)	(104,061)	(145,985)	(188,207)	(230,848)	(274,092)	(318,269)
10,000		(79,144)	(120,946)	(162,991)	(205,378)	(248,235)	(291,788)	(336,426)
12,500		(121,313)	(163,395)	(205,805)	(248,671)	(292,192)	(336,713)	(382,857)
15,000		(163,799)	(206,233)	(249,108)	(292,603)	(337,018)	(382,894)	(431,274)
17,500		(206,661)	(249,544)	(293,013)	(337,342)	(382,988)	(430,818)	(482,672)
20,000		(249,980)	(293,426)	(337,679)	(383,129)	(430,507)	(481,267)	(538,293)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
15.0%		176,682	124,733	72,620	20,298	(32,308)	(85,320)	(138,924)
16.0%		138,899	89,049	39,035	(11,187)	(61,695)	(112,607)	(164,113)
17.0%		101,116	53,365	5,450	(42,673)	(91,082)	(139,895)	(189,301)
20.0%		63,333	17,681	(28,134)	(74,159)	(120,468)	(167,183)	(214,490)
19.0%		25,550	(18,003)	(61,719)	(105,645)	(149,855)	(194,470)	(239,678)
20.0%		(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
100,000		87,767	46,313	4,696	(37,131)	(79,242)	(121,758)	(164,867)
110,000		77,767	36,313	(5,304)	(47,131)	(89,242)	(131,758)	(174,867)
120,000		67,767	26,313	(15,304)	(57,131)	(99,242)	(141,758)	(184,867)
130,000		57,767	16,313	(25,304)	(67,131)	(109,242)	(151,758)	(194,867)
140,000		47,767	6,313	(35,304)	(77,131)	(119,242)	(161,758)	(204,867)
150,000		37,767	(3,687)	(45,304)	(87,131)	(129,242)	(171,758)	(214,867)
160,000		27,767	(13,687)	(55,304)	(97,131)	(139,242)	(181,758)	(224,867)
170,000		17,767	(23,687)	(65,304)	(107,131)	(149,242)	(191,758)	(234,867)
180,000		7,767	(33,687)	(75,304)	(117,131)	(159,242)	(201,758)	(244,867)
190,000		(2,233)	(43,687)	(85,304)	(127,131)	(169,242)	(211,758)	(254,867)
200,000		(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)
210,000		(22,233)	(63,687)	(105,304)	(147,131)	(189,242)	(231,758)	(274,867)
220,000		(32,233)	(73,687)	(115,304)	(157,131)	(199,242)	(241,758)	(284,867)
230,000		(42,233)	(83,687)	(125,304)	(167,131)	(209,242)	(251,758)	(294,867)
240,000		(52,233)	(93,687)	(135,304)	(177,131)	(219,242)	(261,758)	(304,867)
250,000		(62,233)	(103,687)	(145,304)	(187,131)	(229,242)	(271,758)	(314,867)

Scheme Ref: **L**
 No Units: **750** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
30	(84,304)	(112,037)	(139,896)	(167,919)	(196,173)	(224,744)	(253,791)	
33	(72,287)	(102,306)	(132,454)	(162,779)	(193,337)	(224,230)	(255,618)	
Density (dph)								
35	(60,270)	(92,574)	(125,018)	(157,639)	(190,510)	(223,727)	(257,454)	
45.0								
38	(48,253)	(82,848)	(117,582)	(152,509)	(187,686)	(223,225)	(259,301)	
40	(36,246)	(73,128)	(110,156)	(147,380)	(184,870)	(222,735)	(261,151)	
43	(24,239)	(63,407)	(102,730)	(142,251)	(182,054)	(222,245)	(263,009)	
45	(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)	
48	(226)	(43,969)	(87,878)	(132,011)	(176,435)	(221,277)	(266,734)	
50	11,780	(34,256)	(80,460)	(126,892)	(173,629)	(220,797)	(268,601)	
53	23,781	(24,544)	(73,042)	(121,772)	(170,822)	(220,316)	(270,469)	
55	35,780	(14,832)	(65,624)	(116,654)	(168,015)	(219,841)	(272,342)	
58	47,780	(5,119)	(58,207)	(111,541)	(165,216)	(219,368)	(274,217)	
60	59,779	4,593	(50,789)	(106,429)	(162,417)	(218,895)	(276,092)	
63	71,778	14,305	(43,372)	(101,317)	(159,617)	(218,422)	(277,968)	
65	83,777	24,018	(35,954)	(96,204)	(156,818)	(217,949)	(279,844)	
68	95,776	33,726	(28,541)	(91,092)	(154,019)	(217,477)	(281,726)	

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
90%	253,774	211,247	168,699	126,119	83,495	40,817	(1,928)	
92%	201,065	158,812	116,521	74,181	31,782	(10,705)	(53,296)	
Build Cost								
94%	148,151	106,148	64,091	21,956	(20,264)	(62,609)	(105,118)	
100%	94,994	53,209	11,347	(30,618)	(72,716)	(114,993)	(157,522)	
(105% = 5% increase)								
98%	41,547	(45)	(41,757)	(83,612)	(125,665)	(167,985)	(210,688)	
100%	(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)	
102%	(66,414)	(107,792)	(149,395)	(191,304)	(233,634)	(276,578)	(320,460)	
104%	(121,073)	(162,463)	(204,167)	(246,314)	(289,091)	(332,822)	(378,082)	
106%	(176,329)	(217,838)	(259,803)	(302,419)	(345,999)	(391,098)	(438,801)	
108%	(232,321)	(274,109)	(316,566)	(359,997)	(404,944)	(452,409)	(504,593)	
110%	(289,229)	(331,531)	(374,827)	(419,628)	(466,888)	(518,583)	(575,583)	
112%	(347,332)	(390,491)	(435,157)	(482,233)	(533,529)	(589,944)	(648,024)	

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
80%	(711,867)	(725,631)	(739,773)	(797,966)	(917,432)	(1,036,898)	(1,156,364)	
82%	(624,905)	(642,701)	(660,829)	(679,354)	(698,374)	(778,108)	(917,481)	
Market Values								
84%	(540,183)	(561,872)	(583,960)	(606,405)	(629,316)	(652,799)	(678,598)	
100%	(462,764)	(485,270)	(509,242)	(535,256)	(562,032)	(589,332)	(617,351)	
(105% = 5% increase)								
88%	(391,895)	(416,191)	(441,375)	(467,862)	(496,394)	(527,425)	(559,176)	
90%	(324,746)	(351,450)	(378,741)	(406,871)	(436,256)	(467,656)	(502,361)	
92%	(259,917)	(289,336)	(319,175)	(349,596)	(380,860)	(413,425)	(448,135)	
94%	(196,638)	(228,947)	(261,566)	(294,614)	(328,272)	(362,830)	(398,822)	
96%	(134,443)	(169,743)	(205,284)	(241,158)	(277,484)	(314,476)	(352,488)	
98%	(73,040)	(111,397)	(149,949)	(188,758)	(227,926)	(267,603)	(308,043)	
100%	(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)	
102%	48,118	3,538	(41,183)	(86,077)	(131,206)	(176,664)	(222,595)	
104%	108,115	60,375	12,531	(35,465)	(83,663)	(132,128)	(180,981)	
106%	167,813	116,917	65,915	14,792	(36,500)	(88,018)	(139,867)	
108%	227,282	173,211	119,045	64,780	10,364	(44,250)	(99,137)	
110%	286,556	229,297	171,962	114,537	56,977	(748)	(58,715)	
112%	345,665	285,218	224,705	164,109	103,394	42,532	(18,533)	
114%	404,641	341,002	277,300	213,521	149,648	85,635	21,445	
116%	463,506	396,666	329,772	262,813	195,756	128,591	61,258	
118%	522,267	452,222	382,132	311,982	241,755	171,411	100,927	
120%	580,941	507,693	434,405	361,060	287,644	214,133	140,486	

Scheme Ref: **L**
 No Units: **750** Location / Value Zone: **Lower** Development Scenario: **Mixed**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
1,000	43,967	2,737	(38,608)	(80,090)	(121,753)	(163,677)	(205,964)	
2,000	25,278	(16,019)	(57,446)	(99,029)	(140,831)	(182,925)	(225,447)	
Carbon/Energy Reduction/FHS	3,000	6,545	(34,825)	(76,341)	(118,043)	(159,989)	(202,282)	(245,079)
4,000	(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)	
£ per dwelling	5,000	(31,060)	(72,605)	(114,333)	(156,302)	(198,600)	(241,369)	(284,843)
6,000	(49,938)	(91,583)	(133,430)	(175,558)	(218,071)	(261,132)	(305,025)	
7,000	(68,871)	(110,624)	(152,614)	(194,919)	(237,666)	(281,057)	(325,445)	
8,000	(87,862)	(129,736)	(171,875)	(214,384)	(257,397)	(301,174)	(346,138)	
9,000	(106,916)	(148,927)	(191,237)	(233,965)	(277,288)	(321,503)	(367,146)	
10,000	(126,043)	(168,193)	(210,696)	(253,676)	(297,346)	(342,072)	(388,520)	
11,000	(145,239)	(187,555)	(230,265)	(273,528)	(317,600)	(362,922)	(410,329)	
12,000	(164,512)	(207,009)	(249,955)	(293,539)	(338,070)	(384,086)	(432,650)	
13,000	(183,873)	(226,564)	(269,778)	(313,727)	(358,783)	(405,619)	(455,588)	
14,000	(203,322)	(246,239)	(289,748)	(334,110)	(379,776)	(427,582)	(479,276)	
15,000	(222,871)	(266,036)	(309,878)	(354,713)	(401,087)	(450,053)	(503,890)	

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(221,758)	10%	15%	20%	25%	30%	35%	40%
40%	(38,164)	(92,828)	(147,898)	(203,555)	(260,082)	(318,001)	(378,347)	
45%	(33,838)	(86,285)	(139,092)	(192,398)	(246,439)	(301,633)	(358,763)	
First Homes £	50%	(29,511)	(79,750)	(130,300)	(181,279)	(232,875)	(285,414)	(339,496)
70%	55%	(25,184)	(73,225)	(121,526)	(170,194)	(219,374)	(269,330)	(320,510)
of Market Value	60%	(20,864)	(66,702)	(112,772)	(159,143)	(205,942)	(253,367)	(301,762)
65%	(16,548)	(60,194)	(104,028)	(148,122)	(192,564)	(237,513)	(283,223)	
70%	(12,233)	(53,687)	(95,304)	(137,131)	(179,242)	(221,758)	(264,867)	

220707 Isle of Wight Residential Appraisals_I-L_v0.1 - (updated mix) - Summary Table

Scheme Ref:	I	J	K	L
No Units:	200	200	500	750
Location / Value Zone:	Lower	Lower	Lower	Lower
Development Scenario:	Greenfield	Brownfield	Greenfield	Mixed
Notes:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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	£6,000,000
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 (£)	£44,541,513	£44,541,513	£111,353,781	£222,707,563
GDV (£ per unit)	£222,708	£222,708	£222,708	£296,943
Total Cost (Excluding Land + Profit)	£35,754,134	£36,855,608	£90,933,155	£186,486,976
Cost (£ per unit)	£178,771	£184,278	£181,866	£248,649
Profit KPI's				
Developers Profit Total (£)	£7,522,791	£7,522,791	£18,806,977	£37,613,954
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)	16.89%	16.89%	16.89%	16.89%
Developers Profit (% on costs)	21.04%	20.41%	20.68%	20.17%
Land Value KPI's				
RLV (£/acre)	£78,213	£13,804	£39,839	-£21,758
RLV (£/ha)	£193,264	£34,108	£98,441	-£53,764
RLV Total (£)	£1,104,368	£151,593	£1,406,306	-£1,194,763
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	£10,982,222
Surplus/Deficit (£/acre) [RLV-BLV]	-£56,787	-£121,196	-£95,161	-£221,758
Surplus/Deficit (£/ha)	-£140,321	-£299,477	-£235,144	-£547,964
Surplus/Deficit Total (£)	-£801,832	-£1,331,007	-£3,359,194	-£12,176,985
Plan Viability comments	Marginal	Marginal	Marginal	Not Viable

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220707 Isle of Wight Residential Appraisals_M-Q_v0.1 - (updated mix) - Version Notes

Date	Version	Comments
220708	1	Issued as final version to client

Scheme Ref: **M**
 No Units: **20** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% 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%		
	Social Rent:						0.0%	52.5% % Rented	
	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	40.0%	1.5	20.0%	0.7	14%	2.8	
2 Bed House	30.0%	3.9	30.0%	1.1	40.0%	1.3	32%	6.3	
3 Bed House	40.0%	5.2	25.0%	0.9	30.0%	1.0	36%	7.1	
4 Bed House	25.0%	3.3	5.0%	0.2	10.0%	0.3	19%	3.8	
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%	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	117	1,264	153	1,649			
2 Bed House	304	3,274	190	2,042	494	5,317			
3 Bed House	504	5,429	186	2,001	690	7,430			
4 Bed House	416	4,478	66	711	482	5,189			
1 Bed Flat	0	0	0	0	0	0			
2 Bed Flat	0	0	0	0	0	0			
	1,260	13,566	559	6,018	1,819	19,585			
	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	180,000	3,273	304				501,300		
2 Bed House	260,000	3,333	310				1,646,450		
3 Bed House	330,000	3,402	316				2,348,363		
4 Bed House	450,000	3,516	327				1,694,813		
1 Bed Flat	180,000	3,273	304				0		
2 Bed Flat	230,000	3,286	305				0		
							6,190,925		
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	126,000	70%	0		126,000	70%	126,000	70%	
2 Bed House	182,000	70%	0		182,000	70%	182,000	70%	
3 Bed House	214,500	65%	0		231,000	70%	214,500	65%	
4 Bed House	270,000	60%	0		315,000	70%	270,000	60%	
1 Bed Flat	126,000	70%	0		126,000	70%	126,000	70%	
2 Bed Flat	161,000	70%	0		161,000	70%	161,000	70%	

Scheme Ref: **M**
 No Units: **20** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.7	@	180,000	117,000
2 Bed House	3.9	@	260,000	1,014,000
3 Bed House	5.2	@	330,000	1,716,000
4 Bed House	3.3	@	450,000	1,462,500
1 Bed Flat	0.0	@	180,000	-
2 Bed Flat	0.0	@	230,000	-
	13.0			4,309,500
Affordable Rent GDV -				
1 Bed House	1.5	@	126,000	185,220
2 Bed House	1.1	@	182,000	200,655
3 Bed House	0.9	@	214,500	197,072
4 Bed House	0.2	@	270,000	49,613
1 Bed Flat	0.0	@	126,000	-
2 Bed Flat	0.0	@	161,000	-
	3.7			632,559
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	@	126,000	44,100
2 Bed House	0.7	@	182,000	127,400
3 Bed House	0.5	@	231,000	121,275
4 Bed House	0.2	@	315,000	55,125
1 Bed Flat	0.0	@	126,000	-
2 Bed Flat	0.0	@	161,000	-
	1.8			347,900
Intermediate GDV -				
1 Bed House	0.3	@	126,000	39,690
2 Bed House	0.6	@	182,000	114,660
3 Bed House	0.5	@	214,500	101,351
4 Bed House	0.2	@	270,000	42,525
1 Bed Flat	0.0	@	126,000	-
2 Bed Flat	0.0	@	161,000	-
	1.6	7.0		298,226
Sub-total GDV Residential				5,588,186
AH on-site cost analysis:				
			331 £ psm (total GIA sqm)	EMV (no AH) less £GDV (inc. AH) 602,739
				30,137 £ per unit (total units)
Grant				
	7	AH units @		per unit
Total GDV				5,588,186

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(9,240)
Planning Application Professional Fees, Surveys and reports				(30,000)
CIL	1,260 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:	240,000 £ per ha	2.15% % of GDV	6,000 £ per unit (total u (120,000))
AH Commuted Sum	1,819 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:	30% 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		153 sqm @		1,499 psm	(229,609)
2 Bed House		494 sqm @		1,499 psm	(740,409)
3 Bed House		690 sqm @		1,499 psm	(1,034,724)
4 Bed House		482 sqm @		1,499 psm	(722,638)
5 Bed House		- sqm @		1,499 psm	-
1 Bed Flat		- sqm @		1,737 psm	-
2 Bed Flat	1,819	- sqm @		1,737 psm	-
External works					
		2,727,380 @		15.0%	(409,107)
	Ext. Works analysis:			20,455 £ per unit	
M4(2) Category 2 Housing	Aff units	7 units @	70% @	521 £ per unit	(2,553)
M4(3) Category 3 Housing	Aff units	7 units @	30% @	10,111 £ per unit	(21,233)
M4(2) Category 2 Housing	Mkrt units	13 units @	20% @	521 £ per unit	(1,355)
M4(3) Category 3 Housing	Mkrt units	13 units @	10% @	10,111 £ per unit	(13,144)
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	(939)
	2 Bed	6 units @		487 £ per unit	(3,084)
Solent SPA	3 Bed	7 units @		637 £ per unit	(4,533)
	4 Bed	4 units @		749 £ per unit	(2,821)
Contingency (on construction)		3,347,068 @		5.0%	(167,353)
Professional Fees		3,347,068 @		8.0%	(267,765)
Disposal Costs -					
OMS Marketing and Promotion		4,309,500 OMS @	1.50%	3,232 £ per unit	(64,643)
Residential Sales Agent Costs		4,309,500 OMS @	1.50%	3,232 £ per unit	(64,643)
Residential Sales Legal Costs		4,309,500 OMS @	0.50%	1,077 £ per unit	(21,548)
Affordable Sale Legal Costs				lump sum	(10,000)
	Disposal Cost analysis:			8,042 £ per unit	
Interest (on Development Costs) -					
		7.00% APR		0.565% pcm	(59,808)
Developers Profit -					
Profit on OMS		4,309,500		20.00%	(861,900)
Margin on AH		1,278,686		6.00% on AH values	(76,721)
	Profit analysis:	5,588,186		16.80% blended GDV	(938,621)
		4,162,067		22.55% on costs	(938,621)
TOTAL COSTS					(5,100,688)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					487,497
SDLT		487,497 @		HMRC formula	(13,875)
Acquisition Agent fees		487,497 @		1.0%	(4,875)
Acquisition Legal fees		487,497 @		0.5%	(2,437)
Interest on Land		487,497 @		7.00%	(34,125)
Residual Land Value					432,185
	RLV analysis:	21,609 £ per plot	864,370 £ per ha	349,806 £ 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	3,639 sqm/ha	15,852 sqft/ac	
BALANCE					
Surplus/(Deficit)		493,720 £ per ha		199,806 £ per acre	246,860

Scheme Ref: **M**
 No Units: **20** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above.
 Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
-	199,806	457,985	423,610	389,235	354,860	320,485	286,110	251,735
1,000		443,601	409,226	374,851	340,476	306,101	271,726	237,351
2,000		429,217	394,842	360,467	326,092	291,717	257,342	222,967
3,000		414,833	380,458	346,083	311,708	277,333	242,958	208,583
4,000		400,449	366,074	331,699	297,324	262,949	228,574	194,199
5,000		386,065	351,690	317,315	282,940	248,565	214,190	179,815
6,000		371,681	337,306	302,931	268,556	234,181	199,806	165,431
7,000		357,297	322,922	288,547	254,172	219,797	185,422	151,047
8,000		342,913	308,538	274,163	239,788	205,413	171,038	136,663
9,000		328,528	294,153	259,778	225,403	191,028	156,653	122,278
10,000		314,144	279,769	245,394	211,019	176,644	142,269	107,894
12,500		278,184	243,809	209,434	175,059	140,684	106,309	71,934
15,000		242,224	207,849	173,474	139,099	104,724	70,349	35,974
17,500		206,263	171,888	137,513	103,138	68,763	34,388	13
20,000		170,303	135,928	101,553	67,178	32,781	(1,656)	(36,094)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
15.0%	199,806	580,562	534,582	488,603	442,623	396,644	350,664	304,685
16.0%		538,786	495,127	451,469	407,810	364,151	320,493	276,834
17.0%		497,010	455,672	414,334	372,996	331,659	290,321	248,983
18.0%		455,233	416,216	377,200	338,183	299,166	260,149	221,132
19.0%		413,457	376,761	340,065	303,369	266,673	229,978	193,282
20.0%		371,681	337,306	302,931	268,556	234,181	199,806	165,431

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
100,000	199,806	421,681	387,306	352,931	318,556	284,181	249,806	215,431
110,000		411,681	377,306	342,931	308,556	274,181	239,806	205,431
120,000		401,681	367,306	332,931	298,556	264,181	229,806	195,431
130,000		391,681	357,306	322,931	288,556	254,181	219,806	185,431
140,000		381,681	347,306	312,931	278,556	244,181	209,806	175,431
150,000		371,681	337,306	302,931	268,556	234,181	199,806	165,431
160,000		361,681	327,306	292,931	258,556	224,181	189,806	155,431
170,000		351,681	317,306	282,931	248,556	214,181	179,806	145,431
180,000		341,681	307,306	272,931	238,556	204,181	169,806	135,431
190,000		331,681	297,306	262,931	228,556	194,181	159,806	125,431
200,000		321,681	287,306	252,931	218,556	184,181	149,806	115,431
210,000		311,681	277,306	242,931	208,556	174,181	139,806	105,431
220,000		301,681	267,306	232,931	198,556	164,181	129,806	95,431
230,000		291,681	257,306	222,931	188,556	154,181	119,806	85,431
240,000		281,681	247,306	212,931	178,556	144,181	109,806	75,431
250,000		271,681	237,306	202,931	168,556	134,181	99,806	65,431

Scheme Ref: **M**
 No Units: **20** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
Density (dph)	15	16,945	4,054	(8,837)	(21,727)	(34,618)	(47,509)	(60,399)
	18	52,418	37,379	22,340	7,301	(7,738)	(22,777)	(37,816)
	20	87,892	70,704	53,517	36,329	19,142	1,954	(15,233)
40.0	23	123,365	104,030	84,694	65,358	46,022	26,686	7,350
	25	158,839	137,355	115,870	94,386	72,902	51,417	29,933
	28	194,313	170,680	147,047	123,414	99,781	76,149	52,516
	30	229,786	204,005	178,224	152,443	126,661	100,880	75,099
	33	265,260	237,330	209,401	181,471	153,541	125,611	97,682
	35	300,734	270,655	240,577	210,499	180,421	150,343	120,265
	38	336,207	303,981	271,754	239,527	207,301	175,074	142,848
	40	371,681	337,306	302,931	268,556	234,181	199,806	165,431
	43	407,154	370,631	334,108	297,584	261,061	224,537	188,014
	45	442,628	403,956	365,284	326,612	287,941	249,269	210,597
	48	478,102	437,281	396,461	355,641	314,820	274,000	233,180
	50	513,575	470,606	427,638	384,669	341,700	298,731	255,763
	53	549,049	503,932	458,814	413,697	368,580	323,463	278,346

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
Build Cost	98%	425,201	390,346	355,491	320,637	285,782	250,927	216,072
	100%	371,681	337,306	302,931	268,556	234,181	199,806	165,431
100% (105% = 5% increase)	102%	318,161	284,265	250,370	216,475	182,580	148,685	114,789
	104%	264,641	231,225	197,810	164,394	130,979	97,563	64,148
	106%	211,120	178,185	145,249	112,314	79,378	46,442	13,507
	108%	157,600	125,145	92,689	60,233	27,735	(4,772)	(37,279)
	110%	103,926	71,901	39,877	7,853	(24,172)	(56,196)	(88,220)
	112%	50,088	18,546	(12,995)	(44,537)	(76,079)	(107,620)	(139,162)
	114%	(3,749)	(34,808)	(65,867)	(96,926)	(127,985)	(159,044)	(190,104)
	116%	(57,587)	(88,163)	(118,739)	(149,316)	(179,892)	(210,469)	(241,045)
	118%	(111,424)	(141,518)	(171,612)	(201,705)	(231,799)	(261,893)	(291,987)
	120%	(165,261)	(194,873)	(224,484)	(254,095)	(283,706)	(313,317)	(342,928)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
Market Values	80%	(276,528)	(274,874)	(273,221)	(271,567)	(269,913)	(268,260)	(266,606)
	82%	(211,564)	(213,519)	(215,475)	(217,430)	(219,386)	(221,341)	(223,297)
	84%	(146,600)	(152,164)	(157,729)	(163,294)	(168,858)	(174,423)	(179,987)
100% (105% = 5% increase)	86%	(81,636)	(90,809)	(99,983)	(109,157)	(118,330)	(127,504)	(136,678)
	88%	(16,672)	(29,455)	(42,237)	(55,020)	(67,803)	(80,586)	(93,368)
	90%	48,292	31,900	15,508	(883)	(17,275)	(33,667)	(50,059)
	92%	113,219	93,203	73,187	53,171	33,155	13,139	(6,877)
	94%	177,835	154,229	130,623	107,017	83,412	59,806	36,200
	96%	242,450	215,255	188,059	160,864	133,668	106,472	79,277
	98%	307,065	276,280	245,495	214,710	183,924	153,139	122,354
	100%	371,681	337,306	302,931	268,556	234,181	199,806	165,431
	102%	436,296	398,331	360,367	322,402	284,437	246,472	208,508
	104%	500,911	459,357	417,803	376,248	334,694	293,139	251,585
	106%	565,527	520,383	475,238	430,094	384,950	339,806	294,661
	108%	630,142	581,408	532,674	483,940	435,206	386,472	337,738
	110%	694,758	642,434	590,110	537,786	485,463	433,139	380,815
	112%	759,373	703,459	647,546	591,633	535,719	479,806	423,892
	114%	823,988	764,485	704,982	645,479	585,975	526,472	466,969
	116%	888,459	825,418	762,376	699,325	636,232	573,139	510,046
	118%	952,796	886,180	819,564	752,949	686,333	619,718	553,102
	120%	1,017,132	946,942	876,753	806,563	736,373	666,183	595,993

Scheme Ref: **M**
 No Units: **20** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
1,000		420,577	386,202	351,827	317,452	283,077	248,702	214,327
2,000		404,278	369,903	335,528	301,153	266,778	232,403	198,028
Carbon/Energy Reduction/FHS		387,980	353,605	319,230	284,855	250,480	216,105	181,730
4,000		371,681	337,306	302,931	268,556	234,181	199,806	165,431
£ per dwelling		355,382	321,007	286,632	252,257	217,882	183,507	149,132
6,000		339,083	304,708	270,333	235,958	201,583	167,208	132,833
7,000		322,784	288,409	254,034	219,659	185,284	150,909	116,534
8,000		306,485	272,110	237,735	203,360	168,985	134,610	100,235
9,000		290,186	255,811	221,436	187,061	152,686	118,311	83,936
10,000		273,888	239,513	205,138	170,763	136,388	102,013	67,638
11,000		257,589	223,214	188,839	154,464	120,089	85,714	51,339
12,000		241,290	206,915	172,540	138,165	103,790	69,415	35,040
13,000		224,991	190,616	156,241	121,866	87,491	53,116	18,741
14,000		208,692	174,317	139,942	105,567	71,192	36,817	2,442
15,000		192,393	158,018	123,643	89,268	54,893	20,518	(13,863)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	199,806	10%	15%	20%	25%	30%	35%	40%
40%		343,109	294,448	245,787	197,126	148,465	99,804	51,143
45%		347,871	301,591	255,311	209,031	162,751	116,471	70,191
50%		352,633	308,734	264,835	220,936	177,037	133,138	89,239
70%		357,395	315,877	274,359	232,841	191,323	149,805	108,287
60%		362,157	323,020	283,883	244,746	205,609	166,472	127,335
65%		366,919	330,163	293,407	256,651	219,895	183,139	146,383
70%		371,681	337,306	302,931	268,556	234,181	199,806	165,431

Scheme Ref: **N**
 No Units: **25** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% 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%	
Open Market Sale (OMS) housing	65%		16.6% % of total (>10% for NPPF para 64.)
	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	40.0%	1.8	20.0%	0.8	14%	3.5
2 Bed House	30.0%	4.9	30.0%	1.4	40.0%	1.7	32%	7.9
3 Bed House	40.0%	6.5	25.0%	1.1	30.0%	1.2	36%	8.9
4 Bed House	25.0%	4.1	5.0%	0.2	10.0%	0.4	19%	4.7
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)	(sqft)	Net to Gross %	Gross (GIA) per unit (sqm)	(sqft)
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)	(sqft)	Net to Gross %	Gross (GIA) per unit (sqm)	(sqft)
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)	(sqft)	AH units GIA (sqm)	(sqft)	Total GIA (all units) (sqm)	(sqft)
1 Bed House	45	481	147	1,580	191	2,061
2 Bed House	380	4,093	237	2,553	617	6,646
3 Bed House	631	6,787	232	2,501	863	9,288
4 Bed House	520	5,597	83	889	603	6,486
1 Bed Flat	0	0	0	0	0	0
2 Bed Flat	0	0	0	0	0	0
	1,575	16,958	699	7,523	2,274	24,481

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	180,000	3,273	304	626,625
2 Bed House	260,000	3,333	310	2,058,063
3 Bed House	330,000	3,402	316	2,935,453
4 Bed House	450,000	3,516	327	2,118,516
1 Bed Flat	180,000	3,273	304	0
2 Bed Flat	230,000	3,286	305	0
				7,738,656

Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	126,000	70%	0		126,000	70%	126,000	70%
2 Bed House	182,000	70%	0		182,000	70%	182,000	70%
3 Bed House	214,500	65%	0		231,000	70%	214,500	65%
4 Bed House	270,000	60%	0		315,000	70%	270,000	60%
1 Bed Flat	126,000	70%	0		126,000	70%	126,000	70%
2 Bed Flat	161,000	70%	0		161,000	70%	161,000	70%

Scheme Ref: **N**
 No Units: **25** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.8	@	180,000	146,250
2 Bed House	4.9	@	260,000	1,267,500
3 Bed House	6.5	@	330,000	2,145,000
4 Bed House	4.1	@	450,000	1,828,125
1 Bed Flat	0.0	@	180,000	-
2 Bed Flat	0.0	@	230,000	-
	16.3			5,386,875
Affordable Rent GDV -				
1 Bed House	1.8	@	126,000	231,525
2 Bed House	1.4	@	182,000	250,819
3 Bed House	1.1	@	214,500	246,340
4 Bed House	0.2	@	270,000	62,016
1 Bed Flat	0.0	@	126,000	-
2 Bed Flat	0.0	@	161,000	-
	4.6			790,699
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	@	126,000	55,125
2 Bed House	0.9	@	182,000	159,250
3 Bed House	0.7	@	231,000	151,594
4 Bed House	0.2	@	315,000	68,906
1 Bed Flat	0.0	@	126,000	-
2 Bed Flat	0.0	@	161,000	-
	2.2			434,875
Intermediate GDV -				
1 Bed House	0.4	@	126,000	49,613
2 Bed House	0.8	@	182,000	143,325
3 Bed House	0.6	@	214,500	126,689
4 Bed House	0.2	@	270,000	53,156
1 Bed Flat	0.0	@	126,000	-
2 Bed Flat	0.0	@	161,000	-
	2.0	8.8		372,783
Sub-total GDV Residential				
	25			6,985,232
AH on-site cost analysis:			EMV (no AH) less £GDV (inc. AH)	753,424
		331 £ psm (total GIA sqm)	30,137 £ per unit (total units)	
Grant				
	9	AH units @	per unit	-
Total GDV				
				6,985,232

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(11,550)
Planning Application Professional Fees, Surveys and reports				(30,000)
CIL	1,575 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	2.15% % of GDV	6,000 £ per unit (total u)
AH Commuted Sum	2,274 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
cont./				

Scheme Ref:	N	Location / Value Zone:	Higher	Development Scenario:	Greenfield
No Units:	25				
Notes:	30% 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 @		per unit	-
	Infra. Costs analysis:	- £ per ha	0.00% % of GDV	0 £ per unit (total)	-
1 Bed House		191 sqm @		1,499 psm	(287,012)
2 Bed House		617 sqm @		1,499 psm	(925,511)
3 Bed House		863 sqm @		1,499 psm	(1,293,405)
4 Bed House		603 sqm @		1,499 psm	(903,297)
5 Bed House		- sqm @		1,499 psm	-
1 Bed Flat		- sqm @		1,737 psm	-
2 Bed Flat	2,274	- sqm @		1,737 psm	-
External works					
		3,409,225 @		15.0%	(511,384)
	Ext. Works analysis:			20,455 £ per unit	
M4(2) Category 2 Housing	Aff units	9 units @	70% @	521 £ per unit	(3,191)
M4(3) Category 3 Housing	Aff units	9 units @	30% @	10,111 £ per unit	(26,541)
M4(2) Category 2 Housing	Mkrt units	16 units @	20% @	521 £ per unit	(1,693)
M4(3) Category 3 Housing	Mkrt units	16 units @	10% @	10,111 £ per unit	(16,430)
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	3 units @		337 £ per unit	(1,173)
	2 Bed	8 units @		487 £ per unit	(3,855)
Solent SPA	3 Bed	9 units @		637 £ per unit	(5,666)
	4 Bed	5 units @		749 £ per unit	(3,526)
Contingency (on construction)					
		4,133,185 @		3.0%	(123,996)
Professional Fees					
		4,133,185 @		8.0%	(330,655)
Disposal Costs -					
OMS Marketing and Promotion		5,386,875 OMS @	1.50%	3,232 £ per unit	(80,803)
Residential Sales Agent Costs		5,386,875 OMS @	1.50%	3,232 £ per unit	(80,803)
Residential Sales Legal Costs		5,386,875 OMS @	0.50%	1,077 £ per unit	(26,934)
Affordable Sale Legal Costs				lump sum	(10,000)
	Disposal Cost analysis:			7,942 £ per unit	
Interest (on Development Costs) -					
		7.00% APR		0.565% pcm	(61,821)
Developers Profit -					
Profit on OMS		5,386,875	20.00%		(1,077,375)
Margin on AH		1,598,357	6.00% on AH values		(95,901)
	Profit analysis:	6,985,232	16.80% blended GDV	(1,173,276)	
		5,039,747	23.28% on costs	(1,173,276)	
TOTAL COSTS					(6,213,024)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					772,208
SDLT		772,208 @	HMRC formula		(28,110)
Acquisition Agent fees		772,208 @	1.0%		(7,722)
Acquisition Legal fees		772,208 @	0.5%		(3,861)
Interest on Land		772,208 @	7.00%		(54,055)
Residual Land Value					678,460
	RLV analysis:	27,138 £ per plot	678,460 £ per ha	274,569 £ 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	2,274 sqm/ha	9,907 sqft/ac	
BALANCE					
Surplus/(Deficit)		246,035 £ per ha		99,569 £ per acre	246,035

Scheme Ref: **N**
 No Units: **25** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
	-	262,961	241,080	219,199	197,318	175,436	153,555	131,674
1,000	253,964	232,082	210,201	188,320	166,439	144,557	122,676	
2,000	244,966	223,085	201,204	179,322	157,441	135,560	113,678	
3,000	235,968	214,087	192,206	170,325	148,443	126,562	104,681	
4,000	226,971	205,089	183,208	161,327	139,446	117,564	95,683	
5,000	217,973	196,092	174,211	152,329	130,448	108,567	86,685	
6,000	208,975	187,094	165,213	143,332	121,450	99,569	77,688	
7,000	199,978	178,096	156,215	134,334	112,453	90,571	68,690	
8,000	190,980	169,099	147,218	125,336	103,455	81,574	59,692	
9,000	181,982	160,101	138,220	116,339	94,457	72,576	50,695	
10,000	172,985	151,103	129,222	107,341	85,460	63,578	41,697	
12,500	150,491	128,609	106,728	84,847	62,962	41,053	19,143	
15,000	127,967	106,058	84,148	62,239	40,329	18,420	(3,490)	
17,500	105,335	83,425	61,516	39,606	17,697	(4,213)	(26,122)	
20,000	82,702	60,793	38,883	16,974	(4,936)	(26,845)	(48,755)	

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
15.0%	339,526	310,392	281,258	252,124	222,990	193,856	164,722	
16.0%	313,416	285,733	258,049	230,365	202,682	174,998	147,315	
17.0%	287,306	261,073	234,840	208,607	182,374	156,141	129,908	
18.0%	261,196	236,413	211,631	186,849	162,066	137,284	112,501	
19.0%	235,086	211,754	188,422	165,090	141,758	118,426	95,095	
20.0%	208,975	187,094	165,213	143,332	121,450	99,569	77,688	

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
100,000	283,975	262,094	240,213	218,332	196,450	174,569	152,688	
110,000	273,975	252,094	230,213	208,332	186,450	164,569	142,688	
120,000	263,975	242,094	220,213	198,332	176,450	154,569	132,688	
130,000	253,975	232,094	210,213	188,332	166,450	144,569	122,688	
140,000	243,975	222,094	200,213	178,332	156,450	134,569	112,688	
150,000	233,975	212,094	190,213	168,332	146,450	124,569	102,688	
160,000	223,975	202,094	180,213	158,332	136,450	114,569	92,688	
170,000	213,975	192,094	170,213	148,332	126,450	104,569	82,688	
180,000	203,975	182,094	160,213	138,332	116,450	94,569	72,688	
190,000	193,975	172,094	150,213	128,332	106,450	84,569	62,688	
200,000	183,975	162,094	140,213	118,332	96,450	74,569	52,688	
210,000	173,975	152,094	130,213	108,332	86,450	64,569	42,688	
220,000	163,975	142,094	120,213	98,332	76,450	54,569	32,688	
230,000	153,975	132,094	110,213	88,332	66,450	44,569	22,688	
240,000	143,975	122,094	100,213	78,332	56,450	34,569	12,688	
250,000	133,975	112,094	90,213	68,332	46,450	24,569	2,688	

Scheme Ref: **N**
 No Units: **25** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
15	55,385	42,256	29,128	15,999	2,870	(10,259)	(23,387)	
18	93,783	78,466	63,149	47,832	32,515	17,198	1,881	
Density (dph)	20	132,180	114,675	97,170	79,665	62,160	44,655	27,150
25.0	23	170,578	150,885	131,192	111,498	91,805	72,112	52,419
25	208,975	187,094	165,213	143,332	121,450	99,569	77,688	
28	247,373	223,304	199,234	175,165	151,095	127,026	102,957	
30	285,770	259,513	233,255	206,998	180,740	154,483	128,225	
33	324,168	295,722	267,277	238,831	210,385	181,940	153,494	
35	362,566	331,932	301,298	270,664	240,030	209,397	178,763	
38	400,963	368,141	335,319	302,497	269,676	236,854	204,032	
40	439,361	404,351	369,341	334,331	299,321	264,311	229,300	
43	477,758	440,560	403,362	366,164	328,966	291,767	254,569	
45	516,156	476,769	437,383	397,997	358,611	319,224	279,838	
48	554,553	512,979	471,404	429,830	388,256	346,681	305,107	
50	592,951	549,188	505,426	461,663	417,901	374,138	330,376	
53	631,348	585,398	539,447	493,496	447,546	401,595	355,644	

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
98%	241,862	219,686	197,510	175,334	153,158	130,982	108,806	
100%	208,975	187,094	165,213	143,332	121,450	99,569	77,688	
Build Cost	102%	176,088	154,502	132,916	111,329	89,743	68,156	46,570
100%	104%	143,202	121,910	100,618	79,321	58,005	36,689	15,373
(105% = 5% increase)	106%	110,183	89,163	68,143	47,124	26,104	5,085	(15,935)
108%	77,095	56,372	35,649	14,926	(5,797)	(26,520)	(47,243)	
110%	44,008	23,582	3,155	(17,271)	(37,698)	(58,124)	(78,550)	
112%	10,921	(9,209)	(29,339)	(49,469)	(69,598)	(89,728)	(109,858)	
114%	(22,167)	(42,000)	(61,833)	(81,666)	(101,499)	(121,332)	(141,166)	
116%	(55,254)	(74,790)	(94,327)	(113,864)	(133,400)	(152,937)	(172,473)	
118%	(88,341)	(107,581)	(126,821)	(146,061)	(165,301)	(184,541)	(203,836)	
120%	(121,429)	(140,372)	(159,315)	(178,271)	(197,292)	(216,313)	(235,335)	

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
80%	(197,580)	(196,849)	(196,118)	(195,386)	(194,655)	(193,924)	(193,221)	
82%	(156,687)	(158,255)	(159,824)	(161,393)	(162,962)	(164,531)	(166,100)	
Market Values	84%	(116,005)	(119,834)	(123,663)	(127,492)	(131,321)	(135,150)	(138,979)
100%	86%	(75,324)	(81,413)	(87,502)	(93,591)	(99,680)	(105,769)	(111,858)
(105% = 5% increase)	88%	(34,643)	(42,992)	(51,341)	(59,690)	(68,039)	(76,388)	(84,737)
90%	6,038	(4,571)	(15,180)	(25,789)	(36,398)	(47,007)	(57,616)	
92%	46,720	33,851	20,981	8,112	(4,757)	(17,626)	(30,496)	
94%	87,401	72,272	57,142	42,013	26,884	11,755	(3,375)	
96%	128,032	110,648	93,263	75,879	58,494	41,110	23,726	
98%	168,504	148,871	129,238	109,605	89,972	70,339	50,707	
100%	208,975	187,094	165,213	143,332	121,450	99,569	77,688	
102%	249,447	225,317	201,188	177,058	152,928	128,799	104,669	
104%	289,919	263,541	237,163	210,784	184,406	158,028	131,650	
106%	330,391	301,764	273,137	244,511	215,884	187,258	158,631	
108%	370,862	339,987	309,112	278,237	247,362	216,487	185,612	
110%	411,334	378,211	345,087	311,964	278,840	245,717	212,594	
112%	451,806	416,434	381,062	345,690	310,318	274,947	239,575	
114%	492,278	454,657	417,037	379,417	341,796	304,176	266,556	
116%	532,696	492,881	453,012	413,143	373,274	333,406	293,537	
118%	572,993	530,951	488,908	446,866	404,752	362,635	320,518	
120%	613,290	569,009	524,728	480,447	436,166	391,865	347,499	

Scheme Ref: **N**
 No Units: **25** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
1,000	239,021	217,140	195,259	173,378	151,496	129,615	107,734	
2,000	229,006	207,125	185,243	163,362	141,481	119,600	97,718	
Carbon/Energy Reduction/FHS	3,000	218,991	197,109	175,228	153,347	131,466	109,584	87,703
4,000	208,975	187,094	165,213	143,332	121,450	99,569	77,688	
£ per dwelling	5,000	198,960	177,079	155,198	133,316	111,435	89,554	67,673
6,000	188,945	167,064	145,182	123,301	101,420	79,538	57,657	
7,000	178,930	157,048	135,167	113,286	91,404	69,523	47,642	
8,000	168,914	147,033	125,152	103,270	81,389	59,508	37,627	
9,000	158,899	137,018	115,136	93,255	71,374	49,493	27,606	
10,000	148,884	127,002	105,121	83,240	61,349	39,439	17,530	
11,000	138,868	116,987	95,092	73,182	51,273	29,363	7,454	
12,000	128,834	106,925	85,015	63,106	41,196	19,287	(2,623)	
13,000	118,758	96,848	74,939	53,029	31,120	9,210	(12,699)	
14,000	108,682	86,772	64,863	42,953	21,044	(866)	(22,775)	
15,000	98,605	76,696	54,786	32,877	10,967	(10,942)	(32,852)	

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	99,569	10%	15%	20%	25%	30%	35%	40%
40%	191,095	160,273	129,452	98,630	67,809	36,954	6,053	
45%	194,075	164,744	135,412	106,081	76,749	47,418	18,042	
50%	197,055	169,214	141,372	113,531	85,689	57,848	30,007	
70%	200,035	173,684	147,332	120,981	94,630	68,278	41,927	
60%	203,015	178,154	153,293	128,431	103,570	78,709	53,847	
65%	205,995	182,624	159,253	135,881	112,510	89,139	65,768	
70%	208,975	187,094	165,213	143,332	121,450	99,569	77,688	

Scheme Ref: **O**
 No Units: **100** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% 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% 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%	3.3	40.0%	7.4	20.0%	3.3	14%	13.9	
2 Bed House	30.0%	19.5	30.0%	5.5	40.0%	6.7	32%	31.7	
3 Bed House	40.0%	26.0	25.0%	4.6	30.0%	5.0	36%	35.6	
4 Bed House	25.0%	16.3	5.0%	0.9	10.0%	1.7	19%	18.8	
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)			
1 Bed House		45.0				45.0		484	
2 Bed House		75.0				75.0		807	
3 Bed House		93.0				93.0		1,001	
4 Bed House		115.0				115.0		1,238	
1 Bed Flat		45.0		85.0%		52.9		570	
2 Bed Flat		60.0		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				45.0		484	
2 Bed House		75.0				75.0		807	
3 Bed House		93.0				93.0		1,001	
4 Bed House		115.0				115.0		1,238	
1 Bed Flat		45.0		85.0%		52.9		570	
2 Bed Flat		60.0		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		146		480		627		6,745	
2 Bed House		1,463		912		2,375		25,561	
3 Bed House		2,418		891		3,309		35,618	
4 Bed House		1,869		297		2,166		23,310	
1 Bed Flat		0		0		0		0	
2 Bed Flat		0		0		0		0	
		5,896		2,580		8,476		91,234	
AH % by floor area:				30.44% AH % by floor area due to mix					
Open Market Sales values (£) -		£ OMS (per unit)	£psm	£psf		total MV £ (no AH)			
1 Bed House		160,000	3,556	330		2,228,000			
2 Bed House		240,000	3,200	297		7,599,000			
3 Bed House		310,000	3,333	310		11,030,188			
4 Bed House		410,000	3,565	331		7,720,813			
1 Bed Flat		160,000	3,556	330		0			
2 Bed Flat		200,000	3,333	310		0			
						28,578,000			
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		112,000	70%	0		112,000	70%	112,000	70%
2 Bed House		168,000	70%	0		168,000	70%	168,000	70%
3 Bed House		201,500	65%	0		217,000	70%	201,500	65%
4 Bed House		246,000	60%	0		287,000	70%	246,000	60%
1 Bed Flat		112,000	70%	0		112,000	70%	112,000	70%
2 Bed Flat		140,000	70%	0		140,000	70%	140,000	70%

Scheme Ref: **O**
 No Units: **100** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	3.3	@	160,000	520,000
2 Bed House	19.5	@	240,000	4,680,000
3 Bed House	26.0	@	310,000	8,060,000
4 Bed House	16.3	@	410,000	6,662,500
1 Bed Flat	0.0	@	160,000	-
2 Bed Flat	0.0	@	200,000	-
	65.0			19,922,500
Affordable Rent GDV -				
1 Bed House	7.4	@	112,000	823,200
2 Bed House	5.5	@	168,000	926,100
3 Bed House	4.6	@	201,500	925,641
4 Bed House	0.9	@	246,000	226,013
1 Bed Flat	0.0	@	112,000	-
2 Bed Flat	0.0	@	140,000	-
	18.4			2,900,953
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	1.8	@	112,000	196,000
2 Bed House	3.5	@	168,000	588,000
3 Bed House	2.6	@	217,000	569,625
4 Bed House	0.9	@	287,000	251,125
1 Bed Flat	0.0	@	112,000	-
2 Bed Flat	0.0	@	140,000	-
	8.8			1,604,750
Intermediate GDV -				
1 Bed House	1.6	@	112,000	176,400
2 Bed House	3.2	@	168,000	529,200
3 Bed House	2.4	@	201,500	476,044
4 Bed House	0.8	@	246,000	193,725
1 Bed Flat	0.0	@	112,000	-
2 Bed Flat	0.0	@	140,000	-
	7.9	35.0		1,375,369
Sub-total GDV Residential				
	100			25,803,572
<i>AH on-site cost analysis:</i>				
			EMV (no AH) less £GDV (inc. AH)	2,774,428
		327 £ psm (total GIA sqm)	27,744 £ per unit (total units)	
Grant				
	35	AH units @	per unit	-
Total GDV				
				25,803,572

DEVELOPMENT COSTS				
Initial Payments -				
Statutory Planning Fees (Residential)				(29,759)
Planning Application Professional Fees, Surveys and reports				(90,000)
CIL	5,896 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	2.33% % of GDV	6,000 £ per unit (total u (600,000))
AH Commuted Sum	8,476 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
<i>cont./</i>				

Scheme Ref:	O	Location / Value Zone:	Higher	Development Scenario:	Greenfield
No Units:	100				
Notes:	30% 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		627 sqm @		1,499 psm	(939,311)
2 Bed House		2,375 sqm @		1,499 psm	(3,559,657)
3 Bed House		3,309 sqm @		1,499 psm	(4,960,275)
4 Bed House		2,166 sqm @		1,499 psm	(3,246,225)
5 Bed House		- sqm @		1,499 psm	-
1 Bed Flat		- sqm @		1,737 psm	-
2 Bed Flat	8,476	- sqm @		1,737 psm	-
External works					
		12,705,468 @		15.0%	(1,905,820)
	Ext. Works analysis:			19,058 £ per unit	
M4(2) Category 2 Housing	Aff units	18 units @	100% @	521 £ per unit	(9,573)
M4(3) Category 3 Housing	Aff units	18 units @	30% @	10,111 £ per unit	(55,737)
M4(2) Category 2 Housing	Mkrt units	65 units @	20% @	521 £ per unit	(6,773)
M4(3) Category 3 Housing	Mkrt units	65 units @	10% @	10,111 £ per unit	(65,722)
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	14 units @		337 £ per unit	(4,693)
	2 Bed	32 units @		487 £ per unit	(15,420)
Solent SPA	3 Bed	36 units @		637 £ per unit	(22,665)
	4 Bed	19 units @		749 £ per unit	(14,105)
Contingency (on construction)					
		15,829,475 @		3.0%	(474,884)
Professional Fees					
		15,829,475 @		8.0%	(1,266,358)
Disposal Costs -					
OMS Marketing and Promotion		19,922,500 OMS @		1.50%	2,988 £ per unit (298,838)
Residential Sales Agent Costs		19,922,500 OMS @		1.50%	2,988 £ per unit (298,838)
Residential Sales Legal Costs		19,922,500 OMS @		0.50%	996 £ per unit (99,613)
Affordable Sale Legal Costs					lump sum (10,000)
	Disposal Cost analysis:			7,073 £ per unit	
Interest (on Development Costs) -					
		7.00% APR		0.565% pcm	(153,809)
Developers Profit -					
Profit on OMS		19,922,500		20.00%	(3,984,500)
Margin on AH		5,881,072		6.00% on AH values	(352,864)
	Profit analysis:	25,803,572		16.81% blended GDV	(4,337,364)
		19,151,573		22.65% on costs	(4,337,364)
TOTAL COSTS					(23,488,937)
RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					2,314,635
SDLT		2,314,635 @		HMRC formula	(105,232)
Acquisition Agent fees		2,314,635 @		1.0%	(23,146)
Acquisition Legal fees		2,314,635 @		0.5%	(11,573)
Interest on Land		2,314,635 @		7.00%	(162,024)
Residual Land Value					2,012,659
	RLV analysis:	20,127 £ per plot	704,431 £ per ha	285,079 £ 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 £ per acre	1,517,900
	BLV analysis:	Density 2,967 sqm/ha		12,923 sqft/ac	
BALANCE					
Surplus/(Deficit)		173,166 £ per ha		70,079 £ per acre	494,759

Scheme Ref: **O**
 No Units: **100** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70,079	10%	15%	20%	25%	30%	35%	40%
	-	279,010	252,321	225,633	198,944	172,255	145,566	118,877
1,000	266,458	239,770	213,081	186,392	159,703	133,014	106,325	
2,000	253,907	227,218	200,529	173,840	147,151	120,455	93,748	
3,000	241,355	214,666	187,977	161,280	134,573	107,865	81,158	
4,000	228,803	202,105	175,398	148,690	121,983	95,275	68,588	
5,000	216,223	189,515	162,808	136,100	109,393	82,685	55,974	
6,000	203,633	176,925	150,218	123,510	96,803	70,079	43,343	
7,000	191,043	164,335	137,628	110,920	84,185	57,449	30,713	
8,000	178,453	151,745	125,027	98,290	71,554	44,818	18,082	
9,000	165,863	139,132	112,396	85,660	58,924	32,187	5,412	
10,000	153,238	126,502	99,765	73,029	46,288	19,513	(7,262)	
12,500	121,661	94,925	68,154	41,380	14,605	(12,192)	(39,016)	
15,000	90,021	63,246	36,471	9,659	(17,165)	(44,000)	(70,883)	
17,500	58,334	31,510	4,686	(22,150)	(49,033)	(75,928)	(102,881)	
20,000	26,537	(299)	(27,182)	(54,065)	(81,016)	(107,993)	(135,027)	

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70,079	10%	15%	20%	25%	30%	35%	40%
15.0%	372,620	336,524	300,429	264,333	228,237	192,126	156,001	
16.0%	338,823	304,605	270,387	236,169	201,951	167,716	133,470	
17.0%	305,025	272,685	240,344	208,004	175,664	143,307	110,938	
18.0%	271,228	240,765	210,302	179,839	149,377	118,898	88,406	
19.0%	237,430	208,845	180,260	151,675	123,090	94,488	65,875	
20.0%	203,633	176,925	150,218	123,510	96,803	70,079	43,343	

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70,079	10%	15%	20%	25%	30%	35%	40%
100,000	318,633	291,925	265,218	238,510	211,803	185,079	158,343	
110,000	308,633	281,925	255,218	228,510	201,803	175,079	148,343	
120,000	298,633	271,925	245,218	218,510	191,803	165,079	138,343	
130,000	288,633	261,925	235,218	208,510	181,803	155,079	128,343	
140,000	278,633	251,925	225,218	198,510	171,803	145,079	118,343	
150,000	268,633	241,925	215,218	188,510	161,803	135,079	108,343	
160,000	258,633	231,925	205,218	178,510	151,803	125,079	98,343	
170,000	248,633	221,925	195,218	168,510	141,803	115,079	88,343	
180,000	238,633	211,925	185,218	158,510	131,803	105,079	78,343	
190,000	228,633	201,925	175,218	148,510	121,803	95,079	68,343	
200,000	218,633	191,925	165,218	138,510	111,803	85,079	58,343	
210,000	208,633	181,925	155,218	128,510	101,803	75,079	48,343	
220,000	198,633	171,925	145,218	118,510	91,803	65,079	38,343	
230,000	188,633	161,925	135,218	108,510	81,803	55,079	28,343	
240,000	178,633	151,925	125,218	98,510	71,803	45,079	18,343	
250,000	168,633	141,925	115,218	88,510	61,803	35,079	8,343	

Scheme Ref: **O**
 No Units: **100** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70.079	10%	15%	20%	25%	30%	35%	40%
	15	(35,586)	(47,032)	(58,478)	(69,924)	(81,370)	(92,823)	(104,282)
	18	(5,684)	(19,037)	(32,391)	(45,745)	(59,099)	(72,460)	(85,828)
Density (dph)	20	24,219	8,957	(6,304)	(21,566)	(36,827)	(52,098)	(67,375)
35.0	23	54,121	36,952	19,783	2,614	(14,555)	(31,735)	(48,922)
	25	84,023	64,947	45,870	26,793	7,716	(11,372)	(30,469)
	28	113,926	92,941	71,957	50,972	29,988	8,991	(12,016)
	30	143,828	120,936	98,044	75,152	52,260	29,354	6,437
	33	173,730	148,931	124,131	99,331	74,531	49,716	24,890
	35	203,633	176,925	150,218	123,510	96,803	70,079	43,343
	38	233,535	204,920	176,305	147,690	119,074	90,442	61,796
	40	263,437	232,915	202,392	171,869	141,346	110,805	80,249
	43	293,340	260,909	228,479	196,048	163,618	131,168	98,702
	45	323,242	288,904	254,566	220,228	185,889	151,530	117,155
	48	353,144	316,899	280,653	244,407	208,161	171,893	135,608
	50	383,047	344,893	306,740	268,586	230,433	192,256	154,062
	53	412,949	372,888	332,827	292,765	252,704	212,619	172,515

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70.079	10%	15%	20%	25%	30%	35%	40%
	98%	246,547	219,450	192,352	165,255	138,145	111,028	83,911
	100%	203,633	176,925	150,218	123,510	96,803	70,079	43,343
Build Cost	102%	160,636	134,311	107,986	81,661	55,336	28,997	2,634
100%	104%	117,513	91,585	65,636	39,686	13,736	(12,241)	(38,237)
(105% = 5% increase)	106%	74,262	48,725	23,144	(2,438)	(28,020)	(53,656)	(79,292)
	108%	30,876	5,708	(19,513)	(44,733)	(69,987)	(95,271)	(120,608)
	110%	(12,668)	(37,489)	(62,355)	(87,233)	(112,170)	(137,152)	(162,196)
	112%	(56,393)	(80,890)	(105,408)	(129,992)	(154,623)	(179,331)	(204,145)
	114%	(100,339)	(124,516)	(148,741)	(173,027)	(197,403)	(221,898)	(246,542)
	116%	(144,550)	(168,422)	(192,368)	(216,417)	(240,598)	(264,943)	(289,516)
	118%	(189,040)	(212,656)	(236,380)	(260,252)	(284,302)	(308,599)	(333,047)
	120%	(233,901)	(257,305)	(280,867)	(304,627)	(328,605)	(352,613)	(376,621)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70.079	10%	15%	20%	25%	30%	35%	40%
	80%	(334,927)	(331,979)	(329,030)	(326,082)	(323,134)	(320,185)	(317,237)
	82%	(278,665)	(278,819)	(278,973)	(279,127)	(279,292)	(279,460)	(279,629)
Market Values	84%	(223,345)	(226,532)	(229,719)	(232,906)	(236,108)	(239,312)	(242,517)
100%	86%	(168,762)	(174,951)	(181,140)	(187,329)	(193,518)	(199,711)	(205,921)
(105% = 5% increase)	88%	(114,726)	(123,884)	(133,042)	(142,200)	(151,358)	(160,524)	(169,705)
	90%	(61,094)	(73,196)	(85,297)	(97,402)	(109,526)	(121,649)	(133,772)
	92%	(7,752)	(22,798)	(37,845)	(52,891)	(67,937)	(82,990)	(98,062)
	94%	45,356	27,379	9,402	(8,575)	(26,552)	(44,529)	(62,519)
	96%	98,266	77,370	56,474	35,578	14,681	(6,215)	(27,119)
	98%	151,014	127,208	103,402	79,596	55,791	31,985	8,160
	100%	203,633	176,925	150,218	123,510	96,803	70,079	43,343
	102%	256,158	226,555	196,952	167,341	137,711	108,082	78,452
	104%	308,617	276,100	243,582	211,064	178,547	146,029	113,511
	106%	360,958	325,555	290,153	254,750	219,347	183,916	148,484
	108%	413,285	374,982	336,671	298,361	260,051	221,741	183,431
	110%	465,505	424,317	383,130	341,943	300,755	259,538	218,320
	112%	517,724	473,636	429,547	385,459	341,371	297,282	253,194
	114%	569,867	522,906	475,945	428,975	381,986	334,996	288,007
	116%	621,984	572,128	522,271	472,415	422,558	372,702	322,820
	118%	674,101	621,349	568,598	515,846	463,094	410,342	357,590
	120%	726,139	670,521	614,903	559,277	503,630	447,982	392,335

Scheme Ref: **O**
 No Units: **100** Location / Value Zone: **Higher** Development Scenario: **Greenfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70,079	10%	15%	20%	25%	30%	35%	40%
1,000	70,079	245,590	218,901	192,212	165,523	138,625	112,117	85,410
2,000		231,626	204,937	178,232	151,525	124,817	98,110	71,402
Carbon/Energy Reduction/FHS		217,640	190,933	164,225	137,518	110,810	84,103	57,395
4,000		203,633	176,925	150,218	123,510	96,803	70,079	43,343
£ per dwelling		189,625	162,918	136,211	109,498	82,762	56,026	29,290
6,000		175,618	148,911	122,181	95,445	68,709	41,972	15,228
7,000		161,600	134,863	108,127	81,391	54,655	27,900	1,125
8,000		147,546	120,810	94,074	67,338	40,573	13,798	(12,977)
9,000		133,493	106,757	80,021	53,246	26,471	(304)	(27,112)
10,000		119,439	92,694	65,919	39,144	12,369	(14,442)	(41,266)
11,000		105,386	78,591	51,817	25,042	(1,771)	(28,595)	(55,438)
12,000		91,264	64,489	37,714	10,899	(15,925)	(42,763)	(69,646)
13,000		77,162	50,387	23,570	(3,254)	(30,087)	(56,970)	(83,868)
14,000		63,060	36,240	9,416	(17,411)	(44,294)	(71,179)	(98,131)
15,000		48,910	22,087	(4,737)	(31,618)	(58,501)	(85,443)	(112,415)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	70,079	10%	15%	20%	25%	30%	35%	40%
40%	70,079	180,430	142,111	103,738	65,364	26,925	(11,540)	(50,080)
45%		184,297	147,922	111,496	75,062	38,601	2,096	(34,458)
First Homes £		188,165	153,723	119,254	84,760	50,265	15,718	(18,841)
70%		192,032	159,524	127,013	94,458	61,903	29,340	(3,272)
of Market Value		195,899	165,324	134,750	104,156	73,540	42,925	12,296
65%		199,766	171,125	142,484	113,843	85,178	56,502	27,826
70%		203,633	176,925	150,218	123,510	96,803	70,079	43,343

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% 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%						
		Social Rent:	0.0%						
		First Homes:	25.0%						
		Other Intermediate (LCHO/Sub-Market etc.):	22.5%						
Open Market Sale (OMS) housing		65%	100.0%						
		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%	4.9	20.0%	5.5	10.0%	2.5	9%	12.9	
2 Bed House	30.0%	29.3	20.0%	5.5	20.0%	5.0	27%	39.8	
3 Bed House	40.0%	39.0	25.0%	6.9	30.0%	7.5	36%	53.4	
4 Bed House	25.0%	24.4	5.0%	1.4	10.0%	2.5	19%	28.2	
1 Bed Flat	0.0%	0.0	20.0%	5.5	10.0%	2.5	5%	8.0	
2 Bed Flat	0.0%	0.0	10.0%	2.8	20.0%	5.0	5%	7.7	
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)		(sqft)	
1 Bed House		45.0				45.0		484	
2 Bed House		75.0				75.0		807	
3 Bed House		93.0				93.0		1,001	
4 Bed House		115.0				115.0		1,238	
1 Bed Flat		45.0		85.0%		52.9		570	
2 Bed Flat		60.0		85.0%		70.6		760	
AH Unit Floor areas -		Net area per unit (sqm)		Net to Gross %		Gross (GIA) per unit (sqm)		(sqft)	
1 Bed House		45.0				45.0		484	
2 Bed House		75.0				75.0		807	
3 Bed House		93.0				93.0		1,001	
4 Bed House		115.0				115.0		1,238	
1 Bed Flat		45.0		85.0%		52.9		570	
2 Bed Flat		60.0		85.0%		70.6		760	
Total Gross Floor areas -		Mkt Units GIA (sqm)		AH units GIA (sqm)		Total GIA (all units) (sqm)		(sqft)	
1 Bed House		219		360		580		6,239	
2 Bed House		2,194		788		2,981		32,090	
3 Bed House		3,627		1,337		4,964		53,428	
4 Bed House		2,803		445		3,248		34,965	
1 Bed Flat		0		424		424		4,562	
2 Bed Flat		0		547		547		5,884	
		8,843		3,900		12,743		137,168	
AH % by floor area:				30.61% AH % by floor area due to mix					
Open Market Sales values (£) -		£ OMS (per unit)	£psm	£psf		total MV £ (no AH)			
1 Bed House		160,000		330		2,061,000			
2 Bed House		240,000		297		9,540,000			
3 Bed House		310,000		310		16,545,281			
4 Bed House		410,000		331		11,581,219			
1 Bed Flat		160,000		330		1,281,000			
2 Bed Flat		200,000		310		1,548,750			
						42,557,250			
Affordable Housing values (£) -		Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House		112,000	70%	0		112,000	70%	112,000	70%
2 Bed House		168,000	70%	0		168,000	70%	168,000	70%
3 Bed House		201,500	65%	0		217,000	70%	201,500	65%
4 Bed House		246,000	60%	0		287,000	70%	246,000	60%
1 Bed Flat		112,000	70%	0		112,000	70%	112,000	70%
2 Bed Flat		140,000	70%	0		140,000	70%	140,000	70%

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE

OMS GDV - (part houses due to % mix)				
1 Bed House	4.9	@	160,000	780,000
2 Bed House	29.3	@	240,000	7,020,000
3 Bed House	39.0	@	310,000	12,090,000
4 Bed House	24.4	@	410,000	9,993,750
1 Bed Flat	0.0	@	160,000	-
2 Bed Flat	0.0	@	200,000	-
	97.5			29,883,750
Affordable Rent GDV -				
1 Bed House	5.5	@	112,000	617,400
2 Bed House	5.5	@	168,000	926,100
3 Bed House	6.9	@	201,500	1,388,461
4 Bed House	1.4	@	246,000	339,019
1 Bed Flat	5.5	@	112,000	617,400
2 Bed Flat	2.8	@	140,000	385,875
	27.6			4,274,255
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	1.3	@	112,000	147,000
2 Bed House	2.6	@	168,000	441,000
3 Bed House	3.9	@	217,000	854,438
4 Bed House	1.3	@	287,000	376,688
1 Bed Flat	1.3	@	112,000	147,000
2 Bed Flat	2.6	@	140,000	367,500
	13.1			2,333,625
Intermediate GDV -				
1 Bed House	1.2	@	112,000	132,300
2 Bed House	2.4	@	168,000	396,900
3 Bed House	3.5	@	201,500	714,066
4 Bed House	1.2	@	246,000	290,588
1 Bed Flat	1.2	@	112,000	132,300
2 Bed Flat	2.4	@	140,000	330,750
	11.8	52.5		1,996,903
Sub-total GDV Residential				
	150			38,488,533
<i>AH on-site cost analysis:</i>				
			EMV (no AH) less £GDV (inc. AH)	4,068,717
		319 £ psm (total GIA sqm)	27,125 £ per unit (total units)	
Grant				
	53	AH units @	per unit	-
Total GDV				
				38,488,533

DEVELOPMENT COSTS

Initial Payments -				
Statutory Planning Fees (Residential)				(36,659)
Planning Application Professional Fees, Surveys and reports				(110,000)
CIL	8,843 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	2.34% % of GDV	6,000 £ per unit (total u (900,000))
AH Commuted Sum	12,743 sqm (total)	0 £ psm		-
	Comm. Sum analysis:	0.00% % of GDV		
<i>cont./</i>				

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% 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 @			-
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total) -
1 Bed House		580	sqm @		1,499	psm (868,905)
2 Bed House		2,981	sqm @		1,499	psm (4,468,894)
3 Bed House		4,964	sqm @		1,499	psm (7,440,413)
4 Bed House		3,248	sqm @		1,499	psm (4,869,338)
5 Bed House		-	sqm @		1,499	psm -
1 Bed Flat		424	sqm @		1,737	psm (736,245)
2 Bed Flat	12,743	547	sqm @		1,737	psm (949,475)
External works						
		19,333,269	@		15.0%	(2,899,990)
	Ext. Works analysis:				19,333	£ per unit
M4(2) Category 2 Housing	Aff units	53	units @	70% @	521	£ per unit (19,147)
M4(3) Category 3 Housing	Aff units	53	units @	30% @	10,111	£ per unit (159,248)
M4(2) Category 2 Housing	Mkrt units	98	units @	20% @	521	£ per unit (10,160)
M4(3) Category 3 Housing	Mkrt units	98	units @	10% @	10,111	£ per unit (98,582)
Carbon/Energy Reduction/FHS		150	units @		4,000	£ per unit (600,000)
EV Charging Points - Houses		134	units @		1,000	£ per unit (134,250)
EV Charging Points - Flats		4	units @		10,000	£ per unit (39,375)
Water Efficiency		150	units @		9	£ per unit (1,350)
SANGs		150	units @		4,215	£ per unit (632,250)
	1 Bed	21	units @		337	£ per unit (7,039)
	2 Bed	47	units @		487	£ per unit (23,129)
Solent SPA	3 Bed	53	units @		637	£ per unit (33,998)
	4 Bed	28	units @		749	£ per unit (21,157)
Contingency (on construction)						
		24,422,661	@		5.0%	(1,221,133)
Professional Fees						
		24,422,661	@		8.0%	(1,953,813)
Disposal Costs -						
OMS Marketing and Promotion		29,883,750	OMS @	1.50%	2,988	£ per unit (448,256)
Residential Sales Agent Costs		29,883,750	OMS @	1.50%	2,988	£ per unit (448,256)
Residential Sales Legal Costs		29,883,750	OMS @	0.50%	996	£ per unit (149,419)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				7,040	£ per unit
Interest (on Development Costs) -						
			7.00% APR		0.565%	pcm (235,860)
Developers Profit -						
Profit on OMS		29,883,750		20.00%		(5,976,750)
Margin on AH		8,604,783		6.00% on AH values		(516,287)
	Profit analysis:	38,488,533		16.87% blended GDV		(6,493,037)
		29,936,057		21.69% on costs		(6,493,037)
TOTAL COSTS						(36,429,094)

RESIDUAL LAND VALUE (RLV)							
Residual Land Value (gross)						2,059,438	
SDLT		2,059,438	@	HMRC formula		(92,472)	
Acquisition Agent fees		2,059,438	@	1.0%		(20,594)	
Acquisition Legal fees		2,059,438	@	0.5%		(10,297)	
Interest on Land		2,059,438	@	7.00%		(144,161)	
Residual Land Value						1,791,914	
	RLV analysis:	11,946	£ per plot	537,574	£ per ha	217,553	£ 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	3,823	sqm/ha	16,653	sqft/ac

BALANCE						
Surplus/(Deficit)		142,214	£ per ha		57,553	£ per acre
						474,048

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
	-	378,090	333,478	288,832	244,163	199,478	154,743	109,970
1,000	362,017	317,390	272,722	228,053	183,330	138,593	93,781	
Site Specific S106	2,000	345,943	301,280	256,612	211,916	167,181	122,404	77,581
6,000	3,000	329,839	285,170	240,501	195,768	151,026	106,215	61,350
	4,000	313,729	269,060	224,354	179,619	134,837	90,016	45,118
	5,000	297,619	252,941	208,206	163,460	118,648	73,785	28,850
	6,000	281,509	236,792	192,057	147,271	102,451	57,553	12,574
	7,000	265,379	220,644	175,893	131,082	86,220	41,292	(3,730)
	8,000	249,230	204,495	159,704	114,886	69,988	25,017	(20,052)
	9,000	233,082	188,327	143,515	98,655	53,735	8,726	(36,401)
	10,000	216,933	172,138	127,321	82,423	37,459	(7,596)	(52,773)
	12,500	176,477	131,640	86,742	41,764	(3,301)	(48,482)	(93,830)
	15,000	135,959	91,062	46,068	994	(44,192)	(89,534)	(135,087)
	17,500	95,367	50,373	5,288	(39,902)	(85,238)	(130,780)	(176,589)
	20,000	54,677	9,583	(35,611)	(80,941)	(126,473)	(172,245)	(218,377)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
15.0%	498,778	441,991	385,186	328,329	271,438	214,470	157,420	
16.0%	455,324	400,951	346,560	292,117	237,641	183,087	128,451	
Profit	17.0%	411,870	359,912	307,934	255,905	203,843	151,703	99,482
20.0%	18.0%	368,416	318,872	269,309	219,694	170,046	120,320	70,513
	19.0%	324,962	277,832	230,683	183,482	136,248	88,937	41,543
	20.0%	281,509	236,792	192,057	147,271	102,451	57,553	12,574

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
100,000	341,509	296,792	252,057	207,271	162,451	117,553	72,574	
110,000	331,509	286,792	242,057	197,271	152,451	107,553	62,574	
BLV (£ per acre)	120,000	321,509	276,792	232,057	187,271	142,451	97,553	52,574
160,000	130,000	311,509	266,792	222,057	177,271	132,451	87,553	42,574
	140,000	301,509	256,792	212,057	167,271	122,451	77,553	32,574
	150,000	291,509	246,792	202,057	157,271	112,451	67,553	22,574
	160,000	281,509	236,792	192,057	147,271	102,451	57,553	12,574
	170,000	271,509	226,792	182,057	137,271	92,451	47,553	2,574
	180,000	261,509	216,792	172,057	127,271	82,451	37,553	(7,426)
	190,000	251,509	206,792	162,057	117,271	72,451	27,553	(17,426)
	200,000	241,509	196,792	152,057	107,271	62,451	17,553	(27,426)
	210,000	231,509	186,792	142,057	97,271	52,451	7,553	(37,426)
	220,000	221,509	176,792	132,057	87,271	42,451	(2,447)	(47,426)
	230,000	211,509	166,792	122,057	77,271	32,451	(12,447)	(57,426)
	240,000	201,509	156,792	112,057	67,271	22,451	(22,447)	(67,426)
	250,000	191,509	146,792	102,057	57,271	12,451	(32,447)	(77,426)

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
30	118,147	88,305	58,431	28,521	(1,424)	(31,425)	(61,502)	
33	145,377	113,068	80,706	48,326	15,900	(16,589)	(49,145)	
Density (dph)	35	172,607	137,813	102,981	68,128	33,210	(1,757)	(36,797)
45.0	38	199,837	162,558	125,256	87,914	50,520	13,074	(24,450)
40	227,067	187,303	147,532	107,699	67,831	27,906	(12,102)	
43	254,294	212,047	169,798	127,485	85,141	42,737	242	
45	281,509	236,792	192,057	147,271	102,451	57,553	12,574	
48	308,723	261,537	214,317	167,056	119,756	72,369	24,906	
50	335,938	286,282	236,576	186,842	137,052	87,185	37,237	
53	363,153	311,026	258,836	206,628	154,348	102,001	49,569	
55	390,367	335,771	281,095	226,414	171,644	116,817	61,901	
58	417,582	360,505	303,354	246,193	188,940	131,633	74,232	
60	444,797	385,238	325,614	265,967	206,237	146,449	86,564	
63	472,011	409,972	347,873	285,741	223,533	161,265	98,896	
65	499,226	434,705	370,133	305,516	240,829	176,081	111,227	
68	526,441	459,438	392,392	325,290	258,125	190,896	123,550	

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
98%	337,695	292,603	247,510	202,372	157,213	111,988	66,715	
100%	281,509	236,792	192,057	147,271	102,451	57,553	12,574	
Build Cost	102%	225,203	180,850	136,464	92,009	47,495	2,895	(41,823)
100%	104%	168,766	124,756	80,704	36,566	(7,662)	(52,001)	(96,516)
(105% = 5% increase)	106%	112,178	68,490	24,735	(19,115)	(63,089)	(107,220)	(151,586)
108%	55,414	12,031	(31,446)	(75,044)	(118,824)	(162,811)	(207,126)	
110%	(1,576)	(44,677)	(87,912)	(131,309)	(174,945)	(218,889)	(263,281)	
112%	(58,792)	(101,650)	(144,696)	(187,956)	(231,535)	(275,566)	(320,232)	
114%	(116,304)	(158,973)	(201,881)	(245,099)	(288,746)	(333,032)	(378,286)	
116%	(174,150)	(216,691)	(259,550)	(302,840)	(346,744)	(391,568)	(437,863)	
118%	(232,413)	(274,911)	(317,839)	(361,365)	(405,777)	(451,565)	(498,513)	
120%	(291,178)	(333,737)	(376,897)	(420,915)	(466,230)	(512,689)	(559,428)	

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
80%	(412,825)	(421,028)	(429,421)	(438,034)	(446,688)	(455,342)	(464,065)	
82%	(339,480)	(351,215)	(363,078)	(375,123)	(387,392)	(399,973)	(412,863)	
Market Values	84%	(267,908)	(283,229)	(298,656)	(314,225)	(329,962)	(345,930)	(362,206)
100%	86%	(197,491)	(216,446)	(235,488)	(254,635)	(273,919)	(293,382)	(313,094)
(105% = 5% increase)	88%	(127,871)	(150,485)	(173,167)	(195,937)	(218,814)	(241,849)	(265,073)
90%	(58,838)	(85,118)	(111,453)	(137,866)	(164,378)	(191,012)	(217,802)	
92%	9,772	(20,192)	(50,196)	(80,264)	(110,418)	(140,683)	(171,082)	
94%	78,039	44,406	10,712	(23,027)	(56,837)	(90,741)	(124,766)	
96%	146,068	108,724	71,366	33,946	(3,538)	(41,097)	(78,759)	
98%	213,868	172,843	131,799	90,693	49,544	8,325	(32,993)	
100%	281,509	236,792	192,057	147,271	102,451	57,553	12,574	
102%	349,019	300,600	252,181	203,705	155,207	106,628	57,980	
104%	416,393	364,294	312,190	260,020	207,835	155,582	103,261	
106%	483,678	427,904	372,083	316,242	260,358	204,438	148,436	
108%	550,903	491,413	431,903	372,385	312,801	253,196	193,525	
110%	618,030	554,854	491,676	428,431	365,186	301,875	238,532	
112%	685,118	618,251	551,346	484,441	417,487	350,506	283,463	
114%	752,137	681,571	611,005	540,380	469,745	399,072	328,355	
116%	819,136	744,867	670,577	596,288	521,955	447,591	373,185	
118%	886,058	808,111	730,150	652,137	574,125	496,072	417,979	
120%	952,979	871,314	789,650	707,985	626,251	544,515	462,730	

Scheme Ref: **P**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
1,000		336,225	291,556	246,888	202,173	157,438	112,640	67,795
2,000		317,986	273,317	228,624	183,889	139,121	94,309	49,415
Carbon/Energy Reduction/FHS		299,747	255,076	210,341	165,601	120,790	75,933	31,005
4,000		281,509	236,792	192,057	147,271	102,451	57,553	12,574
£ per dwelling		263,243	218,509	173,751	128,940	84,071	39,137	(5,893)
6,000		244,960	200,225	155,421	110,589	65,691	20,705	(24,378)
7,000		226,676	181,901	137,090	92,209	47,268	2,237	(42,913)
8,000		208,382	163,571	118,727	73,829	28,836	(16,248)	(61,468)
9,000		190,051	145,240	100,347	55,399	10,368	(34,778)	(80,068)
10,000		171,721	126,864	81,962	36,968	(8,118)	(53,323)	(98,711)
11,000		153,382	108,485	63,530	18,498	(26,643)	(71,923)	(117,389)
12,000		135,002	90,093	45,099	13	(45,185)	(90,550)	(136,114)
13,000		116,622	71,662	26,628	(18,508)	(63,778)	(109,211)	(154,900)
14,000		98,224	53,230	8,143	(37,050)	(82,388)	(127,931)	(173,738)
15,000		79,793	34,758	(10,373)	(55,632)	(101,049)	(146,690)	(192,634)

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	57,553	10%	15%	20%	25%	30%	35%	40%
40%		252,651	193,472	134,187	74,792	15,239	(44,522)	(104,575)
45%		257,464	200,698	143,837	86,885	29,808	(27,447)	(84,944)
First Homes £		262,277	207,917	153,486	98,977	44,359	(10,405)	(65,368)
70%		267,089	215,135	163,135	111,070	58,910	6,620	(45,832)
of Market Value		271,902	222,354	172,784	123,148	73,428	23,616	(26,321)
65%		276,707	229,573	182,432	135,209	87,940	40,592	(6,864)
70%		281,509	236,792	192,057	147,271	102,451	57,553	12,574

Scheme Ref: **Q**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield Flatted Development**
 Notes: **30% 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							
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 (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	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	160,000	3,556	330	0					
2 Bed House	240,000	3,200	297	0					
3 Bed House	310,000	3,333	310	0					
4 Bed House	410,000	3,565	331	0					
1 Bed Flat	160,000	3,556	330	9,184,500					
2 Bed Flat	200,000	3,333	310	18,519,375					
				27,703,875					
Affordable Housing values (£) -									
	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	112,000	70%	0		112,000	70%	112,000	70%	
2 Bed House	168,000	70%	0		168,000	70%	168,000	70%	
3 Bed House	201,500	65%	0		217,000	70%	201,500	65%	
4 Bed House	246,000	60%	0		287,000	70%	246,000	60%	
1 Bed Flat	112,000	70%	0		112,000	70%	112,000	70%	
2 Bed Flat	140,000	70%	0		140,000	70%	140,000	70%	

Scheme Ref: **Q**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield Flatted Development**
 Notes: **30% First Homes Discount**

GROSS DEVELOPMENT VALUE				
OMS GDV - (part houses due to % mix)				
1 Bed House	0.0	@	160,000	-
2 Bed House	0.0	@	240,000	-
3 Bed House	0.0	@	310,000	-
4 Bed House	0.0	@	410,000	-
1 Bed Flat	29.3	@	160,000	4,680,000
2 Bed Flat	68.3	@	200,000	13,650,000
	97.5			18,330,000
Affordable Rent GDV -				
1 Bed House	0.0	@	112,000	-
2 Bed House	0.0	@	168,000	-
3 Bed House	0.0	@	201,500	-
4 Bed House	0.0	@	246,000	-
1 Bed Flat	20.7	@	112,000	2,315,250
2 Bed Flat	6.9	@	140,000	964,688
	27.6			3,279,938
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	@	112,000	-
2 Bed House	0.0	@	168,000	-
3 Bed House	0.0	@	217,000	-
4 Bed House	0.0	@	287,000	-
1 Bed Flat	3.9	@	112,000	441,000
2 Bed Flat	9.2	@	140,000	1,286,250
	13.1			1,727,250
Intermediate GDV -				
1 Bed House	0.0	@	112,000	-
2 Bed House	0.0	@	168,000	-
3 Bed House	0.0	@	201,500	-
4 Bed House	0.0	@	246,000	-
1 Bed Flat	3.5	@	112,000	396,900
2 Bed Flat	8.3	@	140,000	1,157,625
	11.8	52.5		1,554,525
Sub-total GDV Residential				
	150			24,891,713
AH on-site cost analysis:			EMV (no AH) less £GDV (inc. AH)	2,812,163
		294 £ psm (total GIA sqm)	18,748 £ per unit (total units)	
Grant				
	53	AH units @	per unit	-
Total GDV				
				24,891,713

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	3.62% % of GDV	6,000 £ per unit (total u (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: 30% 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 @		1,499	psm -
2 Bed House		-	sqm @		1,499	psm -
3 Bed House		-	sqm @		1,499	psm -
4 Bed House		-	sqm @		1,499	psm -
5 Bed House		-	sqm @		1,499	psm -
1 Bed Flat		3,039	sqm @		1,737	psm (5,278,724)
2 Bed Flat	9,575	6,536	sqm @		1,737	psm (11,353,466)
External works			16,632,190 @		5.0%	(831,610)
	Ext. Works analysis:				5,544	£ per unit
M4(2) Category 2 Housing	Aff units	28	units @	70% @	521	£ per unit (10,052)
M4(3) Category 3 Housing	Aff units	28	units @	30% @	10,111	£ per unit (83,605)
M4(2) Category 2 Housing	Mkrt units	98	units @	20% @	521	£ per unit (10,160)
M4(3) Category 3 Housing	Mkrt units	98	units @	10% @	10,111	£ per unit (98,582)
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		-	units @		637	£ per unit -
	4 Bed	-	units @		749	£ per unit -
Contingency (on construction)		19,479,347	@		5.0%	(973,967)
Professional Fees		19,479,347	@		8.0%	(1,558,348)
Disposal Costs -						
OMS Marketing and Promotion		18,330,000	OMS @	1.50%	1,833	£ per unit (274,950)
Residential Sales Agent Costs		18,330,000	OMS @	1.50%	1,833	£ per unit (274,950)
Residential Sales Legal Costs		18,330,000	OMS @	0.50%	611	£ per unit (91,650)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				4,344	£ per unit
Interest (on Development Costs) -			7.00% APR		0.565%	pcm (7,730,695)
Developers Profit -						
Profit on OMS		18,330,000		20.00%		(3,666,000)
Margin on AH		6,561,713		6.00% on AH values		(393,703)
	Profit analysis:	24,891,713		16.31% blended GDV		(4,059,703)
		31,440,566		12.91% on costs		(4,059,703)
TOTAL COSTS						(35,500,269)

RESIDUAL LAND VALUE (RLV)							
Residual Land Value (gross)						(10,608,556)	
SDLT		-	10,608,556 @	HMRC formula		540,928	
Acquisition Agent fees		-	10,608,556 @	1.0%		106,086	
Acquisition Legal fees		-	10,608,556 @	0.5%		53,043	
Interest on Land		-	10,608,556 @	7.00%		742,599	
Residual Land Value						(9,165,901)	
	RLV analysis:	(61,106)	£ per plot	(10,388,021)	£ per ha	(4,203,975)	£ 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

BALANCE						
Surplus/(Deficit)		(10,783,381)	£ per ha	(4,363,975)	£ per acre	(9,514,748)

Scheme Ref: **Q**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield Flatted Development**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above.
 Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
-	(4,363,975)	(1,695,488)	(1,709,721)	(1,724,069)	(1,738,772)	(1,753,474)	(1,779,498)	(2,316,262)
1,000		(1,766,792)	(1,781,074)	(1,795,777)	(1,810,479)	(1,825,181)	(2,210,184)	(2,747,020)
2,000		(1,838,096)	(1,852,782)	(1,867,484)	(1,882,186)	(2,104,107)	(2,640,942)	(3,177,778)
3,000		(1,909,787)	(1,924,489)	(1,939,191)	(1,953,893)	(2,534,865)	(3,071,700)	(3,608,536)
4,000		(1,981,494)	(1,996,196)	(2,010,899)	(2,428,787)	(2,965,623)	(3,502,458)	(4,039,294)
5,000		(2,053,201)	(2,067,904)	(2,322,710)	(2,859,546)	(3,396,381)	(3,933,217)	(4,470,052)
6,000		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)
7,000		(2,196,616)	(2,647,391)	(3,184,226)	(3,721,062)	(4,257,897)	(4,794,733)	(5,331,568)
8,000		(2,541,313)	(3,078,149)	(3,614,984)	(4,151,820)	(4,688,655)	(5,225,491)	(5,762,326)
9,000		(2,972,071)	(3,508,907)	(4,045,742)	(4,582,578)	(5,119,413)	(5,656,249)	(6,193,084)
10,000		(3,402,829)	(3,939,665)	(4,476,500)	(5,013,336)	(5,550,171)	(6,087,007)	(6,623,842)
12,500		(4,479,725)	(5,016,560)	(5,553,396)	(6,090,231)	(6,627,067)	(7,163,902)	(7,700,738)
15,000		(5,556,620)	(6,093,455)	(6,630,291)	(7,167,126)	(7,703,962)	(8,240,797)	(8,777,633)
17,500		(6,633,515)	(7,170,351)	(7,707,186)	(8,244,022)	(8,780,857)	(9,317,693)	(9,854,528)
20,000		(7,710,410)	(8,247,246)	(8,784,081)	(9,320,917)	(9,857,752)	(10,394,588)	(10,931,423)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
15.0%	(4,363,975)	(1,621,451)	(1,741,145)	(2,305,951)	(2,870,756)	(3,435,561)	(4,000,367)	(4,565,172)
16.0%		(1,722,143)	(1,836,243)	(2,395,454)	(2,954,665)	(3,513,877)	(4,073,088)	(4,632,300)
17.0%		(1,822,834)	(1,931,340)	(2,484,958)	(3,038,575)	(3,592,192)	(4,145,810)	(4,699,427)
20.0%		(1,923,526)	(2,026,438)	(2,574,461)	(3,122,485)	(3,670,508)	(4,218,531)	(4,766,555)
19.0%		(2,024,217)	(2,121,535)	(2,663,965)	(3,206,394)	(3,748,824)	(4,291,253)	(4,833,682)
20.0%		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
100,000	(4,363,975)	(2,064,909)	(2,156,633)	(2,693,468)	(3,230,304)	(3,767,139)	(4,303,975)	(4,840,810)
110,000		(2,074,909)	(2,166,633)	(2,703,468)	(3,240,304)	(3,777,139)	(4,313,975)	(4,850,810)
120,000		(2,084,909)	(2,176,633)	(2,713,468)	(3,250,304)	(3,787,139)	(4,323,975)	(4,860,810)
130,000		(2,094,909)	(2,186,633)	(2,723,468)	(3,260,304)	(3,797,139)	(4,333,975)	(4,870,810)
140,000		(2,104,909)	(2,196,633)	(2,733,468)	(3,270,304)	(3,807,139)	(4,343,975)	(4,880,810)
150,000		(2,114,909)	(2,206,633)	(2,743,468)	(3,280,304)	(3,817,139)	(4,353,975)	(4,890,810)
160,000		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)
170,000		(2,134,909)	(2,226,633)	(2,763,468)	(3,300,304)	(3,837,139)	(4,373,975)	(4,910,810)
180,000		(2,144,909)	(2,236,633)	(2,773,468)	(3,310,304)	(3,847,139)	(4,383,975)	(4,920,810)
190,000		(2,154,909)	(2,246,633)	(2,783,468)	(3,320,304)	(3,857,139)	(4,393,975)	(4,930,810)
200,000		(2,164,909)	(2,256,633)	(2,793,468)	(3,330,304)	(3,867,139)	(4,403,975)	(4,940,810)
210,000		(2,174,909)	(2,266,633)	(2,803,468)	(3,340,304)	(3,877,139)	(4,413,975)	(4,950,810)
220,000		(2,184,909)	(2,276,633)	(2,813,468)	(3,350,304)	(3,887,139)	(4,423,975)	(4,960,810)
230,000		(2,194,909)	(2,286,633)	(2,823,468)	(3,360,304)	(3,897,139)	(4,433,975)	(4,970,810)
240,000		(2,204,909)	(2,296,633)	(2,833,468)	(3,370,304)	(3,907,139)	(4,443,975)	(4,980,810)
250,000		(2,214,909)	(2,306,633)	(2,843,468)	(3,380,304)	(3,917,139)	(4,453,975)	(4,990,810)

Scheme Ref: **Q**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield Flatted Development**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
50		(840,154)	(998,046)	(1,155,939)	(1,313,832)	(1,471,725)	(1,629,618)	(1,787,510)
60		(910,132)	(1,099,595)	(1,289,067)	(1,478,538)	(1,668,009)	(1,857,481)	(2,046,952)
Density (dph)		(1,001,424)	(1,201,144)	(1,422,194)	(1,643,244)	(1,864,294)	(2,085,344)	(2,306,394)
170.0		(1,113,772)	(1,302,693)	(1,555,321)	(1,807,950)	(2,060,578)	(2,313,207)	(2,565,835)
90		(1,226,121)	(1,404,242)	(1,688,449)	(1,972,656)	(2,256,863)	(2,541,070)	(2,825,277)
100		(1,338,469)	(1,505,791)	(1,821,576)	(2,137,362)	(2,453,147)	(2,768,933)	(3,084,719)
110		(1,450,818)	(1,607,340)	(1,954,704)	(2,302,068)	(2,649,432)	(2,996,796)	(3,344,160)
120		(1,563,166)	(1,708,888)	(2,087,831)	(2,466,774)	(2,845,716)	(3,224,659)	(3,603,602)
130		(1,675,515)	(1,810,437)	(2,220,958)	(2,631,480)	(3,042,001)	(3,452,522)	(3,863,044)
140		(1,787,863)	(1,911,986)	(2,354,086)	(2,796,186)	(3,238,286)	(3,680,385)	(4,122,485)
150		(1,900,212)	(2,013,535)	(2,487,213)	(2,960,892)	(3,434,570)	(3,908,248)	(4,381,927)
160		(2,012,560)	(2,115,084)	(2,620,341)	(3,125,598)	(3,630,855)	(4,136,112)	(4,641,368)
170		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)
180		(2,237,257)	(2,318,198)	(2,886,596)	(3,455,010)	(4,023,424)	(4,591,838)	(5,160,252)
190		(2,349,606)	(2,419,765)	(3,019,723)	(3,619,716)	(4,219,708)	(4,819,701)	(5,419,693)
200		(2,461,954)	(2,521,334)	(3,152,850)	(3,784,422)	(4,415,993)	(5,047,564)	(5,679,135)

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
98%		(1,932,601)	(1,947,921)	(1,963,241)	(2,146,211)	(2,686,759)	(3,227,306)	(3,767,853)
100%		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)
Build Cost		(2,835,025)	(3,368,148)	(3,901,272)	(4,434,396)	(4,967,519)	(5,500,643)	(6,033,767)
100%		(3,990,253)	(4,519,664)	(5,049,076)	(5,578,488)	(6,107,900)	(6,637,312)	(7,166,723)
(105% = 5% increase)		(5,145,480)	(5,671,180)	(6,196,880)	(6,722,580)	(7,248,280)	(7,773,980)	(8,299,680)
108%		(6,300,708)	(6,822,696)	(7,344,684)	(7,866,672)	(8,388,660)	(8,910,648)	(9,432,637)
110%		(7,455,936)	(7,974,212)	(8,492,488)	(9,010,764)	(9,529,041)	(10,047,317)	(10,565,593)
112%		(8,611,163)	(9,125,728)	(9,640,292)	(10,154,857)	(10,669,421)	(11,183,985)	(11,698,550)
114%		(9,766,391)	(10,277,244)	(10,788,096)	(11,298,949)	(11,809,801)	(12,320,654)	(12,831,506)
116%		(10,921,619)	(11,428,759)	(11,935,900)	(12,443,041)	(12,950,182)	(13,457,322)	(13,964,463)
118%		(12,076,846)	(12,580,275)	(13,083,704)	(13,587,133)	(14,090,562)	(14,593,991)	(15,097,420)
120%		(13,232,074)	(13,731,791)	(14,231,508)	(14,731,225)	(15,230,942)	(15,730,659)	(16,230,376)

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
80%		(13,781,454)	(13,645,975)	(13,510,497)	(13,375,018)	(13,239,539)	(13,104,060)	(12,968,581)
82%		(12,571,288)	(12,503,041)	(12,434,794)	(12,366,546)	(12,298,299)	(12,230,052)	(12,161,804)
Market Values		(11,361,123)	(11,360,107)	(11,359,091)	(11,358,075)	(11,357,059)	(11,356,043)	(11,355,027)
100%		(10,150,957)	(10,217,173)	(10,283,388)	(10,349,604)	(10,415,819)	(10,482,035)	(10,548,250)
(105% = 5% increase)		(8,940,791)	(9,074,238)	(9,207,685)	(9,341,132)	(9,474,579)	(9,608,026)	(9,741,473)
90%		(7,730,626)	(7,931,304)	(8,131,982)	(8,332,661)	(8,533,339)	(8,734,017)	(8,934,696)
92%		(6,520,460)	(6,788,370)	(7,056,279)	(7,324,189)	(7,592,099)	(7,860,009)	(8,127,919)
94%		(5,310,294)	(5,645,435)	(5,980,577)	(6,315,718)	(6,650,859)	(6,986,000)	(7,321,141)
96%		(4,100,129)	(4,502,501)	(4,904,874)	(5,307,246)	(5,709,619)	(6,111,992)	(6,514,364)
98%		(2,889,963)	(3,359,567)	(3,829,171)	(4,298,775)	(4,768,379)	(5,237,983)	(5,707,587)
100%		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)
102%		(1,957,030)	(1,981,059)	(2,005,088)	(2,281,832)	(2,885,899)	(3,489,966)	(4,094,033)
104%		(1,789,812)	(1,822,572)	(1,855,862)	(1,889,217)	(1,944,719)	(2,615,957)	(3,287,256)
106%		(1,623,061)	(1,665,086)	(1,707,110)	(1,749,318)	(1,792,000)	(1,834,683)	(2,480,479)
108%		(1,456,852)	(1,507,599)	(1,558,887)	(1,610,175)	(1,661,463)	(1,713,437)	(1,765,445)
110%		(1,291,180)	(1,351,087)	(1,410,994)	(1,471,217)	(1,531,769)	(1,592,321)	(1,653,526)
112%		(1,125,744)	(1,194,619)	(1,263,730)	(1,332,840)	(1,402,074)	(1,471,890)	(1,541,706)
114%		(961,100)	(1,038,793)	(1,116,485)	(1,194,780)	(1,273,095)	(1,351,459)	(1,430,539)
116%		(796,457)	(883,296)	(970,135)	(1,056,974)	(1,144,239)	(1,231,757)	(1,319,372)
118%		(632,538)	(727,934)	(823,785)	(919,771)	(1,015,757)	(1,112,105)	(1,208,828)
120%		(468,873)	(573,362)	(677,851)	(782,568)	(887,701)	(992,834)	(1,098,380)

Scheme Ref: **Q**
 No Units: **150** Location / Value Zone: **Higher** Development Scenario: **Brownfield Flatted Development**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
1,000		(1,881,123)	(1,895,826)	(1,910,528)	(1,925,230)	(2,362,679)	(2,899,514)	(3,436,350)
2,000		(1,962,385)	(1,977,087)	(1,991,790)	(2,313,997)	(2,850,832)	(3,387,668)	(3,924,503)
Carbon/Energy Reduction/FHS		(2,043,647)	(2,058,349)	(2,265,315)	(2,802,150)	(3,338,986)	(3,875,821)	(4,412,657)
4,000		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)
£ per dwelling		(2,206,170)	(2,704,786)	(3,241,622)	(3,778,457)	(4,315,293)	(4,852,128)	(5,388,964)
5,000		(2,656,104)	(3,192,939)	(3,729,775)	(4,266,610)	(4,803,446)	(5,340,281)	(5,877,117)
6,000		(3,144,257)	(3,681,093)	(4,217,928)	(4,754,764)	(5,291,599)	(5,828,435)	(6,365,270)
7,000		(3,632,411)	(4,169,246)	(4,706,082)	(5,242,917)	(5,779,753)	(6,316,588)	(6,853,424)
8,000		(4,120,564)	(4,657,400)	(5,194,235)	(5,731,071)	(6,267,906)	(6,804,742)	(7,341,577)
9,000		(4,608,718)	(5,145,553)	(5,682,389)	(6,219,224)	(6,756,060)	(7,292,895)	(7,829,731)
10,000		(5,096,871)	(5,633,707)	(6,170,542)	(6,707,378)	(7,244,213)	(7,781,049)	(8,317,884)
11,000		(5,585,025)	(6,121,860)	(6,658,695)	(7,195,531)	(7,732,366)	(8,269,202)	(8,806,037)
12,000		(6,073,178)	(6,610,013)	(7,146,849)	(7,683,684)	(8,220,520)	(8,757,355)	(9,294,191)
13,000		(6,561,331)	(7,098,167)	(7,635,002)	(8,171,838)	(8,708,673)	(9,245,509)	(9,782,344)
14,000		(7,049,485)	(7,586,320)	(8,123,156)	(8,659,991)	(9,196,827)	(9,733,662)	(10,270,498)
15,000								

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(4,363,975)	10%	15%	20%	25%	30%	35%	40%
40%		(2,277,070)	(3,112,503)	(3,947,962)	(4,783,422)	(5,618,881)	(6,454,340)	(7,289,799)
45%		(2,204,264)	(2,963,192)	(3,748,880)	(4,534,569)	(5,320,257)	(6,105,946)	(6,891,634)
First Homes £		(2,188,393)	(2,813,880)	(3,549,798)	(4,285,716)	(5,021,633)	(5,757,551)	(6,493,469)
70%		(2,172,522)	(2,664,568)	(3,350,715)	(4,036,863)	(4,723,010)	(5,409,157)	(6,095,304)
of Market Value		(2,156,651)	(2,515,256)	(3,151,633)	(3,788,010)	(4,424,386)	(5,060,763)	(5,697,140)
65%		(2,140,780)	(2,365,944)	(2,952,551)	(3,539,157)	(4,125,763)	(4,712,369)	(5,298,975)
70%		(2,124,909)	(2,216,633)	(2,753,468)	(3,290,304)	(3,827,139)	(4,363,975)	(4,900,810)

220707 Isle of Wight Residential Appraisals_M-Q_v0.1 - (updated mix) - 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:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£5,588,186	£6,985,232	£25,803,572	£38,488,533	£24,891,713
GDV (£ per unit)	£279,409	£279,409	£258,036	£256,590	£165,945
Total Cost (Excluding Land + Profit)	£4,162,067	£5,039,747	£19,151,573	£29,936,057	£31,440,566
Cost (£ per unit)	£208,103	£201,590	£191,516	£199,574	£209,604
Profit KPI's					
Developers Profit Total (£)	£938,621	£1,173,276	£4,337,364	£6,493,037	£4,059,703
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)	16.80%	16.80%	16.81%	16.87%	16.31%
Developers Profit (% on costs)	22.55%	23.28%	22.65%	21.69%	12.91%
Land Value KPI's					
RLV (£/acre)	£349,806	£274,569	£285,079	£217,553	-£4,203,975
RLV (£/ha)	£864,370	£678,460	£704,431	£537,574	-£10,388,021
RLV Total (£)	£432,185	£678,460	£2,012,659	£1,791,914	-£9,165,901
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]	£199,806	£99,569	£70,079	£57,553	-£4,363,975
Surplus/Deficit (£/ha)	£493,720	£246,035	£173,166	£142,214	-£10,783,381
Surplus/Deficit Total (£)	£246,860	£246,035	£494,759	£474,048	-£9,514,748
Plan Viability comments	Viabile	Viabile	Viabile	Viabile	Not Viabile

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220707 Isle of Wight Residential Appraisals_R-U_v0.1 - (updated mix) - Version Notes

Date	Version	Comments
220708	1	Issued as final version to client

Scheme Ref: **R**
 No Units: **35** Location / Value Zone: **Island Wide** Development Scenario: **Small Brownfield Flatted Scheme**
 Notes: **30% 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%					
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 (sqm) (sqft)				
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 (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	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	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)					
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	150,000	2,727	253	2,179,734					
2 Bed Flat	180,000	2,571	239	3,684,319					
				5,864,053					
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV	
1 Bed House	0	70%	0		0	70%	0	70%	
2 Bed House	0	70%	0		0	70%	0	70%	
3 Bed House	0	65%	0		0	70%	0	65%	
4 Bed House	0	60%	0		0	70%	0	60%	
1 Bed Flat	105,000	70%	0		105,000	70%	105,000	70%	
2 Bed Flat	126,000	70%	0		126,000	70%	126,000	70%	

Scheme Ref: **R**
 No Units: **35** Location / Value Zone: **Island Wide** Development Scenario: **Small Brownfield Flatted Scheme**
 Notes: **30% 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	@	150,000	1,194,375
2 Bed Flat	14.8	@	180,000	2,661,750
	22.8			3,856,125
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	@	105,000	506,461
2 Bed Flat	1.6	@	126,000	202,584
	6.4			709,045
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	@	105,000	96,469
2 Bed Flat	2.1	@	126,000	270,113
	3.1			366,581
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	@	105,000	86,822
2 Bed Flat	1.9	@	126,000	243,101
	2.8	12.3		329,923
Sub-total GDV Residential				
	35			5,261,675
AH on-site cost analysis:			EMV (no AH) less £GDV (inc. AH)	602,378
		229 £ psm (total GIA sqm)	17,211 £ per unit (total units)	
Grant				
	12	AH units @	per unit	-
Total GDV				5,261,675

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		-
	CIL analysis:	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	3.99% % of GDV	6,000 £ per unit (total u (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: 30% 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 @		1,499	psm -
2 Bed House		-	sqm @		1,499	psm -
3 Bed House		-	sqm @		1,499	psm -
4 Bed House		-	sqm @		1,499	psm -
5 Bed House		-	sqm @		1,499	psm -
1 Bed Flat			940	sqm @	1,737	psm (1,633,262)
2 Bed Flat	2,626		1,686	sqm @	1,737	psm (2,927,950)
External works						
			4,561,212	@	5.0%	(228,061)
	Ext. Works analysis:				6,516	£ per unit
M4(2) Category 2 Housing	Aff units	12	units @	70%	@	521 £ per unit (4,468)
M4(3) Category 3 Housing	Aff units	12	units @	30%	@	10,111 £ per unit (37,158)
M4(2) Category 2 Housing	Mkrt units	23	units @	20%	@	521 £ per unit (2,371)
M4(3) Category 3 Housing	Mkrt units	23	units @	10%	@	10,111 £ per unit (23,003)
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		-	units @		637	£ per unit -
	4 Bed	-	units @		749	£ per unit -
Contingency (on construction)		5,160,330	@		5.0%	(258,016)
Professional Fees		5,160,330	@		8.0%	(412,826)
Disposal Costs -						
OMS Marketing and Promotion		3,856,125	OMS @	1.50%	1,653	£ per unit (57,842)
Residential Sales Agent Costs		3,856,125	OMS @	1.50%	1,653	£ per unit (57,842)
Residential Sales Legal Costs		3,856,125	OMS @	0.50%	551	£ per unit (19,281)
Affordable Sale Legal Costs						lump sum (10,000)
	Disposal Cost analysis:				4,142	£ per unit
Interest (on Development Costs) -			7.00%	APR	0.565%	pcm (8,562,544)
Developers Profit -						
Profit on OMS		3,856,125			20.00%	(771,225)
Margin on AH		1,405,550			6.00%	on AH values (84,333)
	Profit analysis:	5,261,675			16.26%	blended GDV (855,558)
		14,814,851			5.78%	on costs (855,558)
TOTAL COSTS						(15,670,409)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					(10,408,734)
SDLT		-	10,408,734	@	HMRC formula 530,937
Acquisition Agent fees		-	10,408,734	@	1.0% 104,087
Acquisition Legal fees		-	10,408,734	@	0.5% 52,044
Interest on Land		-	10,408,734	@	7.00% 728,611
Residual Land Value					(8,993,055)
	RLV analysis:	(256,944)	£ per plot	(19,270,832)	£ per ha (7,798,799) £ 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)		(19,579,707)	£ per ha	(7,923,799)	£ per acre (9,137,197)

Scheme Ref: **R**
 No Units: **35** Location / Value Zone: **Island Wide** Development Scenario: **Small Brownfield Flatted Scheme**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above. Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
-	(7,923,799)	(5,012,320)	(5,348,239)	(5,684,158)	(6,020,076)	(6,355,995)	(6,691,914)	(7,027,833)
1,000		(5,217,634)	(5,553,553)	(5,889,472)	(6,225,391)	(6,561,309)	(6,897,228)	(7,233,147)
Site Specific S106		(5,422,948)	(5,758,867)	(6,094,786)	(6,430,705)	(6,766,624)	(7,102,542)	(7,438,461)
6,000		(5,628,263)	(5,964,181)	(6,300,100)	(6,636,019)	(6,971,938)	(7,307,856)	(7,643,775)
4,000		(5,833,577)	(6,169,496)	(6,505,414)	(6,841,333)	(7,177,252)	(7,513,171)	(7,849,089)
5,000		(6,038,891)	(6,374,810)	(6,710,728)	(7,046,647)	(7,382,566)	(7,718,485)	(8,054,404)
6,000		(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)
7,000		(6,449,519)	(6,785,438)	(7,121,357)	(7,457,276)	(7,793,194)	(8,129,113)	(8,465,032)
8,000		(6,654,833)	(6,990,752)	(7,326,671)	(7,662,590)	(7,998,509)	(8,334,427)	(8,670,346)
9,000		(6,860,148)	(7,196,066)	(7,532,585)	(7,868,504)	(8,204,423)	(8,540,342)	(8,876,261)
10,000		(7,065,462)	(7,401,981)	(7,737,900)	(8,073,819)	(8,409,738)	(8,745,657)	(9,081,576)
12,500		(7,578,747)	(7,914,666)	(8,250,585)	(8,586,504)	(8,922,423)	(9,258,342)	(9,594,261)
15,000		(8,092,032)	(8,427,951)	(8,763,870)	(9,099,789)	(9,435,708)	(9,771,627)	(10,107,546)
17,500		(8,605,317)	(8,941,236)	(9,277,155)	(9,613,074)	(9,948,993)	(10,284,912)	(10,620,831)
20,000		(9,118,602)	(9,454,521)	(9,790,440)	(10,126,359)	(10,462,278)	(10,798,197)	(11,134,116)

TABLE 2 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
15.0%	(7,923,799)	(6,043,948)	(6,390,993)	(6,738,037)	(7,085,081)	(7,432,125)	(7,779,169)	(8,126,213)
16.0%		(6,084,000)	(6,428,819)	(6,773,638)	(7,118,457)	(7,463,276)	(7,808,095)	(8,152,914)
17.0%		(6,124,051)	(6,466,645)	(6,809,239)	(7,151,833)	(7,494,427)	(7,837,021)	(8,179,615)
Profit		(6,164,102)	(6,504,471)	(6,844,840)	(7,185,209)	(7,525,578)	(7,865,947)	(8,206,316)
20.0%		(6,204,154)	(6,542,298)	(6,880,441)	(7,218,585)	(7,556,729)	(7,894,873)	(8,233,017)
20.0%		(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)

TABLE 3 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
100,000	(7,923,799)	(6,219,205)	(6,555,124)	(6,891,043)	(7,226,961)	(7,562,880)	(7,898,799)	(8,234,718)
110,000		(6,229,205)	(6,565,124)	(6,901,043)	(7,236,961)	(7,572,880)	(7,908,799)	(8,244,718)
120,000		(6,239,205)	(6,575,124)	(6,911,043)	(7,246,961)	(7,582,880)	(7,918,799)	(8,254,718)
BLV (£ per acre)		(6,249,205)	(6,585,124)	(6,921,043)	(7,256,961)	(7,592,880)	(7,928,799)	(8,264,718)
125,000		(6,259,205)	(6,595,124)	(6,931,043)	(7,266,961)	(7,602,880)	(7,938,799)	(8,274,718)
150,000		(6,269,205)	(6,605,124)	(6,941,043)	(7,276,961)	(7,612,880)	(7,948,799)	(8,284,718)
160,000		(6,279,205)	(6,615,124)	(6,951,043)	(7,286,961)	(7,622,880)	(7,958,799)	(8,294,718)
170,000		(6,289,205)	(6,625,124)	(6,961,043)	(7,296,961)	(7,632,880)	(7,968,799)	(8,304,718)
180,000		(6,299,205)	(6,635,124)	(6,971,043)	(7,306,961)	(7,642,880)	(7,978,799)	(8,314,718)
190,000		(6,309,205)	(6,645,124)	(6,981,043)	(7,316,961)	(7,652,880)	(7,988,799)	(8,324,718)
200,000		(6,319,205)	(6,655,124)	(6,991,043)	(7,326,961)	(7,662,880)	(7,998,799)	(8,334,718)
210,000		(6,329,205)	(6,665,124)	(7,001,043)	(7,336,961)	(7,672,880)	(8,008,799)	(8,344,718)
220,000		(6,339,205)	(6,675,124)	(7,011,043)	(7,346,961)	(7,682,880)	(8,018,799)	(8,354,718)
230,000		(6,349,205)	(6,685,124)	(7,021,043)	(7,356,961)	(7,692,880)	(8,028,799)	(8,364,718)
240,000		(6,359,205)	(6,695,124)	(7,031,043)	(7,366,961)	(7,702,880)	(8,038,799)	(8,374,718)
250,000		(6,369,205)	(6,705,124)	(7,041,043)	(7,376,961)	(7,712,880)	(8,048,799)	(8,384,718)

Scheme Ref: **R**
 No Units: **35** Location / Value Zone: **Island Wide** Development Scenario: **Small Brownfield Flatted Scheme**
 Notes: **30% First Homes Discount**

TABLE 4 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
75	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	
80	(6,629,097)	(6,987,411)	(7,345,724)	(7,704,038)	(8,062,351)	(8,420,664)	(8,778,978)	
Density (dph)								
75.0								
85	(7,013,990)	(7,394,698)	(7,775,406)	(8,156,114)	(8,536,822)	(8,917,530)	(9,298,237)	
90	(7,398,882)	(7,801,985)	(8,205,087)	(8,608,190)	(9,011,292)	(9,414,395)	(9,817,497)	
95	(7,783,774)	(8,209,272)	(8,634,769)	(9,060,266)	(9,485,763)	(9,911,260)	(10,336,757)	
100	(8,168,667)	(8,616,559)	(9,064,450)	(9,512,342)	(9,960,234)	(10,408,125)	(10,856,017)	
105	(8,553,559)	(9,023,845)	(9,494,132)	(9,964,418)	(10,434,704)	(10,904,991)	(11,375,277)	
110	(8,938,451)	(9,431,132)	(9,923,813)	(10,416,494)	(10,909,175)	(11,401,856)	(11,894,537)	
115	(9,323,344)	(9,838,419)	(10,353,495)	(10,868,570)	(11,383,646)	(11,898,721)	(12,413,797)	
120	(9,708,236)	(10,245,706)	(10,783,176)	(11,320,646)	(11,858,116)	(12,395,586)	(12,933,057)	
125	(10,093,129)	(10,652,993)	(11,212,858)	(11,772,722)	(12,332,587)	(12,892,452)	(13,452,316)	
130	(10,478,021)	(11,060,280)	(11,642,539)	(12,224,799)	(12,807,058)	(13,389,317)	(13,971,576)	
135	(10,862,913)	(11,467,567)	(12,072,221)	(12,676,875)	(13,281,528)	(13,886,182)	(14,490,836)	
140	(11,247,806)	(11,874,854)	(12,501,902)	(13,128,951)	(13,755,999)	(14,383,047)	(15,009,696)	
145	(11,632,698)	(12,282,141)	(12,931,584)	(13,581,027)	(14,230,470)	(14,879,913)	(15,529,356)	
150	(12,017,590)	(12,689,428)	(13,361,265)	(14,033,103)	(14,704,941)	(15,376,778)	(16,048,616)	

TABLE 5 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
90%	(3,032,863)	(3,375,739)	(3,718,616)	(4,061,493)	(4,404,370)	(4,747,246)	(5,090,123)	
92%	(3,675,131)	(4,016,616)	(4,358,101)	(4,699,587)	(5,041,072)	(5,382,557)	(5,724,042)	
Build Cost								
94%	(4,317,400)	(4,657,493)	(4,997,587)	(5,337,680)	(5,677,774)	(6,017,867)	(6,357,961)	
100%								
96%	(4,959,668)	(5,298,370)	(5,637,072)	(5,975,774)	(6,314,476)	(6,653,178)	(6,991,880)	
(105% = 5% increase)								
98%	(5,601,937)	(5,939,247)	(6,276,557)	(6,613,868)	(6,951,178)	(7,288,488)	(7,625,799)	
100%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	
102%	(6,886,474)	(7,221,001)	(7,555,528)	(7,890,055)	(8,224,582)	(8,559,110)	(8,893,637)	
104%	(7,528,742)	(7,861,878)	(8,195,013)	(8,528,149)	(8,861,284)	(9,194,420)	(9,527,556)	
106%	(8,171,011)	(8,502,755)	(8,834,499)	(9,166,243)	(9,497,987)	(9,829,731)	(10,161,475)	
108%	(8,813,279)	(9,143,631)	(9,473,984)	(9,804,336)	(10,134,689)	(10,465,041)	(10,795,393)	
110%	(9,455,547)	(9,784,508)	(10,113,469)	(10,442,430)	(10,771,391)	(11,100,352)	(11,429,312)	
112%	(10,097,816)	(10,425,385)	(10,752,954)	(11,080,524)	(11,408,093)	(11,735,662)	(12,063,231)	

TABLE 6 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
80%	(11,784,369)	(11,812,501)	(11,840,633)	(11,868,765)	(11,896,897)	(11,925,029)	(11,953,161)	
82%	(11,230,353)	(11,289,264)	(11,348,174)	(11,407,085)	(11,465,995)	(11,524,906)	(11,583,816)	
Market Values								
84%	(10,676,337)	(10,766,026)	(10,855,715)	(10,945,404)	(11,035,094)	(11,124,783)	(11,214,472)	
100%								
86%	(10,122,320)	(10,242,788)	(10,363,256)	(10,483,724)	(10,604,192)	(10,724,660)	(10,845,128)	
(105% = 5% increase)								
88%	(9,568,304)	(9,719,550)	(9,870,797)	(10,022,044)	(10,173,290)	(10,324,537)	(10,475,783)	
90%	(9,014,287)	(9,196,313)	(9,378,338)	(9,560,363)	(9,742,389)	(9,924,414)	(10,106,439)	
92%	(8,460,271)	(8,673,075)	(8,885,879)	(9,098,683)	(9,311,487)	(9,524,291)	(9,737,095)	
94%	(7,906,254)	(8,149,837)	(8,393,420)	(8,637,002)	(8,880,585)	(9,124,168)	(9,367,751)	
96%	(7,352,238)	(7,626,599)	(7,900,961)	(8,175,322)	(8,449,684)	(8,724,045)	(8,998,406)	
98%	(6,798,222)	(7,103,362)	(7,408,502)	(7,713,642)	(8,018,782)	(8,323,922)	(8,629,062)	
100%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	
102%	(5,690,189)	(6,056,886)	(6,423,584)	(6,790,281)	(7,156,978)	(7,523,676)	(7,890,373)	
104%	(5,136,172)	(5,533,648)	(5,931,125)	(6,328,601)	(6,726,077)	(7,123,553)	(7,521,029)	
106%	(4,582,156)	(5,010,411)	(5,438,665)	(5,866,920)	(6,295,175)	(6,723,430)	(7,151,685)	
108%	(4,028,139)	(4,487,173)	(4,946,206)	(5,405,240)	(5,864,274)	(6,323,307)	(6,782,341)	
110%	(3,474,123)	(3,963,935)	(4,453,747)	(4,943,560)	(5,433,372)	(5,923,184)	(6,412,996)	
112%	(2,920,106)	(3,440,697)	(3,961,288)	(4,481,879)	(5,002,470)	(5,523,061)	(6,043,652)	
114%	(2,366,090)	(2,917,460)	(3,468,829)	(4,020,199)	(4,571,569)	(5,122,938)	(5,674,308)	
116%	(1,812,074)	(2,394,222)	(2,976,370)	(3,558,519)	(4,140,667)	(4,722,815)	(5,304,963)	
118%	(1,258,057)	(1,870,984)	(2,483,911)	(3,096,838)	(3,709,765)	(4,322,692)	(4,935,619)	
120%	(1,049,652)	(1,347,746)	(1,991,452)	(2,635,158)	(3,278,864)	(3,922,569)	(4,566,275)	

Scheme Ref: **R**
 No Units: **35** Location / Value Zone: **Island Wide** Development Scenario: **Small Brownfield Flatted Scheme**
 Notes: **30% First Homes Discount**

TABLE 7 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
1,000	(5,547,778)	(5,883,697)	(6,219,615)	(6,555,534)	(6,891,453)	(7,227,372)	(7,563,290)	
2,000	(5,779,920)	(6,115,839)	(6,451,758)	(6,787,677)	(7,123,595)	(7,459,514)	(7,795,433)	
Carbon/Energy Reduction/FHS	3,000	(6,012,063)	(6,347,981)	(6,683,900)	(7,019,819)	(7,355,738)	(7,691,657)	(8,027,575)
4,000	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	
£ per dwelling	5,000	(6,476,348)	(6,812,266)	(7,148,185)	(7,484,104)	(7,820,023)	(8,155,941)	(8,491,860)
6,000	(6,708,490)	(7,044,409)	(7,380,328)	(7,716,246)	(8,052,165)	(8,388,084)	(8,724,003)	
7,000	(6,940,632)	(7,276,551)	(7,612,470)	(7,948,389)	(8,284,308)	(8,620,228)	(8,956,145)	
8,000	(7,172,775)	(7,508,694)	(7,844,612)	(8,180,531)	(8,516,450)	(8,852,369)	(9,188,288)	
9,000	(7,404,917)	(7,740,836)	(8,076,755)	(8,412,674)	(8,748,592)	(9,084,511)	(9,420,430)	
10,000	(7,637,060)	(7,972,978)	(8,308,897)	(8,644,816)	(8,980,735)	(9,316,654)	(9,652,572)	
11,000	(7,869,202)	(8,205,121)	(8,541,040)	(8,876,958)	(9,212,877)	(9,548,796)	(9,884,715)	
12,000	(8,101,345)	(8,437,263)	(8,773,182)	(9,109,101)	(9,445,020)	(9,780,938)	(10,116,857)	
13,000	(8,333,487)	(8,669,406)	(9,005,325)	(9,341,243)	(9,677,162)	(10,013,081)	(10,349,000)	
14,000	(8,565,629)	(8,901,548)	(9,237,467)	(9,573,386)	(9,909,305)	(10,245,223)	(10,581,142)	
15,000	(8,797,772)	(9,133,691)	(9,469,609)	(9,805,528)	(10,141,447)	(10,477,366)	(10,813,285)	

TABLE 8 Affordable Housing - % on site 35%

Balance (RLV - BLV £ per acre)	(7,923,799)	10%	15%	20%	25%	30%	35%	40%
40%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	
45%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	
First Homes £	50%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)
70%	55%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)
of Market Value	60%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)
65%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	
70%	(6,244,205)	(6,580,124)	(6,916,043)	(7,251,961)	(7,587,880)	(7,923,799)	(8,259,718)	

Scheme Ref: **S**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **Rural Exception Site**
 Notes: **30% 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%					
		Social Rent:	0.0%					
		First Homes:	25.0%					
		Other Intermediate (LCHO/Sub-Market etc.):	22.5%					
Open Market Sale (OMS) housing		0%	47.5% % of total (>10% for NPPF para 64.)					
		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	40.0%	1.7	20.0%	0.8	31%	2.4
2 Bed House	30.0%	0.0	30.0%	1.3	40.0%	1.5	35%	2.8
3 Bed House	40.0%	0.0	25.0%	1.1	30.0%	1.1	27%	2.2
4 Bed House	25.0%	0.0	5.0%	0.2	10.0%	0.4	7%	0.6
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	134	1,445	134	1,445		
2 Bed House	0	0	200	2,155	200	2,155		
3 Bed House	0	0	191	2,051	191	2,051		
4 Bed House	0	0	68	730	68	730		
1 Bed Flat	0	0	0	0	0	0		
2 Bed Flat	0	0	0	0	0	0		
	0	0	593	6,380	593	6,380		
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	150,000	2,727	253	366,000				
2 Bed House	225,000	3,125	290	625,500				
3 Bed House	280,000	3,218	299	613,200				
4 Bed House	380,000	3,304	307	224,200				
1 Bed Flat	140,000	2,545	236	0				
2 Bed Flat	170,000	2,429	226	0				
				1,828,900				
Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	105,000	70%	0		105,000	70%	105,000	70%
2 Bed House	157,500	70%	0		157,500	70%	157,500	70%
3 Bed House	182,000	65%	0		182,000	70%	182,000	65%
4 Bed House	228,000	60%	0		266,000	70%	228,000	60%
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%

Scheme Ref: **S**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **Rural Exception Site**
 Notes: **30% 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	@	280,000	-
4 Bed House	0.0	@	380,000	-
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	0.0			-
Affordable Rent GDV -				
1 Bed House	1.7	@	105,000	176,400
2 Bed House	1.3	@	157,500	198,450
3 Bed House	1.1	@	182,000	191,100
4 Bed House	0.2	@	228,000	47,880
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	4.2			613,830
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	0.4	@	105,000	42,000
2 Bed House	0.8	@	157,500	126,000
3 Bed House	0.6	@	196,000	117,600
4 Bed House	0.2	@	266,000	53,200
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	2.0			338,800
Intermediate GDV -				
1 Bed House	0.4	@	105,000	37,800
2 Bed House	0.7	@	157,500	113,400
3 Bed House	0.5	@	182,000	98,280
4 Bed House	0.2	@	228,000	41,040
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	1.8	8.0		290,520
Sub-total GDV Residential				
	8			1,243,150
AH on-site cost analysis:			EMV (no AH) less £GDV (inc. AH)	585,750
		988 £ psm (total GIA sqm)	73,219 £ per unit (total units)	
Grant				
	8	AH units @	25,249 per unit	201,994
Total GDV				1,445,144

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)	
CIL analysis:				
Site Specific S106 Contributions				-
		total	8 units @	6,000 per unit
				(48,000)
		S106 analysis: 120,000 £ per ha	3.86% % of GDV	6,000 £ per unit (total u) (48,000)
AH Commuted Sum		593 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: **30% 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 (8,088)
Site Infrastructure costs -						
	total		8	units @		per unit
	Infra. Costs analysis:	-	£ per ha	0.00%	% of GDV	0 £ per unit (total)
1 Bed House		134	sqm @		1,499	psm (201,166)
2 Bed House		200	sqm @		1,499	psm (300,040)
3 Bed House		191	sqm @		1,499	psm (285,604)
4 Bed House		68	sqm @		1,499	psm (101,707)
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat		593	sqm @		1,737	psm
External works						
		888,517	@		15.0%	(133,278)
	Ext. Works analysis:				16,660	£ per unit
M4(2) Category 2 Housing	Aff units	4	units @	70%	@	521 £ per unit (1,532)
M4(3) Category 3 Housing	Aff units	4	units @	30%	@	10,111 £ per unit (12,740)
M4(2) Category 2 Housing	Mkrt units	-	units @	20%	@	521 £ per unit
M4(3) Category 3 Housing	Mkrt units	-	units @	10%	@	10,111 £ per unit
Carbon/Energy Reduction/FHS		8	units @		4,000	£ per unit (32,000)
EV Charging Points - Houses		8	units @		1,000	£ per unit (8,000)
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		8	units @		9	£ per unit (72)
SANGs		8	units @		0	£ per unit
	1 Bed	2	units @		337	£ per unit (822)
	2 Bed	3	units @		487	£ per unit (1,354)
Solent SPA	3 Bed	2	units @		637	£ per unit (1,395)
	4 Bed	1	units @		749	£ per unit (442)
Contingency (on construction)		1,088,240	@		3.0%	(32,647)
Professional Fees		1,088,240	@		8.0%	(87,059)
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:				1,250	£ per unit
Interest (on Development Costs) -			7.00%	APR		0.565% pcm (10,565)
Developers Profit -						
Profit on OMS		0			20.00%	
Margin on AH		1,243,150			6.00%	on AH values (74,589)
	Profit analysis:	1,243,150			6.00%	blended GDV (74,589)
		1,290,207			5.78%	on costs (74,589)
TOTAL COSTS						(1,364,796)

RESIDUAL LAND VALUE (RLV)							
Residual Land Value (gross)					80,348		
SDLT		80,348	@	HMRC formula	6,483		
Acquisition Agent fees		80,348	@	1.0%	(803)		
Acquisition Legal fees		80,348	@	0.5%	(402)		
Interest on Land		80,348	@	7.00%	(5,624)		
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	80,939	£ per acre
	BLV analysis:	Density	1,482	sqm/ha	6,455	sqft/ac	

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

Scheme Ref: **S**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **Rural Exception Site**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above.
 Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1

		Grant 25,249							
Balance (RLV - BLV £ per acre)		1	24,750	25,000	25,250	25,500	25,750	26,000	26,250
		-	39,173	40,934	42,696	44,457	46,219	47,980	49,742
	1,000	32,063	33,836	35,609	37,381	39,146	40,908	42,669	44,431
Site Specific S106	2,000	24,943	26,716	28,488	30,261	32,034	33,806	35,579	37,351
	3,000	17,822	19,595	21,368	23,140	24,913	26,686	28,458	30,231
	4,000	10,702	12,475	14,247	16,020	17,793	19,565	21,338	23,111
	5,000	3,581	5,354	7,127	8,899	10,672	12,445	14,217	15,990
	6,000	(3,539)	(1,766)	6	1,779	3,551	5,324	7,097	8,870
	7,000	(10,660)	(8,887)	(7,114)	(5,342)	(3,569)	(1,796)	(24)	(1,027)
	8,000	(17,780)	(16,007)	(14,235)	(12,462)	(10,690)	(8,917)	(7,144)	(5,371)
	9,000	(24,901)	(23,128)	(21,355)	(19,583)	(17,810)	(16,037)	(14,265)	(12,492)
	10,000	(32,021)	(30,249)	(28,476)	(26,703)	(24,931)	(23,158)	(21,385)	(19,612)
	12,500	(49,822)	(48,050)	(46,277)	(44,504)	(42,732)	(40,959)	(39,187)	(37,414)
15,000	(67,624)	(65,851)	(64,078)	(62,306)	(60,533)	(58,760)	(56,988)	(55,215)	
17,500	(85,425)	(83,652)	(81,880)	(80,107)	(78,334)	(76,562)	(74,789)	(73,016)	
20,000	(103,226)	(101,454)	(99,681)	(97,908)	(96,136)	(94,363)	(92,590)	(90,817)	

TABLE 2

		Grant 25,249							
Balance (RLV - BLV £ per acre)		1	24,750	25,000	25,250	25,500	25,750	26,000	26,250
	6.0%	(3,539)	(1,766)	6	1,779	3,551	5,324	7,097	8,870
	8.0%	(25,298)	(23,525)	(21,753)	(19,980)	(18,207)	(16,435)	(14,662)	(12,890)
	10.0%	(47,057)	(45,284)	(43,512)	(41,739)	(39,966)	(38,194)	(36,421)	(34,648)
Profit	6.0%	(101,454)	(99,682)	(97,909)	(96,136)	(94,364)	(92,591)	(90,818)	(89,045)
	17.5%	(128,653)	(126,880)	(125,107)	(123,335)	(121,562)	(119,790)	(118,017)	(116,244)
	20.0%	(155,851)	(154,079)	(152,306)	(150,533)	(148,761)	(146,988)	(145,215)	(143,442)

Scheme Ref: **S**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **Rural Exception Site**
 Notes: **30% First Homes Discount**

TABLE 3 Grant 25,249

Balance (RLV - BLV £ per acre)	1	24,750	25,000	25,250	25,500	25,750	26,000	26,250
	15	(22,889)	(21,560)	(20,230)	(18,901)	(17,571)	(16,242)	(14,912)
	18	(13,214)	(11,663)	(10,112)	(8,561)	(7,010)	(5,459)	(3,908)
Density (dph)	20	(3,539)	(1,766)	6	1,779	3,551	5,324	7,097
20.0	23	6,136	8,130	10,124	12,119	14,113	16,107	18,101
	25	15,811	18,027	20,242	22,458	24,674	26,890	29,106
	28	25,486	27,923	30,361	32,798	35,235	37,673	40,110
	30	35,161	37,820	40,479	43,138	45,797	48,456	51,115
	33	44,836	47,716	50,597	53,477	56,358	59,239	62,119
	35	54,511	57,613	60,715	63,817	66,919	70,021	73,124
	38	64,186	67,509	70,833	74,157	77,481	80,804	84,128
	40	73,861	77,406	80,951	84,497	88,042	91,587	95,133
	43	83,536	87,303	91,069	94,836	98,603	102,370	106,137
	45	93,211	97,199	101,188	105,176	109,164	113,153	117,141
	48	102,886	107,096	111,306	115,516	119,726	123,936	128,146
	50	112,561	116,992	121,424	125,855	130,287	134,719	139,150
	53	122,235	126,889	131,542	136,195	140,848	145,502	150,155

TABLE 4 Grant 25,249

Balance (RLV - BLV £ per acre)	1	24,750	25,000	25,250	25,500	25,750	26,000	26,250
	90%	97,264	99,025	100,787	102,548	104,310	106,071	107,833
	92%	77,158	78,920	80,681	82,443	84,204	85,966	87,727
Build Cost	94%	57,053	58,815	60,576	62,338	64,099	65,860	67,622
100%	96%	36,927	38,700	40,471	42,232	43,994	45,755	47,517
(105% = 5% increase)	98%	16,694	18,467	20,239	22,012	23,785	25,557	27,330
	100%	(3,539)	(1,766)	6	1,779	3,551	5,324	7,097
	102%	(23,772)	(21,999)	(20,227)	(18,454)	(16,682)	(14,909)	(13,136)
	104%	(44,005)	(42,233)	(40,460)	(38,687)	(36,915)	(35,142)	(33,369)
	106%	(64,238)	(62,466)	(60,693)	(58,920)	(57,148)	(55,375)	(53,602)
	108%	(84,471)	(82,699)	(80,926)	(79,153)	(77,381)	(75,608)	(73,835)
	110%	(104,704)	(102,932)	(101,159)	(99,386)	(97,614)	(95,841)	(94,068)
	112%	(124,937)	(123,165)	(121,392)	(119,619)	(117,847)	(116,074)	(114,301)

TABLE 5 Grant 25,249

Balance (RLV - BLV £ per acre)	1	24,750	25,000	25,250	25,500	25,750	26,000	26,250
	80%	(59,659)	(57,887)	(56,114)	(54,341)	(52,569)	(50,796)	(49,023)
	82%	(54,047)	(52,275)	(50,502)	(48,729)	(46,957)	(45,184)	(43,411)
Gross Development Value	84%	(48,435)	(46,663)	(44,890)	(43,117)	(41,345)	(39,572)	(37,799)
100%	86%	(42,823)	(41,051)	(39,278)	(37,505)	(35,733)	(33,960)	(32,187)
(105% = 5% increase)	88%	(37,211)	(35,439)	(33,666)	(31,893)	(30,121)	(28,348)	(26,575)
	90%	(31,599)	(29,827)	(28,054)	(26,281)	(24,509)	(22,736)	(20,963)
	92%	(25,987)	(24,215)	(22,442)	(20,669)	(18,897)	(17,124)	(15,351)
	94%	(20,375)	(18,603)	(16,830)	(15,057)	(13,285)	(11,512)	(9,739)
	96%	(14,763)	(12,991)	(11,218)	(9,445)	(7,673)	(5,900)	(4,127)
	98%	(9,151)	(7,378)	(5,606)	(3,833)	(2,061)	(288)	1,485
	100%	(3,539)	(1,766)	6	1,779	3,551	5,324	7,097
	102%	2,073	3,846	5,618	7,391	9,164	10,936	12,709
	104%	7,685	9,458	11,230	13,003	14,776	16,548	18,321
	106%	13,297	15,070	16,842	18,615	20,388	22,160	23,933
	108%	18,909	20,682	22,454	24,227	26,000	27,772	29,545
	110%	24,521	26,294	28,066	29,839	31,612	33,384	35,157
	112%	30,133	31,906	33,678	35,451	37,224	38,996	40,769
	114%	35,745	37,518	39,290	41,063	42,836	44,608	46,381
	116%	41,357	43,130	44,902	46,675	48,448	50,220	51,993
	118%	46,969	48,742	50,514	52,287	54,060	55,832	57,605
	120%	52,581	54,354	56,126	57,899	59,671	61,442	63,214

Scheme Ref: **S**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **Rural Exception Site**
 Notes: **30% First Homes Discount**

TABLE 6		Grant 25,249						
Balance (RLV - BLV £ per acre)	1	24,750	25,000	25,250	25,500	25,750	26,000	26,250
	1,000	20,223	21,995	23,768	25,541	27,313	29,086	30,859
	2,000	12,302	14,075	15,847	17,620	19,393	21,165	22,938
Carbon/Energy Reduction/FHS	3,000	4,381	6,154	7,927	9,699	11,472	13,245	15,017
	4,000	(3,539)	(1,766)	6	1,779	3,551	5,324	7,097
£ per dwelling	5,000	(11,460)	(9,687)	(7,914)	(6,142)	(4,369)	(2,596)	(824)
	6,000	(19,380)	(17,608)	(15,835)	(14,062)	(12,290)	(10,517)	(8,744)
	7,000	(27,301)	(25,528)	(23,756)	(21,983)	(20,210)	(18,438)	(16,665)
	8,000	(35,221)	(33,449)	(31,676)	(29,903)	(28,131)	(26,358)	(24,586)
	9,000	(43,142)	(41,369)	(39,597)	(37,824)	(36,051)	(34,279)	(32,506)
	10,000	(51,063)	(49,290)	(47,517)	(45,745)	(43,972)	(42,199)	(40,427)
	11,000	(58,983)	(57,211)	(55,438)	(53,665)	(51,893)	(50,120)	(48,347)
	12,000	(66,904)	(65,131)	(63,358)	(61,586)	(59,813)	(58,040)	(56,268)
	13,000	(74,824)	(73,052)	(71,279)	(69,506)	(67,734)	(65,961)	(64,188)
	14,000	(82,745)	(80,972)	(79,200)	(77,427)	(75,654)	(73,882)	(72,109)
	15,000	(90,666)	(88,893)	(87,120)	(85,348)	(83,575)	(81,802)	(80,030)

TABLE 7		Grant 25,249						
Balance (RLV - BLV £ per acre)	1	24,750	25,000	25,250	25,500	25,750	26,000	26,250
	40%	(123,797)	(122,024)	(120,251)	(118,479)	(116,706)	(114,933)	(113,161)
	45%	(103,754)	(101,981)	(100,208)	(98,436)	(96,663)	(94,890)	(93,118)
First Homes £	50%	(83,711)	(81,938)	(80,166)	(78,393)	(76,620)	(74,848)	(73,075)
	70%	(63,668)	(61,895)	(60,123)	(58,350)	(56,577)	(54,805)	(53,032)
of Market Value	60%	(43,625)	(41,852)	(40,080)	(38,307)	(36,534)	(34,762)	(32,989)
	65%	(23,582)	(21,809)	(20,037)	(18,264)	(16,491)	(14,719)	(12,946)
	70%	(3,539)	(1,766)	6	1,779	3,551	5,324	7,097

TABLE 8		Affordable Housing - % on site 100%						
Balance (RLV - BLV £ per acre)	1	70%	75%	80%	85%	90%	95%	100%
	24,250	28,649	22,838	17,027	11,116	5,049	(1,018)	(7,084)
	24,500	29,898	24,176	18,454	12,623	6,645	666	(5,312)
Grant (£ per unit)	24,750	31,147	25,514	19,882	14,130	8,240	2,350	(3,539)
	25,000	32,396	26,852	21,309	15,636	9,836	4,035	(1,766)
25,249	25,250	33,644	28,190	22,736	17,143	11,431	5,719	6
	25,500	34,893	29,528	24,163	18,650	13,026	7,403	1,779
	25,750	36,142	30,866	25,590	20,157	14,622	9,087	3,551
	26,000	37,391	32,204	27,017	21,664	16,217	10,771	5,324
	26,250	38,639	33,542	28,444	23,170	17,812	12,455	7,097
	26,500	39,888	34,880	29,871	24,677	19,408	14,139	8,869
	26,750	41,137	36,218	31,299	26,184	21,003	15,823	10,642

Scheme Ref: **T**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% 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%	0.0% Rented
	Social Rent:	0.0%	
	First Homes:	100.0%	
	Other Intermediate (LCHO/Sub-Market etc.):	0.0%	
Open Market Sale (OMS) housing	0%		100.0% % of total (>10% for NPPF para 64.)
	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	40.0%	0.0	20.0%	1.6	20%	1.6
2 Bed House	30.0%	0.0	30.0%	0.0	40.0%	3.2	40%	3.2
3 Bed House	40.0%	0.0	25.0%	0.0	30.0%	2.4	30%	2.4
4 Bed House	25.0%	0.0	5.0%	0.0	10.0%	0.8	10%	0.8
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%	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	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	88	947	88	947
2 Bed House	0	0	230	2,480	230	2,480
3 Bed House	0	0	209	2,248	209	2,248
4 Bed House	0	0	92	990	92	990
1 Bed Flat	0	0	0	0	0	0
2 Bed Flat	0	0	0	0	0	0
	0	0	619	6,665	619	6,665

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	150,000	2,727	253	240,000
2 Bed House	225,000	3,125	290	720,000
3 Bed House	280,000	3,218	299	672,000
4 Bed House	380,000	3,304	307	304,000
1 Bed Flat	140,000	2,545	236	0
2 Bed Flat	170,000	2,429	226	0
				1,936,000

Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	105,000	70%	0		105,000	70%	105,000	70%
2 Bed House	157,500	70%	0		157,500	70%	157,500	70%
3 Bed House	182,000	65%	0		196,000	70%	182,000	65%
4 Bed House	228,000	60%	0		266,000	70%	228,000	60%
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%

Scheme Ref: **T**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% 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	@	280,000	-
4 Bed House	0.0	@	380,000	-
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	0.0			-
Affordable Rent GDV -				
1 Bed House	0.0	@	105,000	-
2 Bed House	0.0	@	157,500	-
3 Bed House	0.0	@	182,000	-
4 Bed House	0.0	@	228,000	-
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	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	1.6	@	105,000	168,000
2 Bed House	3.2	@	157,500	504,000
3 Bed House	2.4	@	196,000	470,400
4 Bed House	0.8	@	266,000	212,800
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	8.0			1,355,200
Intermediate GDV -				
1 Bed House	0.0	@	105,000	-
2 Bed House	0.0	@	157,500	-
3 Bed House	0.0	@	182,000	-
4 Bed House	0.0	@	228,000	-
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	0.0	8.0		-
Sub-total GDV Residential				
	8			1,355,200
AH on-site cost analysis:			EMV (no AH) less £GDV (inc. AH)	580,800
		938 £ psm (total GIA sqm)	72,600 £ per unit (total units)	
Grant	8	AH units @	17,052 per unit	136,415
Total GDV				1,491,615

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	3.54% % of GDV	6,000 £ per unit (total u) (48,000)
AH Commuted Sum		619 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: **30% 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 (8,088)
Site Infrastructure costs -						
	total		8 units @			per unit
	Infra. Costs analysis:	-	£ per ha	0.00% % of GDV	0	£ per unit (total)
1 Bed House		88	sqm @		1,499	psm (131,912)
2 Bed House		230	sqm @		1,499	psm (345,370)
3 Bed House		209	sqm @		1,499	psm (312,991)
4 Bed House		92	sqm @		1,499	psm (137,908)
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat		619	sqm @		1,737	psm
External works		928,181	@		15.0%	(139,227)
	Ext. Works analysis:				17,403	£ per unit
M4(2) Category 2 Housing	Aff units	-	units @	70% @	521	£ per unit
M4(3) Category 3 Housing	Aff units	-	units @	30% @	10,111	£ per unit
M4(2) Category 2 Housing	Mkrt units	-	units @	20% @	521	£ per unit
M4(3) Category 3 Housing	Mkrt units	-	units @	10% @	10,111	£ per unit
Carbon/Energy Reduction/FHS		8	units @		4,000	£ per unit (32,000)
EV Charging Points - Houses		8	units @		1,000	£ per unit (8,000)
EV Charging Points - Flats		-	units @		10,000	£ per unit
Water Efficiency		8	units @		9	£ per unit (72)
SANGs		8	units @		0	£ per unit
	1 Bed	2	units @		337	£ per unit (539)
	2 Bed	3	units @		487	£ per unit (1,558)
Solent SPA	3 Bed	2	units @		637	£ per unit (1,529)
	4 Bed	1	units @		749	£ per unit (599)
Contingency (on construction)		1,119,794	@		3.0%	(33,594)
Professional Fees		1,119,794	@		8.0%	(89,583)
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:				1,250	£ per unit
Interest (on Development Costs) -			7.00% APR		0.565%	pcm (15,288)
Developers Profit -						
Profit on OMS		0		20.00%		
Margin on AH		1,355,200		6.00%	on AH values	(81,312)
	Profit analysis:	1,355,200		6.00%	blended GDV	(81,312)
		1,329,955		6.11%	on costs	(81,312)
TOTAL COSTS						(1,411,267)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					80,348
SDLT		80,348	@	HMRC formula	6,483
Acquisition Agent fees		80,348	@	1.0%	(803)
Acquisition Legal fees		80,348	@	0.5%	(402)
Interest on Land		80,348	@	7.00%	(5,624)
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	1,548	sqm/ha
				6,743	sqft/ac
					80,000

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

Scheme Ref: **T**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above.
 Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1

		Grant 17,052							
Balance (RLV - BLV £ per acre)		1	16,850	16,900	16,950	17,000	17,050	17,100	17,150
		-	41,293	41,647	42,002	42,357	42,711	43,066	43,420
	1,000		34,172	34,527	34,881	35,236	35,591	35,945	36,300
	2,000		27,052	27,406	27,761	28,116	28,470	28,825	29,179
	3,000		19,931	20,286	20,640	20,995	21,350	21,704	22,059
	4,000		12,811	13,165	13,520	13,874	14,229	14,584	14,938
	5,000		5,690	6,045	6,399	6,754	7,109	7,463	7,818
	6,000		(1,430)	(1,076)	(721)	(367)	(12)	343	697
	7,000		(8,551)	(8,196)	(7,842)	(7,487)	(7,132)	(6,778)	(6,423)
	8,000		(15,671)	(15,317)	(14,962)	(14,608)	(14,253)	(13,898)	(13,544)
	9,000		(22,792)	(22,437)	(22,083)	(21,728)	(21,374)	(21,019)	(20,664)
	10,000		(29,912)	(29,558)	(29,203)	(28,849)	(28,494)	(28,139)	(27,785)
	12,500		(47,713)	(47,359)	(47,004)	(46,650)	(46,295)	(45,941)	(45,586)
	15,000		(65,515)	(65,160)	(64,806)	(64,451)	(64,097)	(63,742)	(63,388)
	17,500		(83,316)	(82,961)	(82,607)	(82,252)	(81,898)	(81,543)	(81,189)
	20,000		(101,117)	(100,763)	(100,408)	(100,054)	(99,699)	(99,345)	(98,990)

TABLE 2

		Grant 17,052							
Balance (RLV - BLV £ per acre)		1	16,850	16,900	16,950	17,000	17,050	17,100	17,150
	6.0%		(1,430)	(1,076)	(721)	(367)	(12)	343	697
	8.0%		(25,150)	(24,796)	(24,441)	(24,087)	(23,732)	(23,378)	(23,023)
	10.0%		(48,870)	(48,516)	(48,161)	(47,807)	(47,452)	(47,098)	(46,743)
	6.0%		(108,171)	(107,816)	(107,462)	(107,107)	(106,752)	(106,398)	(106,043)
	17.5%		(137,821)	(137,466)	(137,112)	(136,757)	(136,403)	(136,048)	(135,694)
	20.0%		(167,471)	(167,116)	(166,762)	(166,407)	(166,053)	(165,698)	(165,344)

Scheme Ref: **T**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% First Homes Discount**

TABLE 3 Grant 17,052

Balance (RLV - BLV £ per acre)	1	16,850	16,900	16,950	17,000	17,050	17,100	17,150
	15	(21,307)	(21,041)	(20,776)	(20,510)	(20,244)	(19,978)	(19,712)
	18	(11,369)	(11,058)	(10,748)	(10,438)	(10,128)	(9,818)	(9,507)
Density (dph)	20	(1,430)	(1,076)	(721)	(367)	(12)	343	697
20.0	23	8,508	8,907	9,306	9,705	10,104	10,503	10,902
	25	18,447	18,890	19,333	19,777	20,220	20,663	21,106
	28	28,386	28,873	29,361	29,848	30,336	30,823	31,311
	30	38,324	38,856	39,388	39,920	40,451	40,983	41,515
	33	48,263	48,839	49,415	49,991	50,567	51,143	51,720
	35	58,201	58,822	59,442	60,063	60,683	61,304	61,924
	38	68,140	68,805	69,470	70,134	70,799	71,464	72,129
	40	78,079	78,788	79,497	80,206	80,915	81,624	82,333
	43	88,017	88,771	89,524	90,277	91,031	91,784	92,538
	45	97,956	98,754	99,551	100,349	101,147	101,944	102,742
	48	107,894	108,736	109,578	110,420	111,262	112,105	112,947
	50	117,833	118,719	119,606	120,492	121,378	122,265	123,151
	53	127,772	128,702	129,633	130,564	131,494	132,425	133,356

TABLE 4 Grant 17,052

Balance (RLV - BLV £ per acre)	1	16,850	16,900	16,950	17,000	17,050	17,100	17,150
	90%	104,251	104,606	104,960	105,315	105,669	106,024	106,378
	92%	83,115	83,469	83,824	84,178	84,533	84,887	85,242
Build Cost	94%	61,979	62,333	62,688	63,042	63,397	63,751	64,106
100%	96%	40,842	41,197	41,551	41,906	42,260	42,615	42,970
(105% = 5% increase)	98%	19,706	20,061	20,415	20,770	21,124	21,479	21,833
	100%	(1,430)	(1,076)	(721)	(367)	(12)	343	697
	102%	(22,566)	(22,212)	(21,857)	(21,503)	(21,148)	(20,794)	(20,439)
	104%	(43,703)	(43,348)	(42,994)	(42,639)	(42,284)	(41,930)	(41,575)
	106%	(64,839)	(64,484)	(64,130)	(63,775)	(63,421)	(63,066)	(62,712)
	108%	(85,975)	(85,620)	(85,266)	(84,911)	(84,557)	(84,202)	(83,848)
	110%	(107,111)	(106,757)	(106,402)	(106,048)	(105,693)	(105,339)	(104,984)
	112%	(128,247)	(127,893)	(127,538)	(127,184)	(126,829)	(126,475)	(126,120)

TABLE 5 Grant 17,052

Balance (RLV - BLV £ per acre)	1	16,850	16,900	16,950	17,000	17,050	17,100	17,150
	80%	(963,889)	(960,866)	(957,844)	(954,821)	(951,799)	(948,776)	(945,754)
	82%	(761,676)	(758,653)	(755,631)	(752,608)	(749,586)	(746,563)	(743,541)
Gross Development Value	84%	(559,463)	(556,440)	(553,418)	(550,395)	(547,373)	(544,350)	(541,328)
100%	86%	(357,249)	(354,227)	(351,204)	(348,182)	(345,159)	(342,137)	(339,114)
(105% = 5% increase)	88%	(155,069)	(152,049)	(149,029)	(146,009)	(142,989)	(139,968)	(136,948)
	90%	(113,670)	(113,316)	(112,961)	(112,607)	(112,252)	(111,898)	(111,543)
	92%	(91,222)	(90,868)	(90,513)	(90,159)	(89,804)	(89,450)	(89,095)
	94%	(68,774)	(68,420)	(68,065)	(67,711)	(67,356)	(67,002)	(66,647)
	96%	(46,326)	(45,972)	(45,617)	(45,263)	(44,908)	(44,554)	(44,199)
	98%	(23,878)	(23,524)	(23,169)	(22,815)	(22,460)	(22,106)	(21,751)
	100%	(1,430)	(1,076)	(721)	(367)	(12)	343	697
	102%	21,018	21,372	21,727	22,082	22,436	22,791	23,145
	104%	43,466	43,821	44,175	44,530	44,884	45,239	45,593
	106%	65,914	66,269	66,623	66,978	67,332	67,687	68,041
	108%	88,362	88,717	89,071	89,426	89,780	90,135	90,489
	110%	110,810	111,165	111,519	111,874	112,228	112,583	112,937
	112%	133,258	133,613	133,967	134,322	134,676	135,031	135,386
	114%	155,706	156,061	156,415	156,770	157,125	157,479	157,834
	116%	178,154	178,509	178,864	179,218	179,573	179,927	180,282
	118%	200,603	200,957	201,312	201,666	202,021	202,375	202,730
	120%	223,051	223,405	223,760	224,114	224,469	224,823	225,178

Scheme Ref: **T**
 No Units: **8** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% First Homes Discount**

TABLE 6

		Grant 17,052							
Balance (RLV - BLV £ per acre)		1	16,850	16,900	16,950	17,000	17,050	17,100	17,150
	1,000		22,332	22,686	23,041	23,395	23,750	24,104	24,459
	2,000		14,411	14,766	15,120	15,475	15,829	16,184	16,538
Carbon/Energy Reduction/FHS	3,000		6,490	6,845	7,200	7,554	7,909	8,263	8,618
	4,000		(1,430)	(1,076)	(721)	(367)	(12)	343	697
£ per dwelling	5,000		(9,351)	(8,996)	(8,642)	(8,287)	(7,933)	(7,578)	(7,224)
	6,000		(17,271)	(16,917)	(16,562)	(16,208)	(15,853)	(15,499)	(15,144)
	7,000		(25,192)	(24,837)	(24,483)	(24,128)	(23,774)	(23,419)	(23,065)
	8,000		(33,112)	(32,758)	(32,403)	(32,049)	(31,694)	(31,340)	(30,985)
	9,000		(41,033)	(40,678)	(40,324)	(39,969)	(39,615)	(39,260)	(38,906)
	10,000		(48,954)	(48,599)	(48,245)	(47,890)	(47,535)	(47,181)	(46,826)
	11,000		(56,874)	(56,520)	(56,165)	(55,811)	(55,456)	(55,102)	(54,747)
	12,000		(64,795)	(64,440)	(64,086)	(63,731)	(63,377)	(63,022)	(62,668)
	13,000		(72,715)	(72,361)	(72,006)	(71,652)	(71,297)	(70,943)	(70,588)
	14,000		(80,636)	(80,281)	(79,927)	(79,572)	(79,218)	(78,863)	(78,509)
	15,000		(88,556)	(88,202)	(87,847)	(87,493)	(87,138)	(86,784)	(86,429)

TABLE 7

		Grant 17,052							
Balance (RLV - BLV £ per acre)		1	16,850	16,900	16,950	17,000	17,050	17,100	17,150
	40%		(3,274,896)	(3,271,874)	(3,268,851)	(3,265,829)	(3,262,806)	(3,259,784)	(3,256,761)
	45%		(2,552,706)	(2,549,684)	(2,546,661)	(2,543,639)	(2,540,616)	(2,537,594)	(2,534,571)
First Homes £	50%		(1,830,517)	(1,827,494)	(1,824,472)	(1,821,449)	(1,818,427)	(1,815,404)	(1,812,382)
	70%		(1,108,327)	(1,105,304)	(1,102,282)	(1,099,259)	(1,096,237)	(1,093,214)	(1,090,192)
of Market Value	60%		(386,137)	(383,115)	(380,092)	(377,070)	(374,047)	(371,025)	(368,002)
	65%		(81,602)	(81,247)	(80,893)	(80,538)	(80,184)	(79,829)	(79,475)
	70%		(1,430)	(1,076)	(721)	(367)	(12)	343	697

TABLE 8

		Affordable Housing - % on site 100%							
Balance (RLV - BLV £ per acre)		1	70%	75%	80%	85%	90%	95%	100%
	16,750		32,161	26,601	21,041	15,320	9,500	3,680	(2,139)
	16,800		32,411	26,869	21,326	15,621	9,819	4,017	(1,785)
Grant (£ per unit)	16,850		32,661	27,136	21,612	15,922	10,138	4,354	(1,430)
	16,900		32,911	27,404	21,897	16,224	10,457	4,691	(1,076)
	16,950		33,160	27,671	22,183	16,525	10,776	5,028	(721)
	17,000		33,410	27,939	22,468	16,826	11,095	5,364	(367)
	17,050		33,660	28,207	22,753	17,128	11,415	5,701	(12)
	17,100		33,910	28,474	23,039	17,429	11,734	6,038	343
	17,150		34,159	28,742	23,324	17,730	12,053	6,375	697
	17,200		34,409	29,009	23,610	18,032	12,372	6,712	1,052
	17,250		34,659	29,277	23,895	18,333	12,691	7,048	1,406

Scheme Ref: **U**
 No Units: **25** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% First Homes Discount**

ASSUMPTIONS - RESIDENTIAL USES

Total number of units in scheme	25 Units		
AH Policy requirement (% Target)	100%		
AH tenure split %	Affordable Rent:	0.0%	0.0% Rented
	Social Rent:	0.0%	
	First Homes:	100.0%	
	Other Intermediate (LCHO/Sub-Market etc.):	0.0%	
Open Market Sale (OMS) housing	0%		100.0% % of total (>10% for NPPF para 64.)
	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	40.0%	0.0	20.0%	5.0	20%	5.0
2 Bed House	30.0%	0.0	30.0%	0.0	40.0%	10.0	40%	10.0
3 Bed House	40.0%	0.0	25.0%	0.0	30.0%	7.5	30%	7.5
4 Bed House	25.0%	0.0	5.0%	0.0	10.0%	2.5	10%	2.5
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%	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 (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	275	2,960	275	2,960
2 Bed House	0	0	720	7,750	720	7,750
3 Bed House	0	0	653	7,023	653	7,023
4 Bed House	0	0	288	3,095	288	3,095
1 Bed Flat	0	0	0	0	0	0
2 Bed Flat	0	0	0	0	0	0
	0	0	1,935	20,828	1,935	20,828

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	150,000	2,727	253	750,000
2 Bed House	225,000	3,125	290	2,250,000
3 Bed House	280,000	3,218	299	2,100,000
4 Bed House	380,000	3,304	307	950,000
1 Bed Flat	140,000	2,545	236	0
2 Bed Flat	170,000	2,429	226	0
				6,050,000

Affordable Housing values (£) -	Aff. Rent £	% of MV	Social Rent £	% of MV	First Homes £	% of MV	Intermediate £	% of MV
1 Bed House	105,000	70%	0		105,000	70%	105,000	70%
2 Bed House	157,500	70%	0		157,500	70%	157,500	70%
3 Bed House	182,000	65%	0		196,000	70%	182,000	65%
4 Bed House	228,000	60%	0		266,000	70%	228,000	60%
1 Bed Flat	98,000	70%	0		98,000	70%	98,000	70%
2 Bed Flat	119,000	70%	0		119,000	70%	119,000	70%

Scheme Ref: **U**
 No Units: **25** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% 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	@	280,000	-
4 Bed House	0.0	@	380,000	-
1 Bed Flat	0.0	@	140,000	-
2 Bed Flat	0.0	@	170,000	-
	0.0			-
Affordable Rent GDV -				
1 Bed House	0.0	@	105,000	-
2 Bed House	0.0	@	157,500	-
3 Bed House	0.0	@	182,000	-
4 Bed House	0.0	@	228,000	-
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	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	5.0	@	105,000	525,000
2 Bed House	10.0	@	157,500	1,575,000
3 Bed House	7.5	@	196,000	1,470,000
4 Bed House	2.5	@	266,000	665,000
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	25.0			4,235,000
Intermediate GDV -				
1 Bed House	0.0	@	105,000	-
2 Bed House	0.0	@	157,500	-
3 Bed House	0.0	@	182,000	-
4 Bed House	0.0	@	228,000	-
1 Bed Flat	0.0	@	98,000	-
2 Bed Flat	0.0	@	119,000	-
	0.0	25.0		-
Sub-total GDV Residential				
	25			4,235,000
AH on-site cost analysis:			EMV (no AH) less £GDV (inc. AH)	1,815,000
		938 £ psm (total GIA sqm)	72,600 £ per unit (total units)	
Grant				
	25	AH units @	16,766 per unit	419,140
Total GDV				4,654,140

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				-
	total	25 units @	6,000 per unit	(150,000)
	S106 analysis: 120,000 £ per ha	3.54% % of GDV	6,000 £ per unit (total u	(150,000)
AH Commuted Sum		1,935 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: **30% 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
Site Infrastructure costs -						
	total		25	units @		per unit
	Infra. Costs analysis:	-	£ per ha	0.00%	% of GDV	0
						£ per unit (total)
1 Bed House		275	sqm @		1,499	psm
2 Bed House		720	sqm @		1,499	psm
3 Bed House		653	sqm @		1,499	psm
4 Bed House		288	sqm @		1,499	psm
5 Bed House		-	sqm @		1,499	psm
1 Bed Flat		-	sqm @		1,737	psm
2 Bed Flat		1,935	sqm @		1,737	psm
External works		2,900,565	@		15.0%	
	Ext. Works analysis:					17,403
						£ per unit
M4(2) Category 2 Housing	Aff units	-	units @	70%	@	521
M4(3) Category 3 Housing	Aff units	-	units @	30%	@	10,111
M4(2) Category 2 Housing	Mkrt units	-	units @	20%	@	521
M4(3) Category 3 Housing	Mkrt units	-	units @	10%	@	10,111
Carbon/Energy Reduction/FHS		25	units @			4,000
EV Charging Points - Houses		25	units @			1,000
EV Charging Points - Flats		-	units @			10,000
Water Efficiency		25	units @			9
SANGs		25	units @			0
	1 Bed	5	units @			337
	2 Bed	10	units @			487
Solent SPA	3 Bed	8	units @			637
	4 Bed	3	units @			749
Contingency (on construction)		3,499,355	@		3.0%	
Professional Fees		3,499,355	@		8.0%	
Disposal Costs -						
OMS Marketing and Promotion		-	OMS @	1.50%		0
Residential Sales Agent Costs		-	OMS @	1.50%		0
Residential Sales Legal Costs		-	OMS @	0.50%		0
Affordable Sale Legal Costs						lump sum
	Disposal Cost analysis:					400
						£ per unit
Interest (on Development Costs) -			7.00%	APR		0.565%
						pcm
Developers Profit -						
Profit on OMS		0			20.00%	
Margin on AH		4,235,000			6.00%	on AH values
	Profit analysis:	4,235,000			6.00%	blended GDV
		4,123,160			6.16%	on costs
TOTAL COSTS						(4,377,260)

RESIDUAL LAND VALUE (RLV)					
Residual Land Value (gross)					276,880
SDLT		276,880	@	HMRC formula	(3,344)
Acquisition Agent fees		276,880	@	1.0%	(2,769)
Acquisition Legal fees		276,880	@	0.5%	(1,384)
Interest on Land		276,880	@	7.00%	(19,382)
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)		10,000	£ per plot	200,000	£ per ha
	BLV analysis:	Density	1,548	sqm/ha	6,743
					sqft/ac
					80,939
					£ per acre
					250,000

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

Scheme Ref: **U**
 No Units: **25** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% First Homes Discount**

SENSITIVITY ANALYSIS

The following sensitivity tables show the balance of the appraisal (RLV-BLV £ per acre) for changes in appraisal input assumptions above.
 Where the surplus is positive (green) the policy is viable. Where the surplus is negative (red) the policy is not viable.

Base Scenario

TABLE 1 Grant 16,766

Balance (RLV - BLV £ per acre)	16,450	16,550	16,650	16,750	16,850	16,950	17,050
-	40,925	41,642	42,360	43,077	43,795	44,512	45,230
1,000	33,727	34,444	35,162	35,879	36,597	37,314	38,031
Site Specific S106	26,529	27,246	27,964	28,681	29,398	30,116	30,833
6,000	19,331	20,048	20,765	21,483	22,200	22,918	23,635
4,000	12,132	12,850	13,567	14,285	15,002	15,720	16,437
5,000	4,934	5,652	6,369	7,087	7,804	8,522	9,239
6,000	(2,264)	(1,546)	(829)	(1,112)	606	1,323	2,041
7,000	(9,462)	(8,745)	(8,027)	(7,310)	(6,592)	(5,875)	(5,157)
8,000	(16,660)	(15,943)	(15,225)	(14,508)	(13,790)	(13,073)	(12,355)
9,000	(23,858)	(23,141)	(22,423)	(21,706)	(21,006)	(20,284)	(19,562)
10,000	(31,056)	(30,339)	(29,621)	(28,904)	(28,186)	(27,468)	(26,750)
12,500	(49,242)	(48,525)	(47,807)	(47,090)	(46,372)	(45,654)	(44,936)
15,000	(67,428)	(66,711)	(66,004)	(65,287)	(64,569)	(63,851)	(63,133)
17,500	(85,614)	(84,897)	(84,179)	(83,462)	(82,744)	(82,026)	(81,308)
20,000	(103,800)	(103,083)	(102,365)	(101,648)	(100,930)	(100,212)	(99,494)

TABLE 2 Grant 16,766

Balance (RLV - BLV £ per acre)	16,450	16,550	16,650	16,750	16,850	16,950	17,050
6.0%	(2,264)	(1,546)	(829)	(1,112)	606	1,323	2,041
8.0%	(25,984)	(25,267)	(24,549)	(23,832)	(23,114)	(22,397)	(21,679)
10.0%	(49,704)	(48,987)	(48,269)	(47,552)	(46,834)	(46,117)	(45,399)
Profit 6.0%	(109,004)	(108,287)	(107,569)	(106,852)	(106,135)	(105,417)	(104,700)
17.5%	(138,655)	(137,937)	(137,220)	(136,502)	(135,785)	(135,067)	(134,350)
20.0%	(168,305)	(167,587)	(166,870)	(166,152)	(165,435)	(164,717)	(164,000)

Scheme Ref: **U**
 No Units: **25** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% First Homes Discount**

TABLE 3 Grant 16,766

Balance (RLV - BLV £ per acre)	16,450	16,550	16,650	16,750	16,850	16,950	17,050
15	(21,933)	(21,395)	(20,856)	(20,318)	(19,780)	(19,242)	(18,704)
18	(12,098)	(11,470)	(10,843)	(10,215)	(9,587)	(8,959)	(8,332)
Density (dph)							
20	(2,264)	(1,546)	(829)	(112)	606	1,323	2,041
23	7,571	8,378	9,185	9,992	10,799	11,606	12,413
25	17,405	18,302	19,199	20,095	20,992	21,889	22,786
28	27,239	28,226	29,212	30,199	31,185	32,172	33,158
30	37,074	38,150	39,226	40,302	41,378	42,455	43,531
33	46,908	48,074	49,240	50,406	51,571	52,737	53,903
35	56,742	57,998	59,253	60,509	61,765	63,020	64,276
38	66,577	67,922	69,267	70,612	71,958	73,303	74,648
40	76,411	77,846	79,281	80,716	82,151	83,586	85,021
43	86,246	87,770	89,295	90,819	92,344	93,868	95,393
45	96,080	97,694	99,308	100,923	102,537	104,151	105,765
48	105,914	107,618	109,322	111,026	112,730	114,434	116,138
50	115,749	117,542	119,336	121,130	122,923	124,717	126,510
53	125,583	127,466	129,350	131,233	133,116	135,000	136,883

TABLE 4 Grant 16,766

Balance (RLV - BLV £ per acre)	16,450	16,550	16,650	16,750	16,850	16,950	17,050
90%	104,640	105,358	106,075	106,793	107,510	108,227	108,945
92%	83,259	83,977	84,694	85,412	86,129	86,847	87,564
Build Cost							
94%	61,879	62,596	63,313	64,031	64,748	65,466	66,183
100%	40,498	41,215	41,933	42,650	43,368	44,085	44,802
98%	19,117	19,834	20,552	21,269	21,987	22,704	23,422
(105% = 5% increase)							
100%	(2,264)	(1,546)	(829)	(112)	606	1,323	2,041
102%	(23,677)	(22,955)	(22,234)	(21,512)	(20,790)	(20,068)	(19,346)
104%	(45,188)	(44,466)	(43,745)	(43,023)	(42,301)	(41,579)	(40,857)
106%	(66,699)	(65,978)	(65,256)	(64,534)	(63,812)	(63,090)	(62,368)
108%	(88,210)	(87,489)	(86,767)	(86,045)	(85,323)	(84,601)	(83,880)
110%	(109,722)	(109,000)	(108,278)	(107,556)	(106,834)	(106,112)	(105,391)
112%	(131,233)	(130,511)	(129,789)	(129,067)	(128,345)	(127,624)	(126,902)

TABLE 5 Grant 16,766

Balance (RLV - BLV £ per acre)	16,450	16,550	16,650	16,750	16,850	16,950	17,050
80%	(890,328)	(884,595)	(878,862)	(873,129)	(867,396)	(861,663)	(855,930)
82%	(698,620)	(692,887)	(687,154)	(681,421)	(675,688)	(669,955)	(664,222)
Gross Development Value							
84%	(506,911)	(501,178)	(495,445)	(489,712)	(483,979)	(478,246)	(472,513)
100%	(315,203)	(309,470)	(303,737)	(298,004)	(292,271)	(286,538)	(280,805)
(105% = 5% increase)							
88%	(139,470)	(138,748)	(138,026)	(137,305)	(136,583)	(135,861)	(135,139)
90%	(116,586)	(115,864)	(115,142)	(114,421)	(113,699)	(112,977)	(112,255)
92%	(93,702)	(92,980)	(92,258)	(91,537)	(90,815)	(90,093)	(89,371)
94%	(70,818)	(70,096)	(69,374)	(68,653)	(67,931)	(67,209)	(66,487)
96%	(47,934)	(47,212)	(46,490)	(45,769)	(45,047)	(44,325)	(43,603)
98%	(25,050)	(24,328)	(23,606)	(22,885)	(22,163)	(21,441)	(20,719)
100%	(2,264)	(1,546)	(829)	(112)	606	1,323	2,041
102%	20,489	21,206	21,924	22,641	23,359	24,076	24,793
104%	43,241	43,959	44,676	45,394	46,111	46,829	47,546
106%	65,994	66,712	67,429	68,146	68,864	69,581	70,299
108%	88,747	89,464	90,182	90,899	91,617	92,334	93,052
110%	111,499	112,217	112,934	113,652	114,369	115,087	115,804
112%	134,252	134,970	135,687	136,405	137,122	137,839	138,557
114%	156,983	157,697	158,411	159,124	159,838	160,551	161,265
116%	179,621	180,335	181,049	181,762	182,476	183,189	183,903
118%	202,260	202,973	203,686	204,396	205,106	205,816	206,527
120%	224,806	225,516	226,226	226,936	227,646	228,357	229,067

Scheme Ref: **U**
 No Units: **25** Location / Value Zone: **Island Wide** Development Scenario: **First Homes Exception Site**
 Notes: **30% First Homes Discount**

TABLE 6		Grant 16,766						
Balance (RLV - BLV £ per acre)		16,450	16,550	16,650	16,750	16,850	16,950	17,050
	1,000	21,773	22,490	23,208	23,925	24,643	25,360	26,078
	2,000	13,761	14,478	15,196	15,913	16,630	17,348	18,065
Carbon/Energy Reduction/FHS	3,000	5,748	6,466	7,183	7,901	8,618	9,336	10,053
	4,000	(2,264)	(1,546)	(829)	(112)	606	1,323	2,041
£ per dwelling	5,000	(10,276)	(9,559)	(8,841)	(8,124)	(7,406)	(6,689)	(5,971)
	6,000	(18,288)	(17,571)	(16,853)	(16,136)	(15,419)	(14,701)	(13,984)
	7,000	(26,349)	(25,627)	(24,906)	(24,184)	(23,462)	(22,740)	(22,018)
	8,000	(34,410)	(33,689)	(32,967)	(32,245)	(31,523)	(30,801)	(30,079)
	9,000	(42,471)	(41,750)	(41,028)	(40,306)	(39,584)	(38,862)	(38,140)
	10,000	(50,532)	(49,811)	(49,089)	(48,367)	(47,645)	(46,923)	(46,202)
	11,000	(58,594)	(57,872)	(57,150)	(56,428)	(55,706)	(54,984)	(54,263)
	12,000	(66,655)	(65,933)	(65,211)	(64,489)	(63,767)	(63,045)	(62,324)
	13,000	(74,716)	(73,994)	(73,272)	(72,550)	(71,828)	(71,107)	(70,385)
	14,000	(82,777)	(82,055)	(81,333)	(80,611)	(79,889)	(79,168)	(78,446)
	15,000	(90,838)	(90,116)	(89,394)	(88,672)	(87,950)	(87,229)	(86,507)

TABLE 7		Grant 16,766						
Balance (RLV - BLV £ per acre)		16,450	16,550	16,650	16,750	16,850	16,950	17,050
	40%	(3,081,283)	(3,075,550)	(3,069,817)	(3,064,083)	(3,058,350)	(3,052,617)	(3,046,884)
	45%	(2,396,609)	(2,390,876)	(2,385,143)	(2,379,410)	(2,373,677)	(2,367,944)	(2,362,211)
First Homes £	50%	(1,711,936)	(1,706,203)	(1,700,470)	(1,694,737)	(1,689,004)	(1,683,271)	(1,677,538)
	70%	(1,027,263)	(1,021,530)	(1,015,797)	(1,010,064)	(1,004,331)	(998,598)	(992,865)
of Market Value	60%	(342,590)	(336,857)	(331,124)	(325,391)	(319,658)	(313,925)	(308,192)
	65%	(83,895)	(83,173)	(82,451)	(81,729)	(81,007)	(80,286)	(79,564)
	70%	(2,264)	(1,546)	(829)	(112)	606	1,323	2,041

TABLE 8		Affordable Housing - % on site 100%						
Balance (RLV - BLV £ per acre)		70%	75%	80%	85%	90%	95%	100%
	16,350	33,211	27,179	21,147	15,115	9,083	3,051	(2,981)
	16,450	33,713	27,717	21,721	15,724	9,728	3,732	(2,264)
Grant (£ per unit)	16,550	34,215	28,255	22,295	16,334	10,374	4,414	(1,546)
	16,650	34,717	28,793	22,869	16,944	11,020	5,095	(829)
16,766	16,750	35,219	29,331	23,442	17,554	11,665	5,777	(112)
	16,850	35,722	29,869	24,016	18,164	12,311	6,459	606
	16,950	36,224	30,407	24,590	18,774	12,957	7,140	1,323
	17,050	36,726	30,945	25,164	19,383	13,603	7,822	2,041
	17,150	37,228	31,483	25,738	19,993	14,248	8,503	2,758
	17,250	37,731	32,021	26,312	20,603	14,894	9,185	3,476
	17,350	38,233	32,560	26,886	21,213	15,540	9,866	4,193

220707 Isle of Wight Residential Appraisals_R-U_v0.1 - (updated mix) - 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:	30% First Homes Discount	30% First Homes Discount	30% First Homes Discount	30% 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 (£)	£5,261,675	£1,445,144	£1,491,615	£4,854,140
GDV (£ per unit)	£150,334	£180,643	£186,452	£186,166
Total Cost (Excluding Land + Profit)	£14,814,851	£1,290,207	-£1,329,955	-£4,123,160
Cost (£ per unit)	£423,281	£161,276	-£166,244	-£164,926
Profit KPI's				
Developers Profit Total (£)	£855,558	£74,589	£81,312	£254,100
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)	16.26%	6.00%	6.00%	6.00%
Developers Profit (% on costs)	5.78%	5.78%	6.11%	6.16%
Land Value KPI's				
RLV (£/acre)	-£7,798,799	£80,940	£80,940	£80,939
RLV (£/ha)	-£19,270,832	£200,003	£200,003	£200,001
RLV Total (£)	-£8,993,055	£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]	-£7,923,799	£1	£1	£1
Surplus/Deficit (£/ha)	-£19,579,707	£3	£3	£3
Surplus/Deficit Total (£)	-£9,137,197	£1	£1	£1
Grant per unit	N/A	£25,249	£17,052	£16,766
Plan Viability comments	Not Viable	Viable with Grant	Viable with Grant	Viable with Grant

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S:_Client Projects\1807 Isle of Wight Whole Plan Viability Study_Isle of Wight Council\2204_LPV Consultation and Update_Appraisals_Island Wide\220707 Isle of Wight Residential Appraisals_R-U_v0.1 - (updated mix)

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